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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re	:	Chapter 11
Metaldyne Corporation, *et al.*,	:	Case No. 09-13412 (___)
Debtors.	:	(Jointly Administered)

MOTION OF DEBTORS AND DEBTORS IN POSSESSION FOR INTERIM AND FINAL ORDERS PURSUANT TO SECTIONS 361, 362, 363, 364 AND 510 OF THE BANKRUPTCY CODE AND RULE 4001 OF THE FEDERAL RULES OF BANKRUPTCY PROCEDURE (A) AUTHORIZING THE DEBTORS TO (I) USE CASH COLLATERAL OF THE PREPETITION SECURED LENDERS, (II) OBTAIN POSTPETITION FINANCING AND (III) PROVIDE ADEQUATE PROTECTION TO THE PREPETITION SECURED LENDERS, (B) AUTHORIZING DEBTORS TO ENTER INTO, AND APPROVING, AN ACCOMMODATION AGREEMENT WITH CERTAIN CUSTOMERS AND (C) PROVIDING NOTICE AND SCHEDULING FINAL HEARING

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TO THE HONORABLE
UNITED STATES BANKRUPTCY JUDGE:

Metaldyne Corporation and 30 of its domestic direct and indirect subsidiaries, as debtors and debtors in possession (collectively, the "Debtors"), respectfully represent as follows:

Preliminary Statement

1. As is described in greater detail below, the Metaldyne Companies are leading global manufacturers of highly engineered metal components for the global light vehicle market, market leaders for many of the products they sell and are among the 50 largest auto parts suppliers in North America. The Metaldyne Companies' (as defined below) products are used in cars, vans, sport-utility vehicles, light trucks, heavy trucks and other vehicles and provide content for the majority of the light vehicles manufactured in North America. The majority of the products manufactured by the Metaldyne Companies are sold directly to original equipment manufacturers ("OEMs"), and the Metaldyne Companies also make substantial amounts of sales to the OEMs' Tier I suppliers. The Metaldyne Companies' largest customers are Ford, Chrysler and General Motors (collectively, the "North American OEMs"), which accounted for approximately 43% of the Metaldyne Companies' 2008 direct sales.

2. After significant exploration of their options prepetition, the Debtors have determined that the best alternative for preserving and maximizing value for all stakeholders is to continue an expedited process for the sale of their businesses as going concerns. As discussed in greater detail below, during the months leading to the Petition Date (as defined below) the Debtors have made significant progress toward negotiating the terms of letters of intent for the sale of substantially all of the Debtors' businesses as going concerns. During this period, however, the Debtors experienced severe liquidity constraints that they were able to manage only through the support and cooperation of the Prepetition ABL Lenders (as defined below) and the

North American OEMs. In order to complete the Sale Processes (as defined below), the Debtors determined that it was necessary to file these chapter 11 cases and obtain postpetition financing to maintain liquidity sufficient to continue operating the Debtors' businesses during the period prior to the asset sales. After conducting an exhaustive search for postpetition financing from traditional lending sources, including the Prepetition Lenders (as defined below), however, the Debtors determined that it would not be possible to obtain financing necessary to successfully complete these chapter 11 cases from such sources alone.

3. The Debtors, therefore, sought a postpetition financing arrangement comprised of the following four distinct, but dependant, components: (a) financial accommodations from the North American OEMs; (b) the use of the Cash Collateral (as defined below); (c) debtor in possession financing provided by the DIP Lender (as defined below) and funded by the North American OEMs; and (d) the NCM Production Agreement.[1] After extensive negotiations with the North American OEMs, the Prepetition ABL Lenders and the DIP Lender, the Debtors were able to reach agreement on the terms of a multi-source postpetition financing arrangement that addresses the Debtors' liquidity needs during the Sale Processes. As described in greater detail below, none of the individual components of the Debtors' proposed postpetition financing arrangement is individually sufficient to address the Debtors' postpetition financing needs. As a result, the approval of each component described herein is a condition precedent to the effectiveness of the others, and all components are necessary to the success of the Debtors' chapter 11 cases.

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[1] Approval of the NCM Production Agreement is sought in a separate companion motion, filed contemporaneously herewith, entitled Motion of Debtors and Debtors in Possession, Pursuant to Sections 105(a), 363(b)(1) of the Bankruptcy Code, for an Order Authorizing Them to Enter Into Production Agreement With Chrysler (the "NCM Motion").

4. In addition, the terms of the Interim Order (as defined below) make it clear that the liens granted in connection with the DIP Facility (as defined below) and the use of Cash Collateral do not impair, in any way, the liens of the Prepetition Term Lenders (as defined below) in the Prepetition Term Priority Collateral. In fact, the parties to the financing arrangements described herein went to great lengths to ensure that the collateral rights of the Prepetition Term Lenders under the Interim Order remain consistent with the Prepetition Term Lenders' collateral rights as set forth in the First Priority Intercreditor Agreement (as defined below). The relative rights of the parties with respect to the collateral pledged in connection with the Interim Order are summarized, for the Court's convenience, in the lien priority chart attached hereto as Exhibit A.

5. Immediate approval of the Accommodation Agreement (as defined below), the DIP Facility (as defined below) and the NCM Production Agreement, and the use of Cash Collateral is, therefore, necessary to the success of these chapter 11 cases. These sources of financing will provide the Debtors with working capital during these chapter 11 cases to provide customers, employees, vendors, suppliers and other key constituencies with confidence that the Debtors have sufficient resources available to maintain their operations in the ordinary course and to successfully conclude the Sale Processes. Absent the immediate approval of this financing arrangement, the Debtors' ability to maximize the value of their estates would be jeopardized and the Debtors could be quickly forced to cease all business operations and thereby risk the loss of their going concern value to the direct detriment of all parties in interest.

Background

6. On May 27, 2009 (the "Petition Date"), the Debtors commenced their reorganization cases through the filing of voluntary petitions for relief under chapter 11 of

title 11 of the United States Code (the "Bankruptcy Code"). The Debtors have requested that their chapter 11 cases be consolidated for procedural purposes only and administered jointly.

7. The Debtors are authorized to continue to operate their business and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

8. Metaldyne Corporation ("Metaldyne") is a wholly-owned subsidiary of Metaldyne Holdings LLC ("Metaldyne Holdings"). On January 11, 2007, in connection with a plan of merger, Asahi Tec Corporation ("Asahi Tec"), a Japanese corporation, acquired the shares of Metaldyne. On the same date, Asahi Tec contributed those shares to Metaldyne Holdings, and Asahi Tec thereby became the indirect parent of Metaldyne and the other Debtors. RHJ International S.A. ("RHJI"), a corporation formed under the laws of Belgium and listed on the Euronext exchange, presently holds approximately 60.1% of the outstanding capital stock of Asahi Tec.

9. Debtor MD Products Corp. ("MD Products") is a New York corporation. Metaldyne is the direct or indirect parent of MD Products, each of the other Debtors and each of the Debtors' nondebtor subsidiaries (collectively, the "Metaldyne Companies"). Metaldyne maintains its corporate headquarters in Plymouth, Michigan. The Debtors own or lease 23 different properties, including 14 domestic manufacturing facilities in six states, and also have manufacturing and business operations in more than 10 foreign countries in North America, Europe, South America and Asia.

10. The Metaldyne Companies are leading global manufacturers of highly engineered metal components for the global light vehicle market, market leaders for many of the products they sell and are among the 50 largest auto parts suppliers in North America. The

Metaldyne Companies operate through two business units, the Powertrain segment and the Chassis segment. The Powertrain segment manufactures a range of products for engine and transmission applications, including sintered powder metal engine connecting rods and engine bearing caps, aluminum transmission valve bodies, transmission clutch modules, engine balance shaft modules, transmission differential assemblies, engine crankshaft dampers, engine tubular fabricated exhaust manifolds, front engine cover assemblies and transmission end cover assemblies. The Chassis segment manufactures components, modules and systems, including wheel-ends, knuckles and mini-corner assemblies, and utilizes a variety of machining and assembly processes.

11. The Metaldyne Companies' products are used in cars, vans, sport-utility vehicles, light trucks, heavy trucks and other vehicles and provide content for the majority of the light vehicles manufactured in North America. The majority of the products manufactured by the Metaldyne Companies are sold directly to OEMs, but the Metaldyne Companies also make substantial amounts of sales to the OEMs' Tier I suppliers. The Metaldyne Companies' largest customers are the North American OEMs, which accounted for approximately 43% of the Metaldyne Companies' 2008 direct sales. If "indirect sales" — the sales of parts that are made to Tier I suppliers that are incorporated into products and assemblies that are then sold to the North American OEMs — were added to the direct sales made to the North American OEMs, these entities ultimately would have accounted for well over 60% of the Metaldyne Companies' 2008 sales.

12. The Metaldyne Companies went into and emerged from their merger transaction with Asahi Tec as highly-leveraged entities. To ameliorate the effects of such continuing leverage, in early 2008 the Debtors developed and began to implement an internal

restructuring that was designed to excise costs, increase revenues and enhance operational efficiencies. Prior to the Petition Date, the Debtors had implemented several phases of that plan, which resulted in cost savings of approximately $60 million per year (in addition to $40 million in annual interest savings obtained through the Tender Offer transaction described below).

13. Due to the precipitous reduction in production levels by the North American OEMs in 2008 and the tightening of consumer and wholesale financing for the OEMs' vehicles, the Debtors experienced liquidity pressures in the Summer and Fall of 2008. These problems were exacerbated by the constraints placed upon the Debtors by their own debt service obligations. After reaching a series of agreements with Asahi Tec, RHJI and the North American OEMs, among other parties, on October 29, 2008, the Debtors launched a cash tender offer (the "Tender Offer") for the outstanding 11% senior subordinated notes due 2012 and 10% senior notes due 2013 (collectively, the "Notes"). The Tender Offer consideration to be paid by the Debtors was significantly less than the par value of the Notes. The Tender Offer, which was accepted by over 90% of the eligible noteholders, was completed on November 28, 2008 and resulted in the retirement of over $350 million in debt, or approximately 40% of the aggregate long-term debt of the Debtors that was outstanding at the time. Cash for the Tender Offer was received from Asahi Tec (after Asahi Tec received such cash through an equity investment by RHJI) and from the North American OEMs in exchange for the issuance of $60 million in new notes to the North American OEMs by Metaldyne. In addition, as part of the Tender Offer, the Notes, which had been secured, became unsecured obligations of the Debtors.

14. While the completion of the Tender Offer provided the Debtors with a brief respite from liquidity pressures, the extended holiday shutdowns of the Debtors' North American OEM customers and the continued historic difficulties in the North American

automotive industry quickly eroded the Debtors' liquidity in December 2008 and early 2009. As has been widely reported, North American vehicle production has dropped nearly in half, with over 15 million units produced in each year between 2004 and 2007, approximately 12.6 million units produced in 2008 and only 1.7 million units produced in the first quarter of 2009. Key industry analysts are projecting production of approximately 8 million units for 2009.

15. Reacting to these unprecedented figures, in early 2009, the Metaldyne Companies implemented a new round of internal restructuring initiatives and began exploring options to further refinance and/or de-lever the Metaldyne Companies. Specifically, the Debtors sought additional capital from various sources, including private equity firms, RHJI and the Debtors' senior secured lenders. While various entities explored options for making a capital investment into the Debtors, ultimately none of the entities approached by the Metaldyne Companies were willing to make a direct investment in the companies or enter into a re-financing transaction; however, certain such entities expressed a desire to purchase certain assets or businesses from the Debtors pursuant to a sale under section 363 of the Bankruptcy Code. The Debtors' efforts, thus, were refocused upon negotiating with potential purchasers in an effort to arrange a sale of the company as a whole or a sale of one or more business units on a going concern basis.

16. The Debtors received interest from various parties for the purchase of certain of the assets of their Chassis segment and interest from other parties for the purchase of a majority of the assets of their Powertrain segment. The Debtors have entered into or are finalizing letters of intent to sell these two groups of assets and are negotiating the terms of an asset purchase agreement for the sale of one business and will commence negotiations for an asset purchase agreement for the other business once the indications of interest are resolved. The

Debtors anticipate that they shortly will file one or more motions to approve the establishment of an auction process or processes and bid procedures to consummate these sales (collectively, the "Sale Processes").

17. In addition, as described in greater detail below, the Debtors have negotiated the terms of a debtor in possession financing facility provided by Deutsche Bank A.G., New York ("DBNY") (as agent and lender) in which the North American OEMs will purchase 100% economic subordinated participations pursuant to the Participation Agreement (as defined below), and have obtained the agreement of the Prepetition ABL Lenders (as defined below) to such facility. The Debtors expect this postpetition financing facility will provide them with sufficient funding to complete expedited Sales Processes in these cases notwithstanding current industry turmoil and the recent commencement of chapter 11 cases by Chrysler LLC. The Debtors believe that the institution of these chapter 11 cases and the consummation of the Sale Processes for the majority of their operating assets will allow the vast majority of their business operations to continue, thus preserving jobs, maximizing value to stakeholders and preventing additional turmoil in a sector of the economy that can ill afford it at this time.

18. For the fiscal year ended March 29, 2008, the Metaldyne Companies recorded annual revenue of approximately $1.32 billion, of which approximately $782 million was from sales of the Debtors. As of March 29, 2008, utilizing book values, the Metaldyne Companies had assets of approximately $977 million and liabilities of approximately $927 million. As of the Petition Date, the Metaldyne Companies have approximately 4,450 employees, of which approximately 2,500 are employees of the Debtors.

Prepetition Indebtedness

The Prepetition Term Credit Agreement

19. Debtor Metaldyne Company LLC ("Metaldyne Company") is a borrower under a senior secured credit facility (as amended, the "Prepetition Term Credit Agreement") pursuant to the Credit Agreement, dated as of January 11, 2007, among Metaldyne Company, Debtor Metaldyne Intermediate Holdco, Inc. ("Metaldyne Intermediate"), The Bank of New York Mellon ("BONYM" or the "Prepetition Term Agent") (as administrative agent and collateral agent)[2], Citicorp North America, Inc. (as syndication agent), Deutsche Bank Securities Inc. (as documentation agent) and the other lender parties thereto (collectively, the "Prepetition Term Lenders").[3] Twenty-four of the other Debtors are guarantors under the Prepetition Term Credit Agreement (the "Subsidiary Guarantors").[4]

20. On October 29, 2008, in connection with the Tender Offer, Metaldyne Company and Metaldyne Intermediate entered into an agreement with the Prepetition Term Lenders to amend such credit agreements to ease certain covenants, increase the interest rates in certain circumstances, provide additional security to the lenders and make certain other changes.

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2 BONYM is in the process of taking over as successor agent to JP Morgan Chase, N.A.; the Debtors are presently unaware if that transition is completed. The Debtors understand that JP Morgan Chase will continue to serve as agent for the letter of credit facility under the Prepetition Term Credit Agreement.

3 Metaldyne Company is a wholly-owned subsidiary of Metaldyne Intermediate. Metaldyne Intermediate is a wholly-owned subsidiary of Metaldyne.

4 The Subsidiary Guarantors are: ER Acquisition Corp.; Metaldyne Tubular Products, Inc.; W.C. McCurdy Co.; Halyard Aviation Services, Inc.; Metaldyne Europe, Inc.; NC-M Chassis Systems, LLC; MASG Disposition, Inc.; Metaldyne Services, Inc.; Metaldyne Machining and Assembly Company, Inc.; Precision Headed Products, Inc.; Metaldyne Sintered Components St. Marys, Inc. (f/k/a Windfall Products, Inc.); Metaldyne Asia, Inc.; Punchcraft Company; Metaldyne Sintered Components, LLC; Metaldyne Sintered Components of Indiana, Inc.; GMTI Holding Company; Metaldyne Precision Forming - Fort Wayne, Inc.; MASX Energy Services Group, Inc.; Metaldyne Light Metals Company, Inc.; Stahl International, Inc.; Metaldyne U.S. Holding Co.; Metaldyne DuPage Die Casting Corporation; Metaldyne Lester Precision Die Casting, Inc.; and Windfall Specialty Powders, Inc.

21. The Prepetition Term Credit Agreement has a seven-year term loan component (the "Secured Term Loan"), and all amounts outstanding thereunder mature on January 11, 2014. The Secured Term Loan and other indebtedness outstanding under the Prepetition Term Credit Agreement may become due prior to the maturity date thereunder if the Metaldyne Company or the Subsidiary Guarantors fail to comply with the conditions set forth in the Prepetition Term Credit Agreement. Borrowings under the Secured Term Loan presently bear interest at a rate per annum equal to, at the option of Metaldyne Company, the sum of (a) either (i) the London Interbank Offered Rate ("LIBO Rate"), based on a 1, 2 or 3 month interest period as selected by the borrower or (ii) the "ABR Rate"[5] plus (a) the "Applicable Margin,"[6] plus (c) default interest of 2.00% plus (d) paid in kind interest of 1.00%.[7] On the Petition Date, the principal amount outstanding under the Secured Term Loan portion of the Prepetition Term Credit Agreement was $408 million.

22. The Prepetition Term Credit Agreement also contains a revolving credit facility that provided for revolving credit loans (the "DF Revolving Credit Loans") up to $10.0 million and a synthetic letter of credit facility pursuant to which the Debtors may request letters of credit for the benefit of third parties up to $60.0 million (less the amount of the DF Revolving Credit Loans outstanding). As of the Petition Date, $10 million in principal amount had been borrowed as DF Revolving Credit Loans. The DF Revolving Credit Loans bear

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5 The "ABR Rate" is the greatest of (a) the prime rate, (b) the federal funds rate plus 0.5% or (c) one-month LIBO Rate plus 1.0%.

6 The "Applicable Margin" for LIBO Rate loans is currently 3.50% and the Applicable Margin for ABR Rate loans is currently 2.50%, but may increase depending upon the leverage ratio submitted by the borrowers under the Prepetition Term Credit Agreement.

7 The amount of paid in kind interest charged can range from 1.00% to 2.00% based upon the leverage ratio submitted by the borrowers under the Prepetition Term Credit Agreement.

interest, for each borrowing, at the same rate as the Secured Term Loan. The DF Revolving Credit Loans mature on January 11, 2012, and any issued but not disbursed letters of credit expire on the same date.

23. Shortly before the Petition Date, the beneficiary under a letter of credit in the amount of approximately $9.7 million that was issued under the Prepetition Term Credit Agreement made a drawing under such letter of credit, and the amount of the drawing now represents a reimbursement obligation of the Debtors to the Prepetition Term Agent under the facility. This obligation bears interest at the ABR Rate plus (a) 2.50%, (b) a default rate of 2.00% and (c) paid in kind interest of 1.00%. An additional $38.6 million in undrawn letters of credit issued have been issued, which, if drawn, increase the amounts to be repaid under the Prepetition Term Credit Agreement.

24. To secure the obligations under the Prepetition Term Credit Agreement (the "Prepetition Term Loan Obligations") Metaldyne Intermediate, Metaldyne Company and the Subsidiary Guarantors entered into (a) a Security Agreement dated January 11, 2007 and (b) a Pledge Agreement dated January 11, 2007, pursuant to which such parties granted BONYM, as agent and for the benefit of the Prepetition Term Lenders, security interests in substantially all of their personal tangible and intangible property (subject to certain exceptions including, among other things, the limitation of security interests to 65% of such entities' equity interests in their first-tier foreign subsidiaries) (collectively, the "Common Collateral"). Moreover, to further secure the Prepetition Term Loan Obligations, BONYM, as agent and for the benefit of the Prepetition Term Lenders, obtained a first-priority mortgage upon the Debtors' three facilities located in New Castle, Indiana; Greenville, North Carolina; and Farmington Hills, Michigan (the

"Mortgaged Facilities" and together with the Common Collateral, the "Prepetition Collateral").[8] Two intercreditor agreements (discussed below) govern the relative priorities of the Prepetition Term Credit Agreement obligations and the Debtors' other secured debt with respect to the Common Collateral.

The Prepetition ABL Credit Agreement

25. Metaldyne Company also is a borrower under a revolving credit facility (as amended, the "Prepetition ABL Credit Agreement" and, together with the Prepetition Term Credit Agreement, the "Prepetition Credit Facilities") pursuant to the ABL Credit Agreement, dated as of January 11, 2007, among Metaldyne Company, Metaldyne Intermediate, DBNY (in such capacity, the "Prepetition ABL Agent" and, together with the Prepetition Term Agent, the "Prepetition Agents") (as administrative agent and collateral agent), JPMorgan Chase Bank, N.A. (as syndication agent) and Citicorp North America, Inc. and Wachovia Capital Finance Corporation (Central) (as co-documentation agents) and the other lender parties thereto (the "Prepetition ABL Lenders" and together with the Prepetition Term Lenders, the "Prepetition Lenders"). The Subsidiary Guarantors also are guarantors under the Prepetition ABL Credit Agreement.

26. On October 29, 2008, in connection with the Tender Offer, Metaldyne Company and Metaldyne Intermediate entered into an amendment of the Prepetition ABL Credit Agreement with the Prepetition ABL Lenders to ease certain covenants, increase the interest rates, provide additional security to the Prepetition ABL Lenders, reduce availability of revolving commitments and make certain other changes.

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[8] The Greenville, North Carolina facility was sold in September 2008, and the mortgage was released.

27. The Prepetition ABL Credit Agreement was amended as of April 22, 2009 pursuant to a Forbearance Agreement and Second Amendment to Credit Agreement, and in connection therewith the commitments of the Prepetition ABL Lenders were reduced to an aggregate amount equal to $55,000,000. The Prepetition ABL Credit Agreement was further amended as of May 21, 2009 to (a) reduce the original revolving loan commitments by an additional $20,000,000 and (b) provide for additional commitments (the "Incremental Loan Commitment") up to a maximum amount of $6,491,000. DBNY, who is one of the Prepetition ABL Lenders (in such capacity, the "Incremental Loan Lender"), agreed to provide the Incremental Loan Commitment and extend loans (the "Incremental Loans") under the Prepetition ABL Agreement. As a result, the aggregate amount of commitments under the Prepetition ABL Credit Agreement, after taking into account the Incremental Loan Commitment, remained less than the original total commitment. The Incremental Loan Lender and North American OEMs entered into a Subordinated Participation Agreement (the "Participation Agreement") as of May 21, 2009, pursuant to which the Incremental Loan Lender sold an economic participation in the Incremental Loans to the North American OEMs.

28. Loans under the Prepetition ABL Credit Agreement mature on January 11, 2012, and any issued but not disbursed letters of credit expire on the same date. Borrowings (other than the Incremental Loans) under the Prepetition ABL Credit Agreement currently bear interest, for each borrowing, at a rate equal to, at the option of Metaldyne Company, the sum of (i) either (a) the LIBO Rate or (b) the ABR Rate plus (ii) the "Applicable Margin" for the Prepetition ABL Credit Agreement.[9] Incremental Loans under the Prepetition ABL Credit

[9] The "Applicable Margin" for the Prepetition ABL Agreement is 3.25% for LIBO Rate loans and 2.25% for ABR Rate loans.

Agreement currently bear interest at a rate equal to ABR plus 2.00% per annum. The principal amount outstanding under the Prepetition ABL Credit Agreement as of the Petition Date was approximately $35.49 million, consisting of approximately $29 million in revolving loans and $6.49 million in Incremental Loans. Borrowings under the Prepetition ABL Credit Agreement have been used for Metaldyne's working capital and other general corporate purposes, including capital expenditures. Despite the Debtors' having been in default under the Prepetition ABL Credit Agreement prior to the Petition Date, DBNY and the Prepetition ABL Lenders have continued to work with the Debtors to ensure that the Debtors had sufficient working capital to continue operating through the filing of these cases.

29. To secure the obligations under the Prepetition ABL Credit Agreement (the "Prepetition ABL Obligations" and together with the Prepetition Term Loan Obligations, the "Prepetition Obligations"), Metaldyne Intermediate, Metaldyne Company and the Subsidiary Guarantors entered into (a) a Security Agreement dated January 11, 2007 and (b) a Pledge Agreement dated January 11, 2007, pursuant to which such parties granted DBNY, as agent and for the benefit of the Prepetition ABL Lenders, security interests in the Common Collateral. In addition, to secure the Prepetition ABL Obligations, DBNY, as agent and for the benefit of the Prepetition ABL Lenders, obtained a second-priority mortgage upon the Mortgaged Facilities. Two intercreditor agreements (discussed below) govern the relative priorities of the Prepetition ABL Credit Agreement obligations and the Debtors' other secured debt with respect to the Common Collateral.

The 2013 Notes

30. Metaldyne is borrower under the Indenture (as supplemented, the "2013 Agreement"), dated as of October 27, 2003, by and among Metaldyne (as Issuer), each of the guarantors named therein and The Bank of New York Mellon Trust Company, N.A.

("BONYTC") (as Indenture Trustee), as supplemented by the First Supplemental Indenture, dated December 18, 2006, the Second Supplemental Indenture, dated as of January 11, 2007, and the Third Supplemental Indenture, dated as of November 25, 2008, with respect to the 10% senior notes due November 1, 2013 in the original aggregate principal amount of $142.2 million, with interest due bi-annually (the "2013 Notes"). The Subsidiary Guarantors are the guarantors under the 2013 Agreement.

31. Although the obligations under the 2013 Notes were secured prior to the Tender Offer and related consent solicitation, the collateral securing the 2013 Notes was released pursuant to the Third Supplemental Indenture executed in connection with the Tender Offer and related consent solicitation. In addition, as described above, the overwhelming majority of the 2013 Notes were extinguished as a part of the Tender Offer transaction. Accordingly, the 2013 Notes are now unsecured obligations, of which approximately $1.49 million in principal amount is outstanding as of the Petition Date.

The 2012 Notes

32. Metaldyne is borrower under the Indenture (as supplemented, the "2012 Agreement"), dated as of June 20, 2002, between Metaldyne (as Issuer), each of the guarantors named therein and BONYTC (as Indenture Trustee), as supplemented by the First Supplemental Indenture, dated December 18, 2006, the Second Supplemental Indenture, dated as of January 11, 2007, and the Third Supplemental Indenture, dated as of November 25, 2008, with respect to the 11% senior subordinated notes due June 15, 2012 in the original aggregate principal amount of $250 million, with interest due bi-annually (the "2012 Notes"). Section 10 of the 2012 Agreement subordinates the 2012 Subordinated Note obligations to obligations under the 2013 Notes, the Prepetition Term Credit Agreement and the Prepetition ABL Credit Agreement.

33. Although the obligations under the 2012 Notes were secured prior to the Tender Offer and related consent solicitation, the collateral securing the 2012 Notes was released pursuant to the Third Supplemental Indenture in connection with the Tender Offer and related consent solicitation. In addition, as described above, most of the 2012 Notes were extinguished as a part of the Tender Offer transaction. Accordingly, the 2012 Notes are now unsecured obligations, of which approximately $29.3 million in principal amount is outstanding as of the Petition Date.

The Intercreditor Agreements

34. In connection with certain of the Debtors' entry into the Prepetition Term Credit Agreement and the Prepetition ABL Credit Agreement, to establish their relative rights and priorities, the various secured lenders of the Debtors entered into that certain Three Priority Intercreditor Agreement, dated January 11, 2007, among the Prepetition Term Agent; DBNY, as collateral agent under the Prepetition ABL Credit Agreement; BONYTC, as collateral agent and trustee for the 2013 Notes; BONYTC, as collateral agent and trustee for the 2012 Notes; Metaldyne Company; and Metaldyne, for itself and for certain others of the Debtors (the "Three Priority Intercreditor Agreement"). Pursuant to the Three Priority Intercreditor Agreement, the secured parties were granted relative priorities in the non-real property collateral that they had in common, as follows: the Prepetition Term Agent and DBNY were jointly granted first priority for the Prepetition Term Lenders and the Prepetition ABL Lenders; BONYTC, was granted second priority for the 2013 Notes; and BONYTC was granted third priority for the 2012 Notes. Pursuant to the release of collateral in connection with the Tender Offer and related consent solicitation, however, the 2013 Notes and the 2012 Notes are now unsecured obligations and are no longer entitled to share in any collateral of the Prepetition ABL Lenders or the Prepetition Term Lenders.

35. A second intercreditor agreement (the "First Priority Intercreditor Agreement"), dated as of January 11, 2007, was entered into by BONYM, as successor to JPMorgan Chase Bank, N.A., as administrative agent under the Prepetition Term Credit Agreement, and DBNY, as administrative agent under the Prepetition ABL Credit Agreement, Metaldyne Intermediate and Metaldyne Company. The First Priority Intercreditor Agreement distinguishes the relative priorities of the Prepetition ABL Lenders under the Prepetition ABL Credit Agreement and the Prepetition Term Lenders under the Prepetition Term Credit Agreement with respect to Common Collateral. The First Priority Intercreditor Agreement provides that the Prepetition ABL Lenders have a first-priority security interest in Common Collateral constituting accounts, chattel paper representing accounts, deposit accounts and related property, inventory and certain related collateral, including the proceeds of the foregoing (collectively, the "Prepetition ABL Priority Collateral"). The Prepetition Term Lenders have a second-priority security interest on the Prepetition ABL Priority Collateral. The Prepetition Term Lenders have a first-priority security interest, and the Prepetition ABL Lenders have a second-priority security interest, in the remaining Common Collateral (the "Prepetition Term Priority Collateral").

The Customer Notes

36. In November 2008, in connection with the Tender Offer transaction, Metaldyne issued three promissory notes in the aggregate amount of $60 million (collectively, the "Customer Notes"): (a) a note in the amount of $27.5 million, payable to Chrysler LLC; (b) a note in the amount of $22.75 million, payable to Ford Motor Company; and (c) a note in the amount of $9.75 million, payable to General Motors Corporation. The Customer Notes mature and are payable, together with all accrued interest, on April 15, 2014. Interest under the Customer Notes accrues at a rate of 5% per annum, accrues throughout the term of the notes and

is payable at the maturity of the notes. Each holder of a Customer Note has agreed under the terms of the notes to waive rights of setoff or recoupment that it might have that would permit it to setoff accounts receivable owed to the Metaldyne Companies against the amounts owed by Metaldyne under the Customer Notes.

37. The Customer Notes are secured by a pledge of 100% of the stock of Metaldyne Intermediate, the direct subsidiary of Metaldyne and the parent of Metaldyne Company. Because Metaldyne Intermediate has no assets other than 100% of the equity of Metaldyne Company LLC and because the Debtors believe that Metaldyne Intermediate is insolvent as of the Petition Date, the Debtors believe that the Customer Notes are, in essence, unsecured obligations of Metaldyne.

Jurisdiction

38. This Court has subject matter jurisdiction to consider this matter pursuant to 28 U.S.C. § 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

Relief Requested

39. By this Motion, pursuant to sections 105, 362, 363, 364, 507 and 510(a) of the Bankruptcy Code, Rules 4001 and 9014 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules") and Rule 4001-2 of the Local Bankruptcy Rules for the United States Bankruptcy Court for the Southern District of New York (the "Local Bankruptcy Rules"), the Debtors respectfully seek:

a. authority to obtain credit and incur debt pursuant to sections 363 and 364(c)(1), (2), (3) and (d)(1) of the Bankruptcy Code, in the form of a secured, superpriority credit facility (the "DIP Facility", and any loans or other extensions of

credit thereunder, the "DIP Loans") provided by DBNY as agent (in such capacity, the "DIP Agent") and as lender (in such capacity, the "DIP Lender"):[10] (i) on an interim basis, during the period (the "Interim Period") from the Petition Date through and including the date of entry of a Final Order (as defined below), up to a maximum principal amount of $11,700,000; and (ii) upon entry of the Final Order, up to a maximum principal amount of $18,508,789. The terms of the DIP Facility are set forth in the Interim Order attached hereto as Exhibit J (the "Interim Order") and in the DIP Facility terms sheet attached hereto as Exhibit B (the "DIP Terms").

b. authority to use proceeds of the DIP Facility in accordance with the 13-week consolidated cash flow forecast prepared by the Debtors and annexed hereto as Exhibit C (as updated from time to time, subject to the approval of the Prepetition ABL Agent, the DIP Agent and the North American OEMs, the "Budget"), and as otherwise provided in the Interim Order, including to repay the Prepetition ABL Obligations to the extent set forth in the Interim Order.

c. authority to grant to the DIP Agent for the benefit of the DIP Lender (collectively, the "DIP Secured Parties"), as security for repayment of the DIP Obligations (as defined in the Interim Order), in accordance with the relative priorities among the liens securing the DIP Facility, the liens securing the Prepetition Credit Facilities and the Adequate Protection Replacement Liens (as defined below), in each case as subject to the Carve-Out (as defined below):

i. pursuant to section 364(c)(1) of the Bankruptcy Code, an allowed superpriority administrative claim having recourse to all prepetition and postpetition assets and property of the Debtors' estates and proceeds thereof, including, for the avoidance, of doubt all Unencumbered Foreign Stock (as defined below) and, to the extent avoided, the Specified Mortgages (as defined below), but excluding the Debtors' claims and causes of action under sections 502(d), 544, 545, 547, 548, 549, 550 and 553 of the Bankruptcy Code, and any other avoidance or similar action under the Bankruptcy Code or similar state law, and the proceeds thereof, whether received by judgment, settlement or otherwise (the "Avoidance Actions");

ii. pursuant to section 364(c)(2) of the Bankruptcy Code, a valid, enforceable, perfected and non-avoidable lien on all assets and property of the Debtors (now owned or hereafter acquired) that were not encumbered by valid, enforceable, perfected and non-avoidable liens as of the Petition Date, other than (i) Avoidance Actions and (ii) thirty-five percent (35%) of the equity interests (collectively, the "Unencumbered Foreign Stock") of the Debtors in their

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10 The North American OEMs will purchase upon entry of the Interim Order a one hundred percent (100%) fully subordinated, last-out participation in the DIP Facility pursuant to the Participation Agreement (the "Subordinated Participations"), and the DIP Lender shall have no obligation to fund DIP Loans unless and until the North American OEMs' participation in such DIP Loans has been fully funded by the North American OEMs and made immediately available to the DIP Agent.

wholly-owned direct foreign subsidiaries, and proceeds thereof (collectively, all such unencumbered assets and property, other than the Unencumbered Foreign Stock and Avoidance Actions, the "Unencumbered Collateral"), *pari passu* with the Adequate Protection Replacement Liens thereon in favor of the Prepetition ABL Secured Parties (as defined in the Interim Order);

iii. pursuant to section 364(c)(3) of the Bankruptcy Code, a valid, enforceable, perfected and non-avoidable lien on all assets and property of the Debtors (now owned or hereafter acquired) and proceeds thereof which, in the case of liens on assets or property (x) comprising Prepetition Term Priority Collateral, shall be (A) junior and subject to (1) the Prepetition Liens (as defined Interim Order) and the Adequate Protection Replacement Liens thereon in favor of, in each case, the Prepetition Term Secured Parties (as defined in the Interim Order) and (2) Third Party Liens (as defined below) that were, as of the Petition Date, senior and prior to the Prepetition Liens on the Prepetition Term Priority Collateral of the Prepetition Term Secured Parties, and (B) *pari passu* with the Prepetition Liens and the Adequate Protection Replacement Liens thereon in favor of, in each case, the Prepetition ABL Secured Parties, and (y) that were, as of the Petition Date, encumbered only by Third Party Liens, shall be junior and subject to such Third Party Liens;[11]

iv. pursuant to sections 364(d)(l) and 510(a) of the Bankruptcy Code, a valid, perfected, enforceable and non-avoidable priming lien on all DIP Collateral (as defined in the Interim Order) (x) which, in the case of liens on all DIP Collateral other than Prepetition Term Priority Collateral and the Unencumbered Collateral, shall be (A) *pari passu* with the Prepetition Liens and the Adequate Protection Replacement Liens thereon in favor of, in each case, the Prepetition ABL Secured Parties, and (B) senior and prior to the Prepetition Liens and the Adequate Protection Replacement Liens thereon in favor of, in each case, the Prepetition Term Secured Parties and all Third Party Liens thereon which were junior and subject to the Prepetition Liens of the Prepetition Term Secured Parties as of the Petition Date, and (y) comprising Prepetition Term Priority Collateral, which liens shall be (A) junior and subject to the Prepetition Liens and the Adequate Protection Replacement Liens thereon in favor of, in each case, the Prepetition Term Secured Parties, and all Third Party Liens thereon which were, as of the Petition Date, senior and prior to the Prepetition Liens of the Prepetition Term Secured Parties, (B) *pari passu* with the Prepetition Liens and the Adequate Protection Replacement Liens thereon in favor of, in each case, the Prepetition ABL Secured Parties and (C) senior and prior to all Third Party Liens thereon

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[11] As used herein, "Third Party Liens" means all liens on the Debtors' assets or property of any parties (the "Third Party Lienholders") other than the Prepetition Secured Parties (as defined in the Interim Order) that were valid, enforceable, perfected and non-avoidable as of the Petition Date (or perfected subsequent to the Petition Date as permitted by Section 546(b) of the Bankruptcy Code).

which, as of the Petition Date, were junior and subject to the Prepetition Liens thereon of the Prepetition ABL Secured Parties.

d. enforcing the terms of the First Priority Intercreditor Agreement pursuant to section 510(a) of the Bankruptcy Code.

e. authority to use, during the Interim Period, the Cash Collateral in which the Prepetition Secured Parties have an interest including, in the case of the proceeds of Prepetition ABL Priority Collateral, to permanently and indefeasibly repay Prepetition ABL Obligations as and to the fullest extent set forth in the Interim Order.

f. authority to grant, as of the Petition Date, Adequate Protection Superpriority Claims (as defined below) and Adequate Protection Replacement Liens, to the extent of and as compensation for any Diminution in Value (as defined in the Interim Order), to the Prepetition Agents for the benefit of the Prepetition Secured Parties, in each case in accordance with the relative priorities among the claims for and liens securing repayment of the DIP Loans and the Prepetition Credit Facilities, as set forth more fully below, and subject to the Carve-Out.

g. modification of the automatic stay imposed by section 362 of the Bankruptcy Code to the extent necessary to implement and effectuate the terms and provisions of the Interim Order.

h. approval of the Accommodation Agreement (as defined below) substantially in the form attached hereto as Exhibit D.

i. the scheduling of a final hearing (the "Final Hearing") to consider entry of an order (the "Final Order") granting the relief requested in the Motion on a final basis and approving the form of notice with respect to the Final Hearing and the transactions contemplated by the Motion.

j. the waiving of any applicable stay (including under Rule 6004 of the Federal Rules of Bankruptcy Procedure) and providing for immediate effectiveness of the Interim Order.

The Debtors' Urgent Need for Postpetition Financing

40. It is essential that the Debtors obtain immediate postpetition financing and authority to use the Prepetition Lenders' cash collateral (the Prepetition ABL Priority Collateral, the "Cash Collateral"). This relief is essential to the Debtors' efforts to continue their ordinary course, day-to-day operations, provide goods to their customers, effect the Sales Processes and maximize value to stakeholders. See Affidavit of Terry Iwasaki in Support of the Motion at ¶ 26 (the "Iwasaki Affidavit"), attached hereto as Exhibit E.

41. In the highly challenging automotive environment in which the Metaldyne Companies have found themselves in the past several years, the Metaldyne Companies' revenues have recently suffered sharp declines, and the Debtors' operations in the United States have been particularly hard hit. The Debtors' sales have fallen by 25%, comparing revenues for the fiscal year ended March 31, 2008 with the fiscal year ended March 31, 2009. The Debtors' preliminary views of the current fiscal year (ending March 31, 2010) project similar deterioration on a year-over-year basis. See Affidavit of Thomas A. Amato in Support of the First-Day Pleadings at ¶ 71.

42. In light of such deterioration, the Debtors sought out of court restructuring recapitalization opportunities. It soon became apparent, however, that the Debtors' best alternative for preserving and maximizing value for their constituents was selling their businesses as going concerns. Hence, after a lengthy marketing process, the Debtors have entered into a letter of intent, and are currently negotiating a purchase agreement, for the sale of most of their chassis business. The Debtors are also negotiating letters of intent for the sale of their powertrain business. All three letters contemplate going concern sales to maximize the value of the estates. In order to complete the negotiation process and effect sales that preserve the going concern value of their businesses and maximize recoveries for their creditors, the Debtors must maintain liquidity sufficient to operate the Debtors' businesses and to fund the Sale Processes. Immediate access to postpetition financing and the use of Cash Collateral is necessary, therefore, to provide working capital during these chapter 11 cases to provide customers, employees, vendors, suppliers and other key constituencies with confidence that the Debtors have sufficient resources available to maintain their operations in the ordinary course. See Iwasaki Affidavit at ¶ 27. Absent access to postpetition financing and the ability to use Cash

Collateral immediately, not only would the Debtors' ability to maximize the value of their estates be jeopardized, but the Debtors also could be forced to cease all business operations in the short term and, thereby, risk the loss of their going concern value to the direct detriment of all parties in interest. See id.

43. Accordingly, without the immediate access to postpetition financing and the ability to use Cash Collateral, the Debtors could suffer substantial and irreparable harm, which could threaten their ability to maximize value for stakeholders. By contrast, if the relief sought in this Motion is approved, the Debtors' ability to minimize disruption to their business operations, instill confidence in their various stakeholders and successfully complete the Sale Processes will be substantially enhanced. The Debtors' need for postpetition financing and the use of Cash Collateral, therefore, is urgent. In addition, because the Debtors lack sufficient unencumbered funds to meet their imminent expenses necessary for a smooth transition to chapter 11, it is essential that they obtain interim financing under the terms set forth in the Interim Order before the Court conducts the Final Hearing. See id. at ¶ 28.

The Proposed Debtor in Possession Financing Facility

44. The Debtors have determined, in the exercise of their sound business judgment, that they require the use of Cash Collateral and postpetition financing to meet their ongoing working capital and general business needs. The Debtors also require sufficient liquidity to continue the comprehensive process for the sale of their assets that they began prepetition. The terms set forth in the Interim Order will reasonably address the Debtors' near term liquidity requirements and constitute the best alternative available under the circumstances. As discussed in greater detail below, the Debtors sought proposals for debtor in possession financing from numerous sophisticated commercial entities active in the debtor in possession

financing market, including traditional banks, asset-based lenders, investment banks, private equity and hedge funds and institutional lenders. The Debtors also sought financing from private equity funds that have been known to provide working capital or other loans as a bridge to ownership. The Debtors, however, were unable to secure a commitment from any of these finance providers prior to the Petition Date. Nor could the Debtors obtain a financing commitment from the Prepetition Term Lenders or the Prepetition ABL Lenders. See Declaration of Eric Mendelsohn in Support of the Motion at ¶ 12 (the "Mendelsohn Declaration"), a copy of which is attached hereto as Exhibit F.

45. As a result, the Debtors sought (a) debtor in possession financing, (b) certain financial accommodations from the North American OEMs, (c) commercial agreements embodied in the NCM Production Agreement and (d) the right to use Cash Collateral on a consensual basis from the Prepetition ABL Lenders.[12] As a result of the negotiations with the DIP Lender, the North American OEMs and the Prepetition ABL Lenders, the Debtors were able to secure debtor in possession financing from the DIP Lender and the right to use the Prepetition Lenders' Cash Collateral on a consensual basis, on the terms in the Interim Order. See id. at ¶ 13.

46. The DIP Lender, the North American OEMs and the Debtors have agreed to the DIP Facility terms as described in the Interim Order. The DIP Lender agreed to provide debtor in possession financing to the Debtors, which will be fully funded by the North American OEMs through the purchase of the Subordinated Participations. Pursuant to the terms of the

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[12] In connection with the Accommodation Agreement, the Debtors' non-debtor Canadian affiliate, Metaldyne Machining and Assembly Mfg. Co. (Canada) Ltd., will enter into an Access and Security Agreement substantially in the form attached hereto as Exhibit G.

Participation Agreement, the North American OEMs will agree to subordinate their right of payment to that of the Prepetition ABL Lenders. See Iwasaki Affidavit at ¶ 29.

47. In addition, the North American OEMs also have agreed to certain financial accommodations in connection with their purchase of component parts from the Debtors. Specifically, the North American OEMs and the Debtors will enter into an Accommodation Agreement memorializing these terms (the "Accommodation Agreement"). Pursuant to the Accommodation Agreement, the North American OEMs agree, subject to entry of an acceptable financing order, to limit resourcing activities and provide the Debtors with certain financial accommodations and purchase the Subordinated Participations. For example, pursuant to the Accommodation Agreement, the North American OEMs will grant the Debtors certain credit enhancements, including expedited payment terms and limit their right of setoff to 3% of the face value of invoices. The Debtors will acknowledge the North American OEMs' tooling ownership, agree to cooperate with the North American OEMs in their resourcing activities if certain sales milestones are not met or a default occurs and grant the North American OEMs an option to acquire dedicated tooling and equipment that remain in the estates after the Sale Processes are concluded, all pursuant to the terms specified therein. See id. at ¶ 30.

Summary of the Material Terms of the DIP Facility

48. Accordingly, subject to the Court's approval, the Debtors have determined to enter into the DIP Facility with the DIP Lender and the Accommodation Agreement with the North American OEMs.[13] See Iwasaki Affidavit at ¶ 31.

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[13] As noted above, they will also seek authority to enter into the NCM Production Agreement, approval for which is sought in the NCM Motion.

49. The following is a summary of the material provisions of the DIP Facility pursuant to Rule 4001 and Local Rule 4001-2.[14]

(a) **General Terms**. Extensions of credit by the DIP Lender will be made to the Debtors, in accordance with the Budget and the Interim Order (including, as applicable, the Final Order).

(b) **Total Facilities**. The DIP Facility is a $18,508,789 facility, subject to upward adjustment in accordance with the Accommodation Agreement, with $11,700,000 million being requested for use in the Interim Period. (Interim Order ¶¶ (i), 2(b))

(c) **Use of Cash Collateral and Proceeds of the DIP Facility**. Subject to the Interim Order, each Debtor will be authorized to use during the Term (as defined in the Interim Order) (and, subject to paragraph 15(b) of the Interim Order, not beyond) (a) the advances under the DIP Facility, and (b) Cash Collateral, in each case in the amounts and for the line item expenditures set forth in the Budget. (Interim Order ¶¶ 3(a), 7)

(d) **Borrowing Base and Applicable Availability Block; Reserves; Mandatory Prepayments**. The Borrowing Base (as defined in the Interim Order) and the Applicable Availability Block (as defined in the Prepetition ABL Credit Agreement) shall continue in effect in accordance with the terms of the Prepetition ABL Credit Agreement subject to the Borrowing Base terms in substantially the same form as Exhibit H attached hereto (the "Borrowing Base Terms") and, notwithstanding anything to the contrary in the Interim Order, shall constitute a further limitation on the Debtors' use of Cash Collateral under the Interim Order. Without limiting any other provision hereof, the Debtors shall make mandatory prepayments of the Prepetition ABL Obligations (other than the Incremental Loans) as set forth in the Borrowing Base Terms, which shall be indefeasible and shall permanently reduce the Prepetition ABL Obligations (other than the Incremental Loans). This provision applies proceeds of the DIP Facility to pay prepetition debt. (Interim Order ¶ 3(b))

(e) **Term**. The term of the DIP Facility shall be from the Petition Date to the earliest of: (i) the latest closing date for the sale of some or all of the Debtors' assets; (ii) the occurrence of an Event of Default under the DIP Facility, after any applicable cure period has expired and any such default has not been cured within that applicable cure period; or (iii) sixty (60) days following the entry of the Interim Order, provided that Metaldyne may extend this term for up to two consecutive fifteen (15) day periods (the "Extended Termination Date") if sale orders have been entered and if Metaldyne would still have funding availability under the terms of the Interim Order or the Final Order (the

[14] This summary of the DIP Facility is intended only to assist the Court in understanding key aspects of the arrangement and is qualified in its entirety by reference to the DIP Facility, as it may be modified by the proposed Interim Order and the Final Order. All capitalized terms not otherwise defined herein have the meanings given to them in the proposed Interim Order.

earliest of (i), (ii) and (iii), the "Termination Date"). (Interim Order ¶ 2(a); Accommodation Agreement ¶ 2)

(f) **Interest Rates**. The DIP Facility will bear interest at a the prime rate of interest established from time to time by JPMorgan Chase plus 2.00%, which accrued interest will be added to the DIP Obligations. (Interim Order ¶ 2(a))

(g) **Expenses**. The Debtors will pay all reasonable expenses incurred by the Prepetition ABL Agent and the North American OEMs in connection with the preparation, execution, delivery and administration of the DIP Facility and the Interim Order. (Interim Order ¶ 18(b))

(h) **DIP Liens**. The DIP Agent for the ratable benefit of the DIP Secured Parties will be granted the following DIP Liens (as defined in the Interim Order) pursuant to the Interim Order and any Final Order, subject to the Carve-Out:

(i) pursuant to section 364(c)(2) of the Bankruptcy Code, a valid, perfected, enforceable and non-avoidable lien on all DIP Collateral which comprises Unencumbered Collateral, which lien shall be *pari passu* with the Adequate Protection Replacement Liens thereon granted to the Prepetition ABL Secured Parties;

(ii) pursuant to section 364(c)(3) of the Bankruptcy Code, a valid, perfected, enforceable and non-avoidable lien upon all DIP Collateral which, in the case of liens on assets or property (x) comprising Prepetition Term Priority Collateral, shall be junior and subject to (A) the Prepetition Liens and the Adequate Protection Replacement Liens thereon of, in each case, the Prepetition Term Secured Parties and (B) any Third Party Liens which as of the Petition Date were senior and prior to the Prepetition Liens on the Prepetition Term Priority Collateral of the Prepetition Term Secured Parties; and (y) that were encumbered as of the Petition Date only by Third Party Liens, shall be junior and subject to such Third Party Liens (collectively, the prepetition liens which are senior and prior to the DIP Liens as and to the extent set forth in this subparagraph are hereafter referred to as the "Senior Prepetition Liens");

(iii) pursuant to sections 364(d)(1) and 510(a) of the Bankruptcy Code, a valid, perfected, enforceable and non-avoidable priming lien on all DIP Collateral (x) which, in the case of liens on all DIP Collateral other than Prepetition Term Priority Collateral and the Unencumbered Collateral, shall be (A) *pari passu* with the Prepetition Liens and the Adequate Protection Replacement Liens thereon in favor of, in each case, the Prepetition ABL Secured Parties, and (B) senior and prior to the Prepetition Liens and the Adequate Protection Replacement Liens thereon in favor of, in each case, the Prepetition Term Secured Parties and all Third Party Liens thereon which were junior and subject to the Prepetition Liens of the Prepetition Term Secured Parties as of the Petition Date, and (y) comprising Prepetition Term Priority Collateral, which liens shall be (A) junior and subject to the Prepetition Liens and the Adequate

Protection Replacement Liens thereon in favor of, in each case, the Prepetition Term Secured Parties, and all Third Party Liens thereon which were, as of the Petition Date, senior and prior to the Prepetition Liens of the Prepetition Term Secured Parties, (B) *pari passu* with the Prepetition Liens and the Adequate Protection Replacement Liens thereon in favor of, in each case, the Prepetition ABL Secured Parties and (C) senior and prior to all Third Party Liens thereon which, as of the Petition Date, were junior and subject to the Prepetition Liens thereon of the Prepetition ABL Secured Parties.

(Interim Order ¶ 2(c))

(i) **Superpriority Administrative Claim Status**.

(i) The DIP Obligations shall, pursuant to section 364(c)(1) of the Bankruptcy Code, at all times constitute an allowed superpriority claim (the "DIP Superpriority Claims") of the DIP Lender, and be payable from and have recourse to all DIP Collateral and the Unencumbered Foreign Stock. All DIP Superpriority Claims shall be subject to the Carve-Out.

(ii) Other than as expressly provided in the Interim Order, including with respect to the Adequate Protection Superpriority Claims in favor of the Prepetition ABL Secured Parties and the Carve-Out, no costs or expenses of administration, including, without limitation, professional fees allowed and payable under Bankruptcy Code sections 328, 330, and 331, or otherwise, that have been or may be incurred in these cases, or in any Successor Cases (as defined in the Interim Order), and no priority claims are, or will be, senior to, prior to or on a parity with the DIP Liens and the DIP Superpriority Claims or the DIP Obligations, or with any other claims of the DIP Secured Parties arising in the Interim Order or under or in connection with the DIP Facility.

(Interim Order ¶ 2(g))

(j) **Carve-Out**. The Interim Order provides for a "Carve-Out" equal to the sum of (i) all fees required to be paid to the Clerk of the Bankruptcy Court and to the Office of the United States Trustee pursuant to 28 U.S.C. § 1930(a), and (ii) $6,000,000 to pay any allowed (after proper application therefor and Court order) fees or expenses incurred by the Debtors and any statutory committee appointed in these cases (each, a "Committee") to the extent provided for in the then current Budget, $100,000 for the benefit of any Chapter 7 trustee appointed in the Debtors' cases for "burial" type expenses if the cases are converted to Chapter 7. No portion of the Carve-Out, any Cash Collateral or proceeds of the DIP Facility or any other amounts may be used for the payment of the fees and expenses of any person incurred in challenging, among other things, any of the Prepetition Secured Parties or the DIP Secured Parties' liens or claims (or the value of their respective Prepetition Collateral or DIP Collateral), or the initiation or prosecution of any claim or action against any of the Prepetition Secured Parties or the DIP Secured Parties in respect of any of the Prepetition Credit Facilities or the DIP Facility. (Interim Order ¶ 7)

(k) **Section 506(c) Waiver**. Subject to the entry of a Final Order, the Debtors will be prohibited from attempting to surcharge the DIP Collateral and the Prepetition ABL Priority Collateral under section 506(c) of the Bankruptcy Code. (Interim Order ¶ 9)

(l) **DIP and Adequate Protection Replacement Lien Perfection**. The Interim Order shall be sufficient and conclusive evidence of the validity, perfection, and priority of the DIP Liens and the Adequate Protection Replacement Liens without the necessity of filing or recording any financing statement or document which may otherwise be required under the law of any jurisdiction to validate or perfect the DIP Liens and the Adequate Protection Replacement Liens or to entitle the same to the priorities granted in the Interim Order. (Interim Order ¶ 5)

(m) **Waiver of the Automatic Stay**. Any automatic stay otherwise applicable to the Prepetition ABL Secured Parties will be modified so that (i) after the occurrence of any Event of Default and (ii) at any time thereafter during the continuance of such Event of Default, upon five (5) business days' prior written notice of such occurrence the Prepetition ABL Secured Parties will be entitled to exercise their rights and remedies in respect of the DIP Collateral (other than Prepetition Term Priority Collateral), in accordance with the Interim Order and the Prepetition ABL Loan Documents. (Interim Order ¶ 15(b))

(n) **Stipulations as to the Prepetition Credit Facilities**.

(i) Enforceability, etc. of Prepetition Obligations. The Prepetition Obligations are stipulated (a) legal, valid, binding, and enforceable against each applicable Prepetition Loan Party Debtor (as defined in the Interim Order) and (b) not subject to any contest, attack, objection, recoupment, defense, counterclaim, offset, subordination, re-characterization, avoidance or other claim, cause of action or other challenge of any kind or nature under the Bankruptcy Code, under applicable nonbankruptcy law or otherwise (except for the lien subordination contemplated herein and in the First Priority Intercreditor Agreement). (Interim Order ¶ F(iii))

(ii) Enforceability, etc. of Prepetition Liens. The Prepetition Liens on the Prepetition Collateral granted in favor of the Prepetition Agents (other than in respect of the Specified Mortgages) are deemed legal, valid, enforceable, non-avoidable and duly perfected and are not subject to challenge, attack, offset, re-characterization or subordination under the Bankruptcy Code, under applicable nonbankruptcy law or otherwise. (Interim Order ¶ F(iv))

(iii) Prepetition Security Interests, Liens, Collateral, etc. The liens granted by the Debtors on substantially all of their assets as security for the Prepetition Obligations are deemed legal, valid, enforceable, and property recorded and perfected under state law (other than in respect of mortgages on certain Prepetition Term Priority Collateral Consisting of real property granted

within ninety days prior to the Petition Date, which may be avoidable (the "Specified Mortgages")). (Interim Order ¶ (E)(iii))

(o) **Indemnity**. The Prepetition ABL Agent, the DIP Agent and the DIP Lender have acted in good faith, and without negligence or violation of public policy or law, in respect of all actions taken by them in connection with or related to negotiating and implementing the DIP Facility and the use of Cash Collateral. The Prepetition ABL Agent and the DIP Agent shall be indemnified and held harmless by the Debtors in respect of any claim or liability incurred in respect thereof. (Interim Order ¶ F(v))

(p) **Adequate Protection for Prepetition Secured Parties**. As adequate protection for the respective interests of the Prepetition Secured Parties in the respective Prepetition Collateral (including Cash Collateral), the subordination of the Prepetition Liens thereto and to the Carve-Out, or the imposition or enforcement of the automatic stay of section 362(a), the Prepetition Secured Parties shall receive adequate protection as follows:

(i) Adequate Protection Replacement Liens. To the extent of the aggregate Diminution in Value, the Prepetition Secured Parties shall have pursuant to sections 361 and 363(e) of the Bankruptcy Code, replacement security interests in and liens upon (the "Adequate Protection Replacement Liens") all of the DIP Collateral. The Adequate Protection Replacement Liens of the Prepetition ABL Secured Parties shall be (x) in the case of all DIP Collateral other than Prepetition Term Priority Collateral (i) *pari passu* with the DIP Liens and the Prepetition Liens in favor of the Prepetition ABL Secured Parties, in each case thereon, and (ii) senior and prior to all other liens thereon other than Third Party Liens which, as of the Petition Date, were senior and prior to the Prepetition Liens thereon of the Prepetition ABL Secured Parties; and (y) in the case of Prepetition Term Priority Collateral, (i) *pari passu* with the DIP Liens and the Prepetition Liens in favor of the Prepetition ABL Secured Parties, in each case thereon, and (ii) senior and prior to all other liens thereon other than the Prepetition Liens and the Adequate Protection Replacement Liens of the Prepetition Term Secured Parties, and any Third Party Liens, which as of the Petition Date, were senior and prior to the Prepetition Liens thereon of the Prepetition Term Secured Parties. The Adequate Protection Replacement Liens of the Prepetition Term Secured Parties shall be senior and prior to (x) in the case of all DIP Collateral other than Prepetition Term Priority Collateral, all liens thereon other than the DIP Liens, the Prepetition Liens and the Adequate Protection Replacement Liens of the Prepetition ABL Secured Parties and any Senior Prepetition Liens thereon in favor of Third Party Lienholders, and (y) in the case of Prepetition Term Priority Collateral, all liens thereon other than any Senior Prepetition Liens thereon in favor of Third Party Lienholders. All Adequate Protection Replacement Liens shall be subject to the Carve-Out. (Interim Order ¶ 4(a))

(ii) Adequate Protection Superpriority Claims. To the extent of the aggregate Diminution in Value, the Prepetition Secured Parties shall have, subject to the payment of the Carve-Out, allowed superpriority administrative expense

claims (the "Adequate Protection Superpriority Claims") as provided for in section 507(b) of the Bankruptcy Code and payable from and having recourse to all DIP Collateral and the proceeds of Unencumbered Foreign Stock, subject to all security interests therein and liens thereon. The Adequate Protection Superpriority Claims of the Prepetition ABL Secured Parties shall have priority over the Adequate Protection Superpriority Claims of the Prepetition Term Secured Parties in respect of recourse to proceeds of all DIP Collateral other than Prepetition Term Priority Collateral, while the Adequate Protection Superpriority Claims of the Prepetition Term Secured Parties shall have priority over the Adequate Protection Superpriority Claims of the Prepetition ABL Secured Parties in respect of recourse to proceeds of Prepetition Term Priority Collateral. The Adequate Protection Superpriority Claims granted to the Prepetition Term Secured Parties under the Prepetition Term Credit Agreement may be impaired pursuant to a Plan (as defined in the Interim Order) with the vote of the applicable class of the holders of such claims that satisfies the requirements of section 1126 of the Bankruptcy Code. (Interim Order ¶ 4(b))

(iii) Adequate Protection Payments, etc. The Prepetition ABL Agent shall receive from the Debtors (x) upon entry of the Interim Order, immediate cash payment of all accrued and unpaid interest on the Prepetition ABL Loans (as defined in the Interim Order) at the default rate and fees provided for in the Prepetition ABL Credit Agreement, and all other reasonable accrued and unpaid fees and disbursements owing to any of the agents or lenders under the Prepetition ABL Credit Agreement, including in each case to the extent incurred prior to the Petition Date, (y) when due, all accrued but unpaid interest on the Prepetition ABL Loans and fees at the non-default contract rate provided for in the Prepetition ABL Credit Agreement; provided, that (1) the Prepetition ABL Agent reserves the right to assert claims for the payment of additional interest calculated at any other applicable rate of interest (including, without limitation, default rates), or on any other basis, provided for in the Prepetition ABL Credit Agreement, and for the payment of any other amounts provided for in the Prepetition ABL Credit Agreement, and (2) if, in accordance with applicable law, the Bankruptcy Court allows any claim by the Prepetition ABL Agent under the Prepetition ABL Credit Agreement for the payment of additional interest calculated at any other applicable rate of interest (including, without limitation, default rates), or on any other basis, provided for in the Prepetition ABL Credit Agreement, or for the payment of any other amounts provided for in the Prepetition ABL Credit Agreement, such claim shall be added to and comprise part of the Adequate Protection Superpriority Claims of the Prepetition ABL Secured Parties for all purposes herein, and (z) to the fullest extent set forth in the Interim Order, permanent repayments of the Prepetition ABL Obligations (other than the Incremental Loans). Promptly upon receipt of invoices therefor, the Prepetition ABL Agent shall receive from the Debtors current cash payments of all reasonable professional fees and expenses of the ABL Advisors (as defined in the Interim Order). The invoices shall be sufficiently detailed to enable a determination as to the reasonableness of such fees and expenses (without

limiting the right of the various professionals to redact privileged, confidential or sensitive information). (Interim Order ¶ 4(c))

(q) **Disposition of DIP Collateral**. The Debtors shall not transfer, sell, lease, encumber or otherwise dispose of any portion of the DIP Collateral, except for sales of inventory and collection of accounts receivable in the ordinary course of business or as approved by the Bankruptcy Court to the extent required under applicable bankruptcy law. (Interim Order ¶ 13)

(r) **Events of Default**. The Interim Order contains customary events of default (each, an "Event of Default"), including the following:

(i) Any Debtor shall file any motion seeking to incur indebtedness or to obtain credit (other than under the DIP Facility, as expressly permitted herein or unsecured credit incurred in the ordinary course of the Debtors' businesses and consistent with the Debtors' past business practices) unless, in connection therewith, all of the Prepetition ABL Obligations and the DIP Obligations, and the Adequate Protection Superpriority Claims granted to the Prepetition ABL Secured Parties shall first be paid indefeasibly in full and satisfied; (Interim Order ¶ 15(ii))

(ii) Any of the Debtors shall make any payment on or in respect of the DIP Facility, on account of the DIP Obligations, the DIP Superpriority Claims or otherwise, or the DIP Secured Parties shall seek enforcement of any rights in respect thereof, before the Prepetition ABL Obligations and the Adequate Protection Superpriority Claims in favor of the Prepetition ABL Secured Parties shall first be paid indefeasibly in full in cash and satisfied; (Interim Order ¶ 15(iii))

(iii) Any Debtor shall seek to, or shall support (in any such case by way of, inter alia, any motion or other pleading filed with the Court) any other person's motion to disallow or subordinate in whole or in part the Prepetition ABL Secured Parties' claims in respect of the Prepetition ABL Obligations, or to challenge the validity, enforceability, perfection or priority of the liens in favor of the Prepetition ABL Secured Parties (including, without limitation, any of their Prepetition Liens), but, without limiting any other provision of the Interim Order, excluding any challenge to the Specified Mortgages; and (Interim Order ¶ 15(xiv))

(iv) The expiration of the period provided by section 1121 of the Bankruptcy Code for the Debtors' exclusive right to file a plan, as such period may be extended pursuant to section 1121 of the Bankruptcy Code, without the Debtors having filed and continuing to pursue confirmation of a plan, or the granting of any motion providing for the termination of the Debtors' exclusivity period. (Interim Order ¶ 15(xvii))

Summary of the Material Terms of the Accommodation Agreement

50. In addition to the material terms of the DIP Facility set forth above, the North American OEMs also have agreed to provide other accommodations to the Debtors in connection with the DIP Facility pursuant to the terms of the Accommodation Agreement.[15]

(a) **Sale Process**. Upon commencement of the Debtors' chapter 11 cases, Metaldyne will continue the Sale Processes with the intent to close such sales within 60 days of the Effective Date (as defined in the Accommodation Agreement) and the following additional milestones (collectively, the "Milestones").

(i) Letter(s) of Intent. Obtain, by June 5, 2009 a letter or letters of intent for the sale of some or all of the Sale Assets (as defined in the Accommodation Agreement).

(ii) Definitive Agreement(s). Execute by June 15, 2009 one or more definitive purchase agreements and file motions to approve the sales on the terms outlined in the definitive purchase agreements with the Bankruptcy Court; provided however that such dates shall be extended by the North American OEMs, in the event Metaldyne has made good faith progress toward finalizing definitive purchase agreements, such that an extension will not jeopardize a closing by the date set forth below.

(iii) Sale Process Approval(s). Obtain by June 24, 2009 an order approving procedures for the approval of one or more sales and any applicable bidding protections and procedures.

(iv) Sale Approval Order(s). Obtain, by July 27, 2009, an order from the Bankruptcy Court approving one or more sales.

(v) Closing Date(s). Close one or more sales by the later of (a) 60 days after the Effective Date or (b) the Extended Termination Date (as defined in the Accommodation Agreement).

(Accommodation Agreement ¶ 3)

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15 Capitalized terms in this paragraph not otherwise defined in this Motion have the meaning given to them in the Accommodation Agreement. In the event of any conflict between this summary and the Accommodation Agreement, the terms of the Accommodation Agreement will govern.

(b) **North American OEM Accommodations**.[16]

(i) Limitation on Setoffs. The North American OEMs will agree not to exercise setoff or recoupment rights against payables to Metaldyne other than Allowed Setoffs, Tooling Setoffs, Material Setoffs and, as to Chrysler, Bailed Inventory Setoffs, (each as defined in the Accommodation Agreement) and, in addition to other limitations, under no circumstances may Allowed Setoffs exceed 3% percent ("Cap") of the face amount of any invoices or accounts payable. (Accommodation Agreement ¶ 5(A))

(ii) Inventory Purchase Agreement. Upon the occurrence of an Inventory Trigger Event (as defined in the Accommodation Agreement), each North American OEM will purchase and pay for, within 30 days of the Inventory Trigger Event, all of Metaldyne's raw materials (including purchased components) and finished goods inventory related to that North American OEM's Component Parts (as defined in the Accommodation Agreement) that are usable and merchantable and any Component Parts that are the subject of unsatisfied releases that are open as of the date of an Inventory Trigger Event. (Accommodation Agreement ¶ 5(B))

(iii) Change of Account Payable Terms. For those shipments of the Component Parts invoiced or shipped on and after the Effective Date by Metaldyne, including its Canadian affiliate, through the expiration or termination of the Accommodation Agreement, the North American OEMs will make payments on net immediate terms, except for Chrysler Mexico, which will make payments under its current payment terms of 10/25 prox. The term "net immediate" shall means payments on average within 8 days after receipt by one of the North American OEMs. (Accommodation Agreement ¶ 5(D)

(iv) Resourcing. Until the first to occur of (A) the expiration or termination of the Accommodation Agreement or (B) an Event of Default, the North American OEMs will not resource the Component Parts, other than Component Parts manufactured at facilities Metaldyne has designated to be closed or which Metaldyne and each North American OEM mutually agree may be resourced. The North American OEMs may take action to prepare for resourcing such as entering into discussions and sending requests for proposals to alternative suppliers regarding the production of the Component Parts Metaldyne will fully cooperate and assist the North American OEMs in their respective resourcing preparations, provided, that (x) reasonable steps will be taken to protect confidential or trade-secret information from competitors, and (y) the costs for such preparations are contained within the Budget or are paid for directly by the

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16 In addition to those terms summarized herein, nothing in the Accommodation Agreement shall pertain to the New Castle Component Parts, which shall be governed by the terms of the NCM Production Agreement toe approved as part and parcel of the approval of the DIP Facility. (Accommodation Agreement ¶ 5(E))

North American OEM seeking such preparations. (Accommodation Agreement ¶ 5(G))

(c) **Metaldyne's Accommodations**.

(i) Continued Production. Metaldyne will continue to manufacture the Component Parts for the North American OEMs in accordance with the terms of their respective Purchase Orders (as defined in the Accommodation Agreement) and related releases; provided that, in the case of the Remainco Plants (as defined in the Accommodation Agreement), Metaldyne has sufficient liquidity or financing to do so. (Accommodation Agreement ¶ 6(A))

(ii) Inventory Banks. Metaldyne will build for each North American OEM an inventory bank of Component Parts in accordance with a schedule to be provided to Metaldyne by each North American OEM. Metaldyne will immediately begin producing inventory banks on the later of the Effective Date, or the date on which the schedule is received by Metaldyne, and will ship inventory-bank parts as they are produced. Metaldyne's obligation to build the inventory bank parts will be subject to: (A) Receipt of a schedule by each North American OEM; (B) the procurement of parts by Metaldyne; (C) the Budget; (D) reasonably applied internal capacity limitations; and (E) each North American OEM's payment of verifiable, incremental out-of-pocket costs incurred by Metaldyne in connection with building the inventory bank including, but not limited to, all special packaging and handling costs. (Accommodation Agreement ¶ 6(D))

(iii) Cooperation in Resourcing Business. If it becomes necessary to do so and is otherwise permitted under the Accommodation Agreement, and, (for clarity, as to Remainco Component Parts (as defined in the Accommodation Agreement) immediately upon the Effective Date) Metaldyne will cooperate and use its best efforts assisting the North American OEMs in moving the production of Component Parts to one or more replacement suppliers; provided that the costs of such cooperation are paid directly by the applicable North American OEM outside the Budget. (Accommodation Agreement ¶ 6(E))

(iv) Tooling Acknowledgement. Metaldyne will acknowledge and agree that Customer Tooling (as defined in the Accommodation Agreement) is (A) subject to the terms of the Accommodation Agreement, (B) owned by the North American OEMs and (C) held by Metaldyne as bailees-at-will. (Accommodation Agreement ¶ 7(B))

(v) Options. Metaldyne will grant to the North American OEMs an irrevocable and exclusive option (the "Option") to purchase, free and clear of the lien of the DIP Lender and the Prepetition ABL Lenders, but subject to the lien of the Prepetition Term Lenders, exercisable on the expiration of the Accommodation Agreement, any Supplier Owned Tooling, any returnable containers or dunnage, and any machinery or equipment and related or ancillary

items which are owned by Metaldyne and dedicated exclusively to the manufacture, assembly or transport of Component Parts for the North American OEMs (collectively, "Dedicated Equipment"), for a price, subject to the Prepetition Term Agent's consent, (A) equal to the orderly liquidation value of any Dedicated Equipment as determined by the Stout Resius Ross appraisal of January 2007, or (B) agreed to by Metaldyne, the Prepetition Term Agent and the North American OEMs. (Accommodation Agreement ¶ 8(A))

(d) **Events of Default**. The occurrence of any one or more of the following will be an "Event of Default" under the Accommodation Agreement:

(i) Metaldyne repudiates or materially breaches its obligations, or refuses to perform its material obligations, under the Accommodation Agreement or a North American OEM's Purchase Order, provided the North American OEM is in compliance with its obligations, the consequence of which is a substantial likelihood that North American OEM's production of Component Parts will be interrupted (in which case the Event of Default applies only to that North American OEM);

(ii) The Debtors' chapter 11 cases are converted to cases under chapter 7, or a trustee or examiner is appointed for the Debtors;

(iii) Metaldyne breaches or fails to meet any of the Milestones; and

(iv) An Event of Default occurs under the Interim Order then in effect that is not cured or stayed from enforcement within the five business days following notice of Event of Default, or the DIP Lender otherwise ceases to make advances under the DIP Facility after the expiration of such five business day period for any reason other than an a North American OEM's failure to fund its Subordinated Participation.

(Accommodation Agreement ¶ 9)

51. The Prepetition ABL Lenders have consented to the terms of the DIP Facility, the Debtors' use of Cash Collateral and the adequate protection proposed in the Interim Order and, as discussed in greater detail below, the Prepetition Term Lenders are deemed to consent to such terms and the relief requested herein pursuant to sections 5.2 and 5.4 of the First Priority Intercreditor Agreement.

Request for Approval of the DIP Facility and Related Actions

52. The Debtors must have sufficient liquidity to continue to operate their businesses as a going concern and to carry out their plans to sell the Debtors' assets expeditiously as a going concern for the direct benefit of all stakeholders. It is, therefore, essential to the success of the Debtors' chapter 11 cases that the Debtors immediately obtain access to sufficient postpetition financing. The preservation of estate assets, the Debtors' continuing viability and their ability to maximize value for stakeholders successfully, thus, depend heavily upon the expeditious approval of the relief requested herein.

53. Section 364 of the Bankruptcy Code distinguishes among (a) obtaining unsecured credit in the ordinary course of business, (b) obtaining unsecured credit out of the ordinary course of business and (c) obtaining credit with specialized priority or with security. If a debtor in possession cannot obtain postpetition credit on an unsecured basis, pursuant to section 364(c) of the Bankruptcy Code,[17] a court may authorize the obtaining of credit or the incurring of debt, repayment of which is entitled to superpriority administrative expense status or is secured by a senior lien on unencumbered property or a junior lien on encumbered property, or a combination of the foregoing.

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[17] Section 364(c) of the Bankruptcy Code provides as follows:

> (c) If the trustee is unable to obtain unsecured credit allowable under section 503(b)(1) of this title as an administrative expense, the court, after notice and a hearing, may authorize the obtaining of credit or the incurring of debt
>
> > (1) with priority over any or all administrative expenses of the kind specified in section 503(b) or 507(b) of this title;
> >
> > (2) secured by a lien on property of the estate that is not otherwise subject to a lien; or
> >
> > (3) secured by a junior lien on property of the estate that is subject to a lien.

11 U.S.C. § 364(c).

54. Because the Debtors propose to obtain financing under the DIP Facility that is secured by first, second and/or third priority liens with respect to the Prepetition Collateral (subject only to the Carve-Out), and to prime certain of the liens securing the Prepetition ABL Priority Collateral and the liens of the Prepetition ABL Lenders in the Term Priority Collateral, by virtue of the operation of the First Priority Intercreditor Agreement, the approval of the DIP Facility is governed by both sections 364(c) and 364(d) of the Bankruptcy Code.

Approval Under Section 364 of the Bankruptcy Code

55. The statutory requirement for obtaining postpetition credit under section 364(c) of the Bankruptcy Code is a finding, made after notice and hearing, that the debtor in possession is "unable to obtain unsecured credit allowable under § 503(b)(1) of [the Bankruptcy Code] as an administrative expense." See In re Ames Dep't Stores, Inc., 115 B.R. 34, 40 (Bankr. S.D.N.Y. 1990) (a debtor must show that it has made a reasonable effort to seek other sources of financing under sections 364(a) and (b) of the Bankruptcy Code); In re Crouse Group, Inc., 71 B.R. 544, 549 (Bankr. E.D. Pa. 1987) (debtor seeking secured credit under section 364(c) of the Bankruptcy Code must prove that it was unable to obtain unsecured credit pursuant to section 364(b) of the Bankruptcy Code), modified on other grounds, 75 B.R. 553 (Bankr. E.D. Pa. 1987).

56. Courts have articulated a three-part test to determine whether a debtor may obtain financing under section 364(c) of the Bankruptcy Code:

(a) the debtor is unable to obtain unsecured credit under section 364(b) (i.e., by granting a lender administrative expense priority);

(b) the credit transaction is necessary to preserve the assets of the estate; and

(c) the terms of the transaction are fair, reasonable and adequate, given the circumstances of the debtor-borrower and the proposed lender.

In re Aqua Assocs., 123 B.R. 192, 195-96 (Bankr. E.D. Pa. 1991) (applying the above test and finding that "[o]btaining credit should be permitted not only because it is not available elsewhere, which could suggest the unsoundness of the basis for the use of the funds generated by credit, but also because the credit acquired is of significant benefit to the debtor's estate and the terms of the proposed loan are within the bounds of reason, irrespective of the inability of the debtor to obtain comparable credit elsewhere"); In re Ames Dep't Stores, 115 B.R. at 37-39. The Mendelsohn Declaration and the Iwasaki Affidavit present evidence that these three elements are satisfied. See Iwasaki Affidavit at ¶¶ 29-36, 39-41; Mendelsohn Declaration at ¶¶ 14-17.

57. The Debtors also seek approval of the DIP Facility under section 364(d)(1) of the Bankruptcy Code.[18] The statutory requirement for obtaining postpetition credit under section 364(d)(1) of the Bankruptcy Code is a finding, made after notice and hearing, that the debtors in possession are "unable to obtain such credit otherwise." See Shaw Indus., Inc. v. First Nat'l Bank of PA (In re Shaw Indus., Inc.), 300 B.R. 861, 865 (Bankr. W.D. Pa. 2003) (where debtor made efforts by "contacting numerous lenders" and was unable to obtain credit without a priming lien, it had met its burden under section 364(d)); In re Dunes Casino Hotel, 69 B.R. 784, 796 (Bankr. D.N.J. 1986) (holding that the debtor had made required efforts under section 364(d)(1) of the Bankruptcy Code based on evidence that the debtor had attempted

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[18] Section 364(d)(1) of the Bankruptcy Code provides as follows:

> (d)(1) The court, after notice and a hearing, may authorize the obtaining of credit or the incurring of debt secured by a senior or equal lien on property of the estate that is subject to a lien only if--
>
> (A) the trustee is unable to obtain such credit otherwise; and
>
> (B) there is adequate protection of the interest of the holder of the lien on the property of the estate on which such senior or equal lien is proposed to be granted.

11 U.S.C. § 364(d)(1).

unsuccessfully to borrow funds on an unsecured basis or secured by junior liens, but that at least three such lenders were willing to advance funds secured by a superpriority lien). In addition, the secured creditors whose liens are being "primed" by a new postpetition lender under section 364(d) of the Bankruptcy Code must be provided with adequate protection of their interests in collateral. See In re Swedeland Dev. Group, Inc., 16 F.3d 552, 564 (3d Cir. 1994) (en banc) (noting that adequate protection is required under section 364(d)(1)(B) of the Bankruptcy Code to ensure that the creditor receives the value for which it bargained pre-bankruptcy); Dunes Casino, 69 B.R. at 793 (noting that "[a]dequate protection is designed to preserve the secured creditor's position at the time of the bankruptcy").

58. The proposed DIP Facility would "prime" the liens of the Prepetition Lenders in the Priority ABL Collateral by granting DIP Liens in the Prepetition ABL Priority Collateral that are (a) *pari passu* with the Prepetition Liens of the Prepetition ABL Lenders and (b) senior to the Prepetition Liens of the Prepetition Term Lenders. The Prepetition ABL Lenders consent to the terms of the DIP Facility, including the priming of their liens, the use of Cash Collateral and the proposed adequate protection. As discussed in greater detail below, because (a) the Prepetition ABL Lenders have consented to the terms of the DIP Facility and (b) the DIP Liens do not prime the liens of the Prepetition Term Lenders in the Prepetition Term Priority Collateral, the Prepetition Term Secured Parties are deemed to consent to the terms of the DIP Facility, including the priming of their liens, the use of Cash Collateral and the proposed adequate protection, pursuant to the terms of the First Priority Intercreditor Agreement.

The Debtors Were Unable to Obtain Necessary Financing on an Unsecured Basis

59. To show that the credit required is not obtainable on an unsecured basis, a debtor need only demonstrate "by a good faith effort that credit was not available without" the protections of sections 364(c) of the Bankruptcy Code. Bray v. Shenandoah Fed. Sav. and Loan

Ass'n (In re Snowshoe Co.), 789 F.2d 1085, 1088 (4th Cir. 1986). Thus, "[t]he statute imposes no duty to seek credit from every possible lender before concluding that such credit is unavailable." Id. at 1088; see also Ames, 115 B.R. at 40 (holding that debtor made a reasonable effort to secure financing where it approached four lending institutions, was rejected by two, and selected the least onerous financing option from the remaining two lenders). Moreover, where few lenders are likely to be able and willing to extend the necessary credit to the debtor, "it would be unrealistic and unnecessary to require [the debtor] to conduct an exhaustive search for financing." In re Sky Valley, Inc., 100 B.R. 107, 113 (Bankr. N.D. Ga. 1988), aff'd sub nom. Anchor Sav. Bank FSB v. Sky Valley, Inc., 99 B.R. 117, 120 n.4 (N.D. Ga. 1989).

60. To obtain postpetition financing, the Debtors and their advisors approached numerous sophisticated commercial entities active in the debtor in possession financing market, including traditional banks, asset-based lenders, investment banks, hedge funds, private equity funds and institutional lenders (collectively, the "Potential Lenders"). The Debtors also sought financing from private equity funds that have expressed interest in purchasing at least a portion of the Debtors' assets in connection with the Sale Processes. No fewer than 19 Potential Lenders were contacted directly by Lazard regarding postpetition financing, only 8 of which executed confidentiality agreements so that they could be provided due diligence packages by the Debtors' advisors. See Mendelsohn Declaration at ¶ 14. Beginning with in-person and/or telephonic meetings in March 2009 and on several subsequent occasions, the Debtors and their advisors also approached the Prepetition ABL Lenders (approximately 9 institutions as of early 2009) and the Prepetition Term Lenders (approximately 40 institutions as of early 2009) to obtain postpetition financing. Through these discussions, the Debtors and Lazard effectively approached many of the major institutions that have experience

providing distressed financing. The Prepetition Term Lenders consistently declined to provide financing. While the Prepetition ABL Lenders other than DBNY have declined to provide new financing, they have consented to the use of their Cash Collateral. See id. at ¶ 14.

The Terms of the DIP Facility Are Fair, Reasonable and Appropriate

61. None of the Potential Lenders, including the Prepetition Lenders, was willing to make a postpetition loan either on an unsecured basis or any other basis. See id. at ¶ 15. The Mendelsohn Declaration reflects that the Debtors could not have obtained a postpetition financing facility of the type and magnitude required in these chapter 11 cases on an unsecured basis. See id. In fact, after an extensive search for financing from traditional lenders active in the debtor in possession financing market and from private equity funds that might be interested in providing bridge financing to ultimate ownership, the Debtors were unable to obtain any commitment for postpetition financing other than from the DIP Lender on the terms set forth in the Interim Order. See id. The DIP Facility, therefore, provides the only option for the Debtors to address their immediate postpetition financing needs. Moreover, the interest rate and lack of fees payable to the DIP Lenders under the Interim Order are superior to current debtor in possession financing market terms. The favorable terms were negotiated in conjunction with the protections provided to the DIP Lenders in the Accommodation Agreement. See id. As such, when considering all of the factors, the Debtors concluded that the DIP Facility was their best and only financing alternative. See id. The Debtors' efforts to seek necessary postpetition financing on terms more favorable than those of the DIP Facility from 19 large, sophisticated Potential Lenders satisfy the statutory requirements of section 364 of the Bankruptcy Code. See, e.g., In re 495 Cent. Park Ave. Corp., 136 B.R. 626, 630 (Bankr. S.D.N.Y. 1992) (debtor seeking financing under section 364(c) of the Bankruptcy Code made acceptable attempt to

obtain less onerous financing by speaking to several lenders that denied the loan request); Ames, 115 B.R. at 40.

62. In addition, the proposed Interim Order provides generally that the security interests and superpriority administrative expense claims granted to the DIP Lender are subject to the Carve-Out, which provides for (a) fees required to be paid to the Clerk of the Bankruptcy Court and to the Office of the United States Trustee, (b) payment of fees and expenses of case professionals and (c) chapter 7 "burial" type expenses if necessary. See Mendelsohn Declaration at ¶ 16. In Ames Department Stores, the bankruptcy court found that such "carve-outs" are not only reasonable but are necessary to insure that official committees and debtors' estates are adequately assisted by counsel and other professionals. Ames, 115 B.R. at 38.

63. Likewise, the DIP Lender is charging no fees or other charges under the DIP Facility and merely seeks reimbursement of its professional fees. The Debtors submit that the absence of lender fees coupled with the very modest interest rate of prime plus 2% are well below the parameters of market fee structures for postpetition financing in the current environment. See Mendelsohn Declaration at ¶ 17.

The DIP Facility is Necessary to Preserve Assets of the Debtors' Estates

64. It is essential that the Debtors immediately obtain the financing necessary to continue, among other things, the orderly operation of the Debtors' businesses and to make certain capital expenditures and satisfy certain working capital requirements of the Debtors' businesses. See Iwasaki Affidavit at ¶ 32. The DIP Facility and the use of Cash Collateral are also essential to provide the Debtors' various stakeholders, including customers, employees, vendors, service providers and other key constituencies, with confidence in the Debtors' ability to continue to operate as a going concern while they pursue the Sale Processes. As a result, the DIP

Facility is necessary to preserve and maximize the value of the Debtors' estates for the benefit of all stakeholders. See id.

65. The success of these chapter 11 cases depends on, among other things, (a) the Debtors' ability to meet their day-to-day working capital requirements without interruption or delay and (b) the confidence of the Debtors' stakeholders. See id. at ¶ 33. If the relief sought in this Motion is denied or delayed, the Debtors likely will experience business disruptions in the short term, stakeholder confidence may be destroyed and the Debtors' ability to maximize value for stakeholders through the Sale Processes may be damaged irreparably. See id. Further, pursuant to the Prepetition Term Credit Agreement and the Prepetition ABL Credit Agreement, the Debtors have pledged virtually all their cash and the proceeds of existing accounts receivable and inventory as collateral. See id. As a result, without immediate access to the Cash Collateral and new borrowing relief, the Debtors' business operations would grind to an almost immediate halt, which would seriously jeopardize, and may destroy, the going concern value of the Debtors' businesses. See id. In addition, the new liquidity under the proposed interim portion of the DIP Facility will ensure that the Debtors can make the payments requested by the First Day Pleadings, pay claims incurred in the ordinary course and provide assurances to the Debtors' customers that they will be able to deliver products during these chapter 11 cases. See id.

66. As a result of the Debtors' recent liquidity constraints and in anticipation of the immediate need for the postpetition financing and the use of Cash Collateral, the Debtors have, in consultation with AlixPartners, LLP, as financial advisors to the Debtors, performed a review and analysis of their projected cash needs. Based upon that review and analysis, the Debtors and AlixPartners, LLP have prepared the Budget outlining the Debtors' postpetition cash

needs. See id. at ¶ 34. The Budget was subsequently vetted and negotiated with the Prepetition ABL Agent and the North American OEMs with an eye toward prudent husbandry of resources during these cases. The Budget was also provided to the Prepetition Term Lenders. See id.

67. The interim availability under the proposed DIP Facility along with the use of Cash Collateral will allow the Debtors to meet their projected cash needs and help provide assurances to the Debtors' suppliers, vendors and employees that they will be paid for postpetition services. See id. at ¶ 35. The liquidity provided by the DIP Facility, to be used in accordance with the Budget, also will provide assurances to the Debtors' customers that they will be able to deliver products during these chapter 11 cases. See id. Approval of interim borrowing under the DIP Facility thus is crucial to maximizing the value of the Debtors' estates. See id.

The Prepetition Term Lenders are Deemed to Consent to the DIP Facility Pursuant to the First Priority Intercreditor Agreement and Section 510(a) of the Bankruptcy Code

68. In connection with agreeing to make loans and provide other financial accommodations to the Borrowers, the Prepetition ABL Lenders and the Prepetition Term Lenders entered into the First Priority Intercreditor Agreement. The First Priority Intercreditor Agreement sets forth the rights of the Prepetition ABL Lenders and Prepetition Term Lenders with respect to the collateral securing the payment and performance of the Debtors' Prepetition Obligations. It describes the priority of liens arising in favor of the Prepetition ABL Lenders and the Prepetition Term Lenders with respect to Common Collateral and was designed to operate in a wide range of contingencies, including the insolvency of the Debtors. First Party Intercreditor Agreement, Section 5.2(a); see HSBC Bank USA v. Branch (In re Bank of New Engl. Corp.), 364 F.3d 355, 361 (1st Cir. Mass. 2004).

69. The Prepetition ABL Lenders and the Prepetition Term Lenders agreed that the First Priority Intercreditor Agreement is a "subordination agreement" as such term is

used in section 510(a) of the Bankruptcy Code. First Priority Intercreditor Agreement, Section 5.9. A contractual subordination agreement is simply a contractual arrangement whereby one creditor agrees to subordinate its claim against a debtor in favor of the claim of another. In re Best Products Co., Inc., 168 B.R. 35, 69 (Bankr. S.D.N.Y. 1994). Section 510(a) of the Bankruptcy Code provides that a subordination agreement is enforceable "in a case under this title to the same extent that such agreement is enforceable under applicable nonbankruptcy law." 11 U.S.C. § 510(a). Accordingly, bankruptcy courts must enforce lawful subordination agreements according to their terms. In re Best Products Co., 168 B.R. at 70 (citing In re Credit Indus. Corp., 366 F.2d 402, 410 (N.Y. 1966)).[19] Under New York law, when a contractual subordination agreement is unambiguous, the parties' rights are governed exclusively by that agreement, and the words of that agreement are given their plain, ordinary and usual meaning. Id. (citing Hong Kong Export Credit, Inc. v. Dun & Bradstreet, 414 F. Supp. 153, 158 (S.D.N.Y. 1975)).

70. When interpreting contracts, New York courts apply the "familiar and eminently sensible proposition of law that, when parties set down their agreement in a clear, complete document, their writing should . . . be enforced according to its terms." Vermont Teddy Bear Co., Inc. v. 538 Madison Realty Co., 1 N.Y.3d 470, 475 (N.Y. 2004) (citations omitted). New York courts have also emphasized this rule's special import "where . . . the instrument was negotiated between sophisticated, counseled business people negotiating at arm's

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19 The court in Best Products also noted that "[t]o deprive lending institutions of the right to enforce lawful subordination agreements and require them to prove in each instance that they relied on such agreements in advancing funds to businesses would not only place in jeopardy literally billions of dollars of outstanding loans, but in all probability would prompt lending institutions to reconsider, and possibly curtail, their subordinated debt-financing activities to the detriment of the entire business community." Best Products Co., 168 B.R. at 70.

length." Id. Where, as here, the agreement was negotiated by sophisticated parties, New York courts are "extremely reluctant to interpret an agreement as impliedly stating something which the parties have neglected to specifically include," and "courts may not by construction add or excise terms, nor distort the meaning of those used and thereby make a new contract for the parties under the guise of interpreting the writing." See id.; Worcester Creameries Corp. v. City of New York, 861 N.Y.S.2d 198, 201 (N.Y. Sup. Ct. App. Div. 2008).[20]

71. Section 5.2 (a) of the First Priority Intercreditor Agreement provides, in relevant part:

> If the [Prepetition] ABL Agent or the other [Prepetition ABL Lenders] seek to consent (or not object) to any order under section 363 of the Bankruptcy Code for the use of collateral that constitutes all or any portion of the Common Collateral, ABL Priority Collateral, and Term Priority Collateral or seek to provide, or consent (or not object) to a third party providing, [the Debtors] with financing under section 364 of the Bankruptcy Code (a "DIP Financing"), with such DIP Financing to be secured by all or any portion of the Common Collateral, ABL Priority Collateral, and Term Priority Collateral, then the [Prepetition] Term Agent, on behalf of itself and the other [Prepetition Term Lenders], agrees that each [Prepetition Term Lender] (i) will be deemed to have consented to, and will not raise or support any objection to, the use of such collateral or such DIP Financing on the grounds of a failure to provide adequate protection for the [liens] securing the [Prepetition] Term Obligations, or any other grounds, and (ii) will not request or accept adequate protection or any other relief in connection with the use of such collateral or such DIP Financing except as set forth in paragraph 5.4 [of the First Priority Intercreditor Agreement] . . . .

See First Priority Intercreditor Agreement Section 5.2(a) (Financing Matters).[21] Under the plain and unambiguous language of this provision, once the Prepetition ABL Agent consents to the use

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20 Section 9.5 of the First Priority Intercreditor Agreement states that the agreement shall be governed by New York law.

21 A copy of the First Priority Intercreditor Agreement is Attached hereto as Exhibit I.

of Cash Collateral and the terms of the DIP Facility, the Prepetition Term Lenders will be deemed to consent to the same terms, and may not object to such terms as long as the remaining provisions of Section 5.2(a) of the First Priority Intercreditor Agreement are satisfied.

72. The consent of the Prepetition ABL Lenders will bind the Prepetition Term Lenders pursuant to Section 5.2(a) provided that (a) the Prepetition Term Agent retains its liens on the Prepetition ABL Priority Collateral, the Prepetition Term Priority Collateral and the Common Collateral, (b) as to the Prepetition Term Priority Collateral only, such liens securing the Prepetition Term Loan Obligations retain the same priority as existed prior to the commencement of the chapter 11 cases, and any lien securing the DIP Loans is junior and subordinate to the liens of the Prepetition Term Lenders on the Prepetition Term Priority Collateral, (c) all liens securing the DIP Loans shall be senior to or in parity with liens on the Prepetition ABL Priority Collateral securing the Prepetition ABL Obligations, and (d) if the Prepetition ABL Agent is granted a replacement or adequate protection lien on the postpetition assets of the Debtors, then the Prepetition Term Agent also receives a replacement or adequate protection lien on such postpetition assets. See First Priority Intercreditor Agreement Section 5.2(a) (Financing Matters).

73. The terms of the DIP Facility and the Interim Order satisfy each of the conditions in (a), (b), (c) and (d) above. Specifically, the liens to be provided to the DIP Secured Parties in connection with the proposed DIP Facility will not alter or affect the priority of the Prepetition Term Lenders' liens on the Prepetition Term Priority Collateral and are junior and subordinate to the liens of the Prepetition Term Lenders with respect to the Prepetition Term Priority Collateral. Also, the liens securing the proposed DIP Facility will be *pari passu* with the liens securing the Prepetition ABL Obligations as contemplated under Section 5.2(a) of the First

Priority Intercreditor Agreement. Because each of (a), (b), (c) and (d) above are satisfied, the Prepetition Term Lenders are deemed to consent, and are precluded from objecting to the proposed DIP Facility or the Debtors' use of Cash Collateral.

Application of the Business Judgment Standard

74. After appropriate investigation and review of market alternatives, the Debtors' management has concluded that the DIP Facility provides the best alternative available in the circumstances of these chapter 11 cases. Bankruptcy courts routinely defer to a debtor's business judgment on most business decisions, including the decision to borrow money, unless such decision is arbitrary and capricious. See In re Trans World Airlines, Inc., 163 B.R. 964, 974 (Bankr. D. Del. 1994) (noting that the interim loan, receivables facility and asset-based facility were approved because they "reflect[ed] sound and prudent business judgment on the part of TWA . . . [were] reasonable under the circumstances and in the best interest of TWA and its creditors"), rev'd on other grounds, 134 F.3d 188 (3d Cir. 1998); cf. Group of Inst. Investors v. Chicago Mil. St. P. & Pac. Ry., 318 U.S. 523, 550 (1943) (holding that decisions regarding the rejection or assumption of a lease is left to the business judgment of the debtor). In fact, "[m]ore exacting scrutiny would slow the administration of the Debtor's estate and increase its cost, interfere with the Bankruptcy Code's provision for private control of administration of the estate, and threaten the court's ability to control a case impartially." Richmond Leasing Co. v. Capital Bank, N.A., 762 F.2d 1303, 1311 (5th Cir. 1985).

75. The Debtors have exercised sound business judgment in determining that a postpetition credit facility is appropriate for these cases. The terms of the DIP Facility are fair and reasonable, and are in the best interests of the Debtors' estates, and the Debtors could not obtain postpetition financing from any other lending source on any other terms. See Iwasaki Affidavit at ¶ 36. Accordingly, the Court should grant the Debtors authority to enter into the DIP

Facility and obtain funds from the DIP Lender on the secured and administrative "superpriority" basis described above, pursuant to sections 364(c) and 364(d) of the Bankruptcy Code

Authority to Enter into the Accommodation Agreement

76. Section 363(b) of the Bankruptcy Code provides, in relevant part, that a debtor in possession, "after notice and a hearing, may use, sell, or lease, other than in the ordinary course of business, property of the estate." 11 U.S.C. § 363(b)(1). Under applicable case law in this circuit, if a debtor's proposed use of property pursuant to section 363(b) of the Bankruptcy Code represents a reasonable business judgment on the part of the debtor, such use should be approved. See, e.g., Licensing By Paolo, Inc. v. Sinatra (In re Gucci), 126 F.3d 380, 387 (2d Cir. 1997); Comm. of Equity Sec. Holders v. Lionel Corp. (In re Lionel Corp.), 722 F.2d 1063, 1070 (2d Cir. 1983); In re Global Crossing Ltd., 295 B.R. 726, 743 (Bankr. S.D.N.Y. 2003); In re Ionosphere Clubs, Inc., 100 B.R. 670, 675 (Bankr. S.D.N.Y. 1989).

77. The standards set forth above are met here. The additional liquidity made possible by the Accommodation Agreement is essential to the Debtors' ability to fund their postpetition operations as set forth in the Budget. In fact, the approval of the Accommodation Agreement is a condition precedent to the effectiveness of the DIP Facility, the Debtors' ability to borrow thereunder and the Debtors' ability to use the Cash Collateral. Under the Accommodation Agreement, the North American OEMs will provide the Debtors with certain financial accommodations that (a) provide immediate sources of additional liquidity and (b) provide comfort to the Prepetition ABL Lenders that the value of the Prepetition ABL Priority Collateral will be preserved such that they are willing to allow the Debtors to use the Cash Collateral. Specifically, as described above, pursuant to the terms of the Accommodation Agreement, the North American OEMs have agreed to limit their right to set off their accounts

payable to 3% of the face value of the outstanding invoiced amount. Without this protection of the value of the Debtors' accounts receivable, it is doubtful that the Prepetition ABL Lenders would agree to the use of their Cash Collateral during these cases. In addition, the North American OEMs' commitment to purchasing inventory pursuant to the terms of the Accommodation Agreement provides addition protection to express that the value of the Prepetition ABL Priority Collateral will be maintained and is an important component of the adequate protection provided to the Prepetition Lenders for the use of the Cash Collateral. Without these accommodations, and the others more fully described above, the DIP Lender and the North American OEMs would not agree to enter into the DIP Facility and the Debtors' ability to maintain value as going concerns would be substantially impaired or destroyed.

Request for Use of Cash Collateral

78. By this Motion, the Debtors also request authority to use Cash Collateral on the terms set forth in the proposed Interim Order. The Debtors' use of Cash Collateral, including the Debtors' proposal to make Adequate Protection Payments (as defined in the Interim Order) to the Prepetition ABL Lenders, provide the Adequate Protection Replacement Liens to the Prepetition Lenders and provide the Adequate Protection Superpriority Claims to the Prepetition Lenders in connection with such use, is authorized pursuant to section 363(c) of the Bankruptcy Code. Section 363(c) of the Bankruptcy Code provides as follows:

> (1) If the business of the debtor is authorized to be operated under section 721, 1108, 1203, 1204, or 1304 of this title and unless the court orders otherwise, the trustee may enter into transactions, including the sale or lease of property of the estate, in the ordinary course of business, without notice or a hearing, and may use property of the estate in the ordinary course of business without notice or a hearing.
>
> (2) The trustee may not use, sell, or lease cash collateral under paragraph (1) of this subsection unless —

> (a) each entity that has an interest in such cash collateral consents; or
>
> (b) the court, after notice and a hearing, authorizes such use, sale, or lease in accordance with the provisions of this section.

11 U.S.C. § 363(c). Section 363(e) of the Bankruptcy Code further provides, in pertinent part, that "on request of an entity that has an interest in property . . . proposed to be used, sold, or leased, by the trustee, the court, with or without a hearing, shall prohibit or condition such use, sale, or lease as is necessary to provide adequate protection of such interest . . . ."

79. The Debtors must have sufficient liquidity to continue to operate their businesses as a going concern and to carry out their plans to sell the Debtors' assets as a going concern for the direct benefit of all stakeholders. It is, therefore, essential to the success of the Debtors' chapter 11 cases that the Debtors immediately obtain authority to use Cash Collateral. The preservation of estate assets, the Debtors' continuing viability and their ability to maximize value for stakeholders successfully, thus, depend heavily upon the expeditious approval of the relief requested herein.

The Prepetition Lenders Consent or are Deemed to Consent to the DIP Financing, the Proposed Adequate Protection and the Use of Cash Collateral

80. It is a fundamental principle that adequate protection need not be provided where the affected party consents. Harvis Trien & Beck, P.C. v. Federal Home Loan Mortg. Corp., 153 F.3d 61, 69 (2d Cir. 1998) (stating that any use of cash collateral would require the Debtor to seek consent of the creditor or provide adequate protection); In re Blackwood Assocs., L.P., 165 B.R. 108, 111 (Bankr. E.D.N.Y. 1994) (stating that a creditor cannot claim that it is not receiving adequate protection since it agreed to fees being paid for cash collateral in a stipulation). As described above, the Prepetition ABL Lenders have consented to the terms of the DIP Facility, the Debtors' use of Cash Collateral and the adequate protection proposed in the

Interim Order. As a result of such consent, the Prepetition Term Lenders are deemed to consent to the same terms pursuant to Sections 5.2 and 5.4 of the First Priority Intercreditor Agreement.

81. As discussed in paragraphs 68 through 73 above, by virtue of the operation of Section 5.2 of the First Priority Intercreditor Agreement, the Prepetition Term Lenders are deemed to consent to the use of Cash Collateral and may only seek adequate protection in accordance with Section 5.4 of the First Priority Intercreditor Agreement. Section 5.4(a) of the First Priority Intercreditor Agreement limits the rights of the Prepetition Term Lenders to request or object to adequate protection when the Prepetition ABL Lenders consent. Under Section 5.4(a), the Prepetition Term Lenders cannot object to any request for adequate protection by the Prepetition ABL Lenders, including the payment of fees, expenses or other amounts under section 506(b) of the Bankruptcy Code or otherwise. See First Priority Intercreditor Agreement Section 5.4(a) (Adequate Protection). The Prepetition Term Lenders may seek or request adequate protection of their interests in the Prepetition ABL Priority Collateral *only if* the Prepetition ABL Agent or any Prepetition ABL Lender is granted adequate protection of its interests in the Prepetition ABL Priority Collateral consisting of postpetition liens on Prepetition ABL Priority Collateral and superpriority claims in connection with the DIP Facility and the Debtors' use of Cash Collateral. See id.

82. If the Prepetition ABL Agent (or any Prepetition ABL Lender) is granted adequate protection described above, then the Prepetition Term Agent (on behalf of itself and the Prepetition Term Lenders) may seek or accept adequate protection of their interests in the Prepetition ABL Priority Collateral consisting *only of* (a) postpetition liens on the same collateral, subordinated to the liens securing the Prepetition ABL Obligations and the DIP Obligations, and (b) superpriority claims for any diminution in value of the Prepetition Term

Lenders' interests in the Prepetition ABL Priority Collateral, junior to the superpriority claims granted to the Prepetition ABL Lenders in the Prepetition ABL Priority Collateral. See First Priority Intercreditor Agreement Section 5.4(a) (Adequate Protection). The proposed adequate protection to be provided to the Prepetition Term Secured Parties outlined above satisfies each of the criteria under Section 5.4(a). Therefore, the Prepetition Term Secured Parties are contractually obligated to accept the adequate protection provided in the Interim Order. As a result, the Debtors submit that the consent of the Prepetition ABL Lenders and the deemed consent of the Prepetition Term Lenders provides them the authority to use the Prepetition Lenders' Cash Collateral on a consensual basis pursuant to section 363(c)(2)(a) of the Bankruptcy Code.

The Use of Cash Collateral is Necessary to Preserve Assets of the Debtors' Estates

83. Even if the Debtors lacked the consent of the Prepetition Lenders to use Cash Collateral as requested herein (which they do not), the Debtors submit that they satisfy the requirements for non-consensual use of cash collateral pursuant to section 363(c)(2)(b) of the Bankruptcy Code. The Debtors require immediate access to their cash and the proceeds of existing accounts receivable and inventory to operate their businesses, preserve and maximize their value as going concerns and complete sales of the Debtors' assets on a going concern basis. A bankruptcy court may hold a preliminary hearing to authorize a debtor in possession's use of cash collateral if the estate will suffer immediate and irreparable harm if not permitted to use cash collateral during the period prior to a final determination on a motion. Fed. R. Bankr. Proc. 4001(b)(2). Immediate and irreparable harm exists where the absence of relief would impair a debtor's value as a going concern. Cf. Evergreen Int'l Airlines, Inc. v. Pan Am Corp. (In re Pan Am Corp.), 91 Civ. 8319, 1992 WL 154200, at *1 (S.D.N.Y. June 18, 1992) (discussing "immediate and irreparable harm" under Bankruptcy Rule 4001(c)(2)). Bankruptcy Rule

4001(b)(2) is designed to help the estate by permitting a preliminary hearing to be conducted as quickly as possible if there is an emergency need for the use of cash collateral, such as the need to meet payroll or to preserve assets. See 9-4001 Collier on Bankruptcy (15th ed.) § 4001.05[3].

84. The proposed emergency use of the Cash Collateral is an essential component to affording the Debtors the liquidity they need to maintain the value of their estates and to continue the orderly going concern sale process that they commenced prepetition. A critical need for the liquidity sufficient to preserve the Debtors' value as a going concern is sufficient to meet the immediate and irreparable harm standard. See In re Ames Dept. Stores, Inc., 115 B.R. 34, 36 n.2, 38 n.4 (Bankr. S.D.N.Y. 1990).

The Prepetition Lenders are Adequately Protected

85. Section 363(c)(2) contemplates that the Court may authorize the Debtors to use Cash Collateral even without the consent of the secured parties with an interest therein. See 11 U.S.C. § 363(c)(2)(B). In considering whether to authorize use of cash collateral, however, upon a party's request, a court must find that the interests of the holder of the secured claim are adequately protected if they do not consent to such use. In addition, under section 364(d)(1) of the Bankruptcy Code, if interests in collateral are to be "primed," then such "primed" parties must be adequately protected. 11 U.S.C. § 364(d)(1). The principal purpose of adequate protection is to safeguard the interests of the secured creditor in the collateral against diminution in the value of that interest postpetition. See In re 495 Central Park Avenue Corp., 136 B.R. 626, 631 (Bankr. S.D.N.Y. 1992) (stating that the goal of adequate protection is to safeguard the secured creditor from diminution in value of its interest during the chapter 11); In re Continental Airlines, Inc., 154 B.R. 176, 180 (Bankr. D. Del. 1993) (same); In re Beker Indus. Corp., 58 B.R. 725, 738 (Bankr. S.D.N.Y. 1986) (same).

86. The means by which adequate protection can be provided are addressed in section 361 of the Bankruptcy Code. Section 361 sets forth three non-exclusive forms of adequate protection: (a) lump sum cash payments to the extent the use of property results in a diminution in value of an entity's interest in property; (b) provision of additional or replacement liens to the extent the use of property results in a diminution in value of an entity's interest in property; and (c) such other relief as will result in an entity realizing the indubitable equivalent of its interest in property. 11 U.S.C. § 361. As the foregoing is neither exclusive nor exhaustive, there is a great deal of flexibility in terms of what may constitute adequate protection. In re O'Connor, 808 F.2d 1393, 1396-97 (10th Cir. 1987). Ultimately, adequate protection is determined on a case-by-case basis in light of the particular facts and circumstances presented. Id. (stating that "the courts have considered 'adequate protection' a concept which is to be decided flexibly on the proverbial 'case-by-case' basis); In re 495 Central Park, 136 B.R. at 631 (stating that, although section 361 presents some specific illustrations of adequate protection, the statute is not exclusive and suggests a broad and flexible definition); Pagano v. Cooper (In re Cooper), 22 B.R. 718, 720 n.3 (Bankr. E.D. Pa. 1982) ("While "adequate protection" is not defined in the Bankruptcy Code, the legislative history of section 361 reflects the intent of Congress to give the courts the flexibility to fashion the relief in light of the facts of each case and general equitable principles." (citing H.R. Rep. No. 95-595, 95th Cong., 1st Sess. 339 (1977)); see also 3 Collier on Bankruptcy (15 ed.) § 363.05 (stating that, although section 361 provides examples of adequate protection, "[t]hese examples are not intended to be limiting, and the circumstances of the case will dictate the necessary relief to be given").

87. Courts have held that adequate protection may also be demonstrated by a showing that the secured creditor's interest in the collateral is preserved by the debtor's use of the

cash collateral in a manner that maintains or enhances the collateral's value. See In re Atrium Dev. Co., 159 B.R. 464, 470 (Bankr. E.D. Va. 1993) ("Adequate protection is typically established by the fact that cash is being used to maintain and enhance the value of the underlying income producing real property in which the creditor also usually holds a security interest."); Federal Nat. Mortg. Ass'n v. Dacon Bolingbrook Assocs. Ltd. P'ship, 153 B.R. 204, 214 (N.D. Ill. 1993) (authorizing the debtor to reinvest rental income in the operation and maintenance of the rental property, thereby increasing the value of the creditor's interest in its collateral); In re Salem Plaza Associates, 135 B.R. 753, 758 (Bankr. S.D.N.Y. 1992) (holding that a secured creditor was adequately protected when cash collateral was used to pay necessary operating expenses); In re Constable Plaza Assocs., L.P., 125 B.R. 98, 105-06 (Bankr. S.D.N.Y. 1991) (authorizing debtor to use cash collateral to operate and maintain office building, thereby protecting secured lender's collateral and existing equity cushion); McCombs Props. VI, Ltd. v. First Texas Savings Association (In re McCombs Props. VI, Ltd.), 88 B.R. 261, 267 (Bankr. C.D. Cal. 1988) (holding that committing to use cash collateral for operating expenses substantially eliminated the risk of diminution in the secured creditor's interest in the collateral).

88. In this case, the Prepetition Lenders' interests in the Prepetition Collateral are adequately protected by virtue of (a) the Debtors' expenditure of cash in accordance with the Budget, which will maintain and enhance the collateral's value so that assets can be sold as going concerns, and (b) the grant of the Adequate Protection Replacement Liens on, and the Adequate Protection Superpriority Claims against, the Debtors' assets. The Budget, which was prepared with the assistance of the Debtors' professional advisors and vetted with the DIP Lender's, the Prepetition ABL Lenders' and the North American OEMs' advisors, provides an additional layer of adequate protection because it ensures that the Debtors' expenditure of cash will be limited to

only those items that are necessary and essential to fund the Debtors' operations and preserve the value of the Prepetition Collateral during the Sale Processes. If funds are not made available to pay these essential items on an emergency basis, the Debtors' businesses likely would be forced immediately to shut down, and the value of the Prepetition Lenders' collateral would substantially decline. See Iwasaki Affidavit at ¶ 37. Accordingly, there is no harm done to the Prepetition Lenders' interests by the Debtors' proposed use of the Cash Collateral since such use and the corresponding maintenance and preservation of the Debtors' businesses protects the value of the Prepetition Collateral.

89. In particular, the Prepetition ABL Priority Collateral, which includes an estimated $43.5 million in eligible accounts receivable from the Debtors' customers, would be subject to risk of significant decline in the event of a shut down of the Debtors' operations. In such an event, the Debtors would be unable to continue to supply the North American OEMs and their other customers, thus resulting in a potential breach of the Debtors' obligations under the supply agreements with their customers. The Debtors anticipate that their customers would take the position that they are entitled to set off any damages that may result from the Debtors' failure to satisfy their obligations to the customers against the accounts receivable owed by such customers to the Debtors. In fact, certain of the Debtors' customers already have indicated their intention to effectuate such a setoff in the event that the Debtors are unable to perform their supply obligations. The Debtors estimate these potential setoffs would reduce significantly (if not eliminate altogether) the Debtors' accounts receivable and, therefore, destroy the value of this portion of the Prepetition ABL Priority Collateral. As a result, a significant portion of the value of the Prepetition ABL Priority Collateral is directly dependant on the Debtors' continued operation as a going concern, which is possibly only if the Debtors are authorized to enter into

the Accommodation Agreement, make borrowings under the DIP Facility and use the Cash Collateral. See id. at ¶ 38.

90. Furthermore, in connection with the DIP Facility and the Accommodation Agreement, the North American OEMs have agreed (a) to limit their right of setoff with respect to their accounts receivable and (b) to be obligated to purchase (i) finished component parts manufactured for the North American OEMs and (ii) all useable and merchantable raw materials used to manufacture finished component parts for the North American OEMs. These additional measures of adequate protection, which "bullet proof" the value of the Prepetition ABL Priority Collateral even in a the event of a default under the DIP Facility, simply would not be available to the Prepetition Lenders if the relief sought in this Motion is not granted.[22]

91. Based on the foregoing, the Debtors believe the Prepetition Lenders require no other or further adequate protection. Nevertheless, in order to remove any doubt that their interests in the Prepetition Collateral are adequately protected, the Debtors also are granting the Prepetition Lenders Adequate Protection Replacement Liens, Adequate Protection Superpriority Claims, Adequate Protection Payments (for the Prepetition ABL Lenders), and certain informational rights (each described in the Interim Order).

92. In sum, the Prepetition Lenders are adequately protected because (a) the Debtors' use of the Cash Collateral in accordance with the Budget will serve only to maximize

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22 Even independent of the proposed use of Cash Collateral to preserve the Debtors' going concern value, the Prepetition ABL Lenders' interests in the collateral are already adequately protected simply by virtue of the existence of the substantial value of the Prepetition ABL Priority Collateral in comparison to the amount outstanding under the Prepetition ABL Credit Agreement. A sufficient equity cushion alone may constitute adequate protection. See In re Gallegos Research Corp., 193 B.R. 577, 584 (Bankr. D. Colo. 1995); In re Tucker, 5 B.R. 180, 182 (Bankr. S.D.N.Y. 1980) ("An adequate "cushion" can itself constitute adequate protection with nothing more.") The current amount outstanding under the Prepetition ABL Credit Agreement is approximately $35.49 million. The Debtors estimate that the value of the Prepetition ABL Priority Collateral is approximately $72.9 million, consisting of approximately $43.5 million in eligible accounts receivable and $29.4 million in estimated inventory.

the value of the Prepetition Collateral, (b) a sufficient equity cushion exists that protects the Prepetition ABL Lenders' interests from any diminution in value and they will receive the Adequate Protection Payments, (c) the Prepetition ABL Lenders and Prepetition Term Lenders will be granted replacement liens (in the priorities described in the Interim Order) to the extent of any diminution in the value of their interests in the Cash Collateral and their other Prepetition Collateral, and (d) the Prepetition Lenders will a be entitled to an administrative expense claim under section 507(b) of the Bankruptcy Code (in the priorities described in the Interim Order) to protect the Prepetition Lenders to the extent the other adequate protection provided in the Interim Order proves inadequate to secure against any diminution in the value of the their interests in the Cash Collateral. The Debtors submit that any one of the foregoing would suffice as adequate protection and, taken together, the Prepetition Lenders clearly are more than adequately protected under the circumstances.

93. If authorized, the requested relief would protect the going concern value of the businesses while the Debtors seek to continue with the process of selling their assets on a going concern basis and would, therefore, augment or preserve the value of the Cash Collateral rather than diminish it. In contrast, if the requested use of the Cash Collateral is not promptly authorized, the value of the Prepetition Collateral would be significantly eroded to the detriment of all parties in interest. Accordingly, the Debtors respectfully submit that no other or further adequate protection is necessary or required.

94. Pursuant to Bankruptcy Rule 4001(b), the Debtors request that the Court conduct an interim hearing and authorize the Debtors use of Cash Collateral in order to (a) maintain and finance the ongoing operations of the Debtors, (b) finance the Debtors' efforts to

sell the Debtors' assets on a going concern basis and (c) avoid immediate and irreparable harm and prejudice to the Debtors' estates and all parties in interest.

Request for Authority to Make
Interim Borrowings Under the DIP Facility

95. Bankruptcy Rule 4001(c) provides that a final hearing on a motion to obtain credit pursuant to section 364 of the Bankruptcy Code may not be commenced earlier than 15 days after the service of such motion. Upon request, however, the Court is empowered to conduct a preliminary expedited hearing on the motion and authorize the obtaining of credit to the extent necessary to avoid immediate and irreparable harm to a debtor's estate. In examining requests for interim relief under this rule, courts apply the same business judgment standard applicable to other business decisions. See, e.g., In re Simasko Prod. Co., 47 B.R. 444, 449 (Bankr. D. Colo. 1985); see also Ames, 115 B.R. at 38. After the 15-day period, the request for financing is not limited to those amounts necessary to prevent disruption of the debtor's business, and the debtor is entitled to borrow those amounts that it believes prudent in the operation of its business. See, e.g., Simasko, 47 B.R. at 449.

96. Pursuant to Bankruptcy Rule 4001(c), the Debtors request that the Court conduct an interim hearing and authorize the Debtors use of $56,000,000 of Cash Collateral and to borrow $11,700,000 million in cash under the DIP Facility, each on an interim basis, in order to (a) maintain and finance the ongoing operations of the Debtors, (b) finance the Debtors' efforts to market and sell the Debtors' assets on a going concern basis and (c) avoid immediate and

irreparable harm and prejudice to the Debtors' estates and all parties in interest.[23] See Iwasaki Affidavit at ¶ 39.

97. The Debtors have an urgent and immediate need for cash to continue to operate. As described above, the Debtors do not have sufficient funds with which to operate their businesses through only the use of Cash Collateral. Absent authorization from the Court to obtain secured credit and use the Cash Collateral, as requested, on an interim basis pending the Final Hearing, the Debtors will be immediately and irreparably harmed. The use of the Cash Collateral and the availability of interim loans under the DIP Facility will provide the necessary assurance to vendors, employees and customers of the Debtors' ability to meet their near-term obligations and preserve the value of their assets as the Debtors seek to sell their assets on a going concern basis. See id.

Good Faith

98. The terms and conditions of the DIP Facility are fair and reasonable and were negotiated by the parties in good faith and at arms' length. See Iwasaki Affidavit at ¶ 40. Therefore, the DIP Lender should be accorded the benefits of section 364(e) of the Bankruptcy Code to the extent any or all of the provisions of the DIP Facility, or any interim or final order of this Court pertaining thereto, are hereafter modified, vacated, stayed or terminated by subsequent order of this or any other court.

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23 As described in the Budget, the interim financing and use of Cash Collateral requested herein is necessary to make disbursement in the first 30 days of the Debtors' chapter 11 cases, to satisfy obligations necessary to maintain their ordinary course business operations, including payments to (or on account of): trade vendors and raw material suppliers; equipment and real property lessors; utilities; freight and shipping vendors; capital service and maintenance; insurance; taxing authorities; employees; plant consolidation and rigging expenses; and professional fees.

Request for Modification of the Automatic Stay

99. The proposed DIP Facility contemplates a modification of the automatic stay imposed by operation of section 362 of the Bankruptcy Code to (a) permit the Debtors to grant the Adequate Protection Replacement Liens and the DIP Liens and to incur all liabilities and obligations to the Prepetition Lenders and the DIP Lender hereunder and (b) authorize the Prepetition ABL Lenders to retain and apply payments and proceeds of Prepetition Collateral (including Cash Collateral) and DIP Collateral as provided in the Interim Order.

100. Such stay modification provisions are customary features of postpetition financing facilities and, in the Debtors' business judgment, are reasonable under the circumstances. Accordingly, the Debtors respectfully request that this Court modify the automatic stay to the extent contemplated by the proposed Interim Order.

Request for Final Hearing

101. Finally, pursuant to Bankruptcy Rule 4001(c)(2), the Debtors respectfully request that this Court set a date for the Final Hearing that is no later than 15 days from the Petition Date and approve the provisions for notice of such Final Hearing that are set forth in the proposed Interim Order.

Notice

102. No trustee or examiner has been appointed in these chapter 11 cases. Notice of this Motion has been provided to: (a) the U.S. Trustee; (b) counsel to The Bank of New York Mellon and JPMorgan Chase Bank, N.A., as agents for the Debtors' prepetition senior secured credit facility; (c) counsel to DBNY, in its capacity as DIP Lender, DIP Agent and as agent for the Debtors' prepetition asset-backed secured revolving credit facility; (d) counsel to The Bank of New York Trust Company, N.A., in its capacity as the indenture trustee for the

remaining outstanding Notes; (e) counsel to the North American OEMs; (f) counsel to Asahi Tec; (g) counsel to RHJI; and (h) those creditors holding the 50 largest unsecured claims against the Debtors' estates. The Debtors submit that no other or further notice need be provided.

No Prior Request

103. No prior request for the relief sought in this Motion has been made to this or any other Court.

WHEREFORE, the Debtors respectfully request that the Court (a) enter the Interim Order, granting the interim relief requested herein that is substantially in the form annexed hereto as Exhibit A; (b) enter the Final Order; and (c) grant such other and further relief to the Debtors as the Court may deem proper.

Dated: May 28, 2009
New York, New York

Respectfully submitted,

\s\ Ross S. Barr
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Ross S. Barr
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- and -

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PROPOSED ATTORNEYS FOR DEBTORS
AND DEBTORS IN POSSESSION

EXHIBIT A

LIEN PRIORITY CHART

Interim Order - Relative Lien Priority

Lien Priority	**Prepetition ABL Priority Collateral**	**Prepetition Term Priority Collateral**	**Unencumbered Collateral**
First Priority	DIP Facility Liens, Prepetition ABL Facility Liens and Prepetition ABL Facility Adequate Protection Replacement Liens, all on a pari passu basis	Prepetition Term Facility Adequate Protection Replacement Liens	DIP Facility Liens and ABL Facility Adequate Protection Replacement Liens, all on a pari passu basis
Second Priority	Prepetition Term Facility Adequate Protection Replacement Liens	Prepetition Term Facility Liens	Prepetition Term Facility Adequate Protection Replacement Liens
Third Priority	Prepetition Term Facility Liens	DIP Facility Liens, Prepetition ABL Facility Liens and Prepetition ABL Facility Adequate Protection Replacement Liens, all on a pari passu basis	

All Prepetition ABL Facility Adequate Protection Replacement Liens and DIP Liens are subject to the Carve-Out and certain prepetition senior third party liens.

EXHIBIT B

DIP TERMS

DIP Facility Terms

To request a DIP Loan borrowing, the Borrower shall notify the DIP Agent of such request by telephone not later than 12:00 noon, New York City time, two (2) business days before the date of the proposed borrowing. Each such telephonic borrowing request shall be irrevocable and shall be confirmed promptly by hand delivery or telecopy to the DIP Agent of a written borrowing request in a form approved by the DIP Agent and signed by the Borrower. Each such telephonic and written borrowing request shall specify the date, which shall be a business day, and amount of such borrowing. Promptly following receipt of a borrowing request in accordance herewith, the DIP Agent shall advise each Customer of the details thereof and of the amount of such Customer's participation therein. The Customers shall fund their respective participations no later than 12:00 noon on the business day prior to the date of the proposed borrowing. The DIP Agent shall have no obligation to fund DIP Loans unless the full amount of the Customers' participations therein have been fully funded and are immediately available to the DIP Agent. Each borrowing of DIP Loans shall be in an amount that is an integral multiple of $100,000 and not less than $500,000. The proceeds of such borrowing shall be funded into the following account: [ ].

All payments made by the Debtors under the DIP Facility will be made without setoff, counterclaim or other defense. All such payments will be made free and clear of, and without deduction or withholding for, any present or future taxes, levies, imposts, duties, fees, assessments or other charges of whatever nature now or hereafter imposed by any jurisdiction or by any political subdivision or taxing authority thereof or therein with respect to such payments (but excluding, except as provided in the second succeeding sentence, any tax imposed on or measured by the net income or net profits of the DIP Secured Parties pursuant to the laws of the jurisdiction in which it is organized or the jurisdiction in which the principal office or applicable lending office of such DIP Lender is located or any subdivision thereof or therein) and all interest, penalties or similar liabilities with respect to such non-excluded taxes, levies, imposts, duties, fees, assessments or other charges (all such non-excluded taxes, levies, imposts, duties, fees, assessments or other charges being referred to collectively as "Taxes"). If any Taxes are so levied or imposed, the Debtors agree to pay the full amount of such Taxes, and such additional amounts as may be necessary so that every payment of all amounts due under the DIP Facility, after withholding or deduction for or on account of any Taxes, will not be less than the amount otherwise payable thereunder. If any amounts are payable in respect of Taxes pursuant to the preceding sentence, the Debtors agree to reimburse the DIP Secured Parties, upon the DIP Agent's written request, for taxes imposed on or measured by the net income or net profits of the DIP Secured Parties pursuant to the laws of the jurisdiction in which they are organized or in which the principal office or applicable lending office of the DIP Secured Parties is located or under the laws of any political subdivision or taxing authority of any such jurisdiction in which they are organized or in which the principal office or applicable lending office of the DIP Secured Parties is located and for any withholding of taxes as they shall determine are payable by, or withheld from, the DIP Secured Parties, in respect of such amounts so paid to or on behalf of the DIP Secured Parties pursuant to the preceding sentence and in respect of any amounts paid to or on behalf of them pursuant to this sentence. The Debtors will furnish to the

DIP Agent within 45 days after the date the payment of any Taxes is due pursuant to applicable law certified copies of tax receipts evidencing such payment by such Debtors. The Debtors agree to indemnify and hold harmless the DIP Secured Parties, and reimburse the DIP Secured Parties upon their written request, for the amount of any Taxes so levied or imposed and paid by them.

The DIP Agent will be entitled to the benefits and protections which correspond to the benefits and protections afforded to the Prepetition ABL Agent pursuant to Article VIII of the Prepetition ABL Credit Agreement, which is incorporated herein mutatis mutandis.

To the extent that the Prepetition ABL Collateral Agent is the secured party under any account control agreements, listed as loss payee under any of the Debtors' insurance policies or is the secured party under any Prepetition ABL Security Document, the DIP Agent is also deemed to be the secured party under such account control agreements, loss payee under the Debtors' insurance policies and the secured party under each such Prepetition ABL Security Document, shall have all rights and powers attendant to that position (including, without limitation, rights of enforcement) and shall act in that capacity and distribute any proceeds recovered or received in accordance with the terms of this Interim Order. The Prepetition ABL Collateral Agent shall serve as agent for the DIP Agent for purposes of perfecting their respective security interests and liens on all DIP Collateral that is of a type such that perfection of a security interest therein may be accomplished only by possession or control by a secured party.

EXHIBIT C

BUDGET

USD 000's

United States

METALDYNE

Cash Flow - Budget [A]

Week Ending	Preliminary 1 5/22/2009	5-27 Filing 2 5/29/2009	3 6/5/2009	4 6/12/2009	5 6/19/2009	6 6/26/2009	7 7/3/2009	8 7/10/2009	9 7/17/2009	10 7/24/2009	11 7/31/2009	Total
Beginning Cash Balance	$71	$3,069	$1,026	($409)	$4,457	$846	$2,162	($2,786)	($8,354)	($18,035)	($18,601)	$71
Receipts												
Customer Receipts	4,636	8,792	8,010	3,806	6,136	4,757	3,208	2,608	3,998	1,915	3,960	51,827
Net Instant Receipts - Big Three	-	-	1,584	3,711	3,711	3,711	3,711	-	-	6,331	6,331	29,091
Proceeds from Customer (DIP) Loans	6,491	-	-	-	-	-	-	-	-	-	-	6,491
Pre-petition A/R payment [C]	-	-	-	2,000	-	-	-	-	-	300	-	2,300
Process Charge	-	-	-	-	-	-	-	-	-	-	3,250	6,500
Other Receipts [D]	-	700	2,000	6,684	-	3,250	-	-	-	1,783	-	12,950
Total Receipts	11,127	9,492	11,594	16,201	9,847	13,502	6,919	2,608	3,998	10,329	13,541	109,159
Disbursements												
A/P Trade	(2,293)	(6,960)	(6,514)	(6,514)	(6,514)	(6,514)	(951)	(951)	(6,898)	(6,898)	(6,898)	(57,905)
Leases	-	(993)	(94)	-	(408)	(509)	(5,359)	-	-	(743)	(485)	(8,591)
Utilities	-	-	-	-	-	(315)	(315)	(315)	(315)	(315)	(350)	(1,925)
Freight	-	(150)	(150)	(143)	(143)	(143)	(143)	-	-	(172)	(172)	(1,216)
Capital Expenditures	-	(129)	(129)	(46)	(46)	(46)	(46)	(93)	(93)	(93)	(93)	(813)
Insurance Payments	(175)	(50)	(56)	(44)	(251)	(49)	(53)	(59)	(55)	(251)	(102)	(1,144)
Taxes	-	-	-	-	(0)	-	-	-	(155)	-	-	(155)
Employees	(20)	(40)	(40)	(40)	(40)	(40)	(40)	(40)	(40)	(40)	(40)	(420)
Total A/P Disbursements	($2,488)	($8,321)	($6,982)	(6,786)	(7,402)	(7,615)	(6,907)	(1,459)	(7,557)	(8,512)	(8,140)	(72,169)
Payroll	-	(700)	(2,891)	(649)	(2,891)	(649)	(2,827)	(885)	(3,100)	(858)	(3,100)	(18,549)
Salaried Severance / Incentive	-	-	(100)	(100)	(100)	(100)	(25)	(25)	(25)	(25)	-	(500)
Benefits	(615)	(636)	(680)	(680)	(691)	(826)	(490)	(866)	(795)	(826)	(712)	(7,816)
Operating Disbursements	(3,103)	(9,657)	(10,652)	(8,214)	(11,083)	(9,189)	(10,249)	(3,234)	(11,477)	(10,221)	(11,953)	(99,034)
Operating Cash Flow	$8,024	($165)	$941	$7,986	($1,236)	$4,312	($3,330)	($627)	($7,478)	$108	$1,589	10,125
Plant Consolidation / Rigging	-	-	(188)	(188)	(188)	(188)	(188)	(188)	(188)	(188)	-	(1,500)
Utility Deposits	-	-	(533)	(533)	(533)	-	-	-	-	-	-	(1,600)
Company Professional Fees (legal / advisors) [B]	(767)	(469)	(430)	(624)	(275)	(619)	(325)	(780)	(325)	(487)	(687)	(5,787)
Other Professional Fees (legal / advisors)	(413)	(183)	-	-	(386)	(285)	-	-	(180)	-	(229)	(1,677)
Bank Fees / Interest pay	-	(146)	-	-	-	-	-	-	-	-	(272)	(418)
ABL Draw (Paydown)	(3,847)	(1,080)	(1,225)	(1,776)	(994)	(1,904)	(1,106)	(3,973)	(1,510)	-	-	(17,414)
Total Cash Inflow (Outflow)	$2,998	($2,043)	($1,435)	$4,866	($3,612)	$1,317	($4,949)	($5,568)	($9,681)	($566)	$401	(18,271)
Ending Cash Balance	$3,069	$1,026	($409)	$4,457	$846	$2,162	($2,786)	($8,354)	($18,035)	($18,601)	($18,201)	($18,201)
LIQUIDITY												
Borrowing Base	$39,974	$38,835	$37,610	35,834	34,840	32,936	31,830	27,857	26,347	29,441	31,033	
Less Liquidity Block	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,500)	(11,000)	
Less ABL Drawn	(29,915)	(28,835)	(27,610)	(25,834)	(24,840)	(22,936)	(21,830)	(17,857)	(16,347)	(16,347)	(16,347)	
Total Availability	59	-	-	-	-	-	-	-	-	2,594	3,685	
Customer pre-petition loan	(6,491)											
Cumulative disbursements before ABL paydown [a]		(10,455)	(21,971)	(31,242)	(43,420)	(53,414)	(63,963)	(67,953)	(79,910)	(90,593)	(103,734)	
Permitted Variance %		20.0%	20.0%	12.5%	12.5%	12.5%	7.5%	7.5%	7.5%	7.5%	7.5%	
Cumulative Permitted Disb. Variance [b]		(2,091)	(4,394)	(3,905)	(5,428)	(6,677)	(4,797)	(5,096)	(5,993)	(6,794)	(7,780)	

[a] NOTE Excludes severance, plant consolidation costs, and any bank build impacts. The timing and amount of these costs will vary with customer requirements, and therefore, the measurement of these items is excluded from the permitted variance test and calculation. The permitted variance calculation also excludes disbursements made on behalf of Ramos USA (see note).

[b] Calculated as cumulative disbursements before ABL paydown times the permitted variance % for the period.

NOTES:

[A] Consistent with the calculation of the borrowing base under the existing revolving credit facility, the Budget excludes all receipts and disbursements associated with shipments of parts into and out of the Companies' Ramos, Mexico facility (which is a maquildora under Mexican law). In the normal course, Metaldyne utilizes cash received from the Ramos facility as described in Metaldyne's Cash to make certain disbursements on behalf of this entity. This facility is expected to be self-funding during the 13-week period. As such, disbursements made that relate to the Ramos, Mexico location are not included as disbursements for purposes of the permitted variance calculation.

[B] Assumes Advisory Success fee is paid from asset sale proceeds.

[C] Represents collection of pre-petition A/R owing to domestic Metaldyne entities associated with direct production agreement negotiations. Metaldyne is also working with customers for the purchase of inventory. Inventory collections are not included and amount is to be determined.

[D] Other receipts includes estimated reimbursement for direct production operating costs, lease cost reimbursement, and associated overhead allocations. Estimates are based on preliminary assessment of budgeted costs. Metaldyne continues to work with customers to develop specific production schedules and reimbursement of related costs.

EXHIBIT D

ACCOMMODATION AGREEMENT

ACCOMMODATION AGREEMENT

Metaldyne Corporation, on behalf of itself and its domestic and Canadian controlled affiliates and subsidiaries (collectively, "Supplier"), Deutsche Bank AG New York Branch in its capacity as DIP lender and DIP agent ("Lender"), Ford Motor Company ("Ford"), General Motors Corporation ("GM"), Chrysler LLC, on behalf of itself and Chrysler Motors LLC ("Chrysler US") and Chrysler de Mexico S.A. de C.V. ("Chrysler Mexico", and together with Chrysler US, "Chrysler"), as debtor-in-possession under Case No. 09-50002 pending in the United States Bankruptcy Court for the Southern District of New York, ("Chrysler", and together with Ford and GM the "Customers" or each individually, "Customer") enter into this accommodation agreement ("Agreement") on May __, 2009.

BACKGROUND

A. Pursuant to various supply agreements and/or releases issued by the Customers and accepted by Supplier ("Purchase Orders" or individually, a "Purchase Order"), Supplier is obligated to manufacture the Customers' requirements of certain component parts, service parts and assembled goods, as modified to reflect any approved engineering changes (collectively, "Component Parts" or individually, a "Component Part"). Notwithstanding anything herein to the contrary, component parts produced at the New Castle facility shall not be included in the definition of Component Parts or be governed by this Agreement.

B. Supplier has determined that it must file petitions under chapter 11 of title 11 of the United States Code (the "Chapter 11 Cases") to effect a sale (the "Sale Process") of all or substantially all of their assets used in connection with their powertrain, balance shaft module and chassis businesses (the "Sale Assets"). To continue its operations during the Chapter 11 Cases, Supplier must obtain debtor-in-possession financing ("DIP Financing") in accordance with, among other things, financing orders to be entered in the Chapter 11 Cases (the interim and final of such orders, the "Financing Orders").

C. Metaldyne Company LLC ("Metaldyne Company") is a borrower under a revolving credit facility (as amended and with all related loan and security documents, the "Prepetition ABL Loan Documents") pursuant to the ABL Credit Agreement, dated as of January 11, 2007, among Metaldyne Company, Metaldyne Intermediate Holdco, Inc. ("Metaldyne Intermediate"), Deutsche Bank AG New York Branch (the "Prepetition ABL Agent") (as administrative agent and collateral agent), JPMorgan Chase Bank, N.A. (as syndication agent) and Citicorp North America, Inc. and Wachovia Capital Finance Corporation (Central) (as co-documentation agents) and the other lender parties thereto (the "Prepetition ABL Lenders" and, together with the Prepetition ABL Agent, the "ABL Secured Parties"). In addition, Metaldyne Company is a borrower under a senior secured credit facility (as amended and with all related loan and security documents, the "Prepetition Term Loan Documents" and, together with the Prepetition

ABL Loan Documents, the "Prepetition Loan Documents") pursuant to the Credit Agreement, dated as of January 11, 2007, among Metaldyne Company, Metaldyne Intermediate, The Bank of New York Mellon (the "Prepetition Term Agent" and, together with the Prepetition ABL Agent, the "Prepetition Agents") (as administrative agent and collateral agent), Citicorp North America, Inc. (as syndication agent), Deutsche Bank Securities Inc. (as documentation agent) and the other lender parties thereto (collectively, the "Prepetition Term Lenders" and, together with the Prepetition Term Agent, the "Term Secured Parties"). The ABL Secured Parties and the Term Secured Parties are collectively referred to herein as the "Prepetition Lenders." To secure the indebtedness outstanding under the Prepetition Loan Documents, the Prepetition Lenders have prepetition liens on substantially all of Supplier's assets.

D. The Lender has agreed to make the DIP Financing available to the Supplier subject to, among other things, receiving funded Participations (as defined below) and the financial accommodations from the Customers set forth herein (collectively, the "Customer Accommodations"). The DIP Financing will be structured as a Replacement ABL Agreement (as such term is defined in the Intercreditor Agreement, dated as of January 11, 2007, among Deutsche Bank AG, New York Branch, as collateral agent, JPMorgan Chase Bank, N.A., as collateral agent, Metaldyne Intermediate and Metaldyne Company) (the "Intercreditor Agreement").

E. In consideration for the Customers agreeing to provide such financial and other accommodations, the Customers have requested that Supplier provide them with certain assurances and acknowledgments in connection with the protection of the supply of Component Parts.

F. Subject to the terms of this Agreement, the Customers have agreed to provide certain financial and other accommodations to Supplier, and Supplier has agreed to provide the Customers with certain supply protection.

Based on the foregoing recitals and other good and valuable consideration, the receipt and adequacy of which are acknowledged, the parties agree as follows:

TERMS AND CONDITIONS

1. Conditions to Effectiveness

The effectiveness of this Agreement is expressly conditional upon occurrence of the following conditions precedent ("Effective Date"):

a. All parties to this Agreement have executed this Agreement;

b. Supplier has commenced the Chapter 11 Cases;

c. The entry of an interim Financing Order or other orders acceptable to the Customers that, among other things, approve this Agreement and the NCM Production Agreement (as defined infra.) as postpetition contracts in the Chapter 11 Cases.

2. **Term of the Agreement**

For purposes of this Agreement, the "Term" shall mean the period from the Effective Date through the earlier of (the "Termination Date") (i) the Sale Date (defined below); (ii) the occurrence of an Event of Default (as defined below); and (iii) sixty (60) days following the Effective Date; provided that Supplier may extend the Term for up two consecutive fifteen (15) day periods (the "Extended Termination Date") if Sale Orders have been entered and if the Supplier would still have funding availability under the terms of the Financing Orders. If sufficient funding is not available for any such fifteen (15) day period, without an obligation to provide any additional funding, the Customer agree to consider, in good faith, a request for additional funding.

3. **Sale Process**

A. Sale Process. Upon commencement of the Chapter 11 Cases, Supplier will continue the sale processes that were commenced prepetition to effect one or more transactions for the sale of Supplier's assets (each, a "Sale") with the intent to close such Sales within 60 days of the Effective Date of this Agreement (the closing date of the latest of such sales, the "Sale Date").

B. Milestones. The following milestones will apply to the Sale Process (each a "Milestone" or collectively, the "Milestones"):

(i) Letter(s) of Intent. Obtain, by June 5, 2009 a letter or letters of intent for the sale of some or all of the Sale Assets.

(ii) Definitive Agreement(s). Execute by June 15, 2009 one or more definitive purchase agreements and file motions to approve the Sales on the terms outlined in the definitive purchase agreements with the Bankruptcy Court; provided however that such dates shall be extended by the Customers, in the event Supplier has made good faith progress toward finalizing definitive purchase agreements, such that an extension will not jeopardize a closing by the date set forth below.

(iii) Sale Process Approval(s). Obtain by June 24, 2009 an order approving procedures for the approval of one or more Sales and any applicable bidding protections and procedures;

(iv) Sale Approval Order(s). Obtain, by July 27, 2009, an order from the Bankruptcy Court approving one or more Sales.

(v) Closing Date(s). Close one or more Sales by the later of 60 days after the Effective Date or the Extended Termination Date (the "Closing Deadline").

Supplier further agrees to provide the Customers updates, as frequently as is requested by the Customers, on the status of the Sale Process. Subject to (i) the execution of confidentiality agreements in form and substance mutually agreeable to Supplier and Customers and (ii) any other confidentiality agreements that Supplier may have with

third parties, Supplier will promptly provide Customers copies of all nonprivileged documents and information relating to the Sale Processes including, but not limited to, offering memoranda, letters of interest or intent and executed copies of asset purchase agreements.

C. RemainCo. It is Supplier's current intent that the assets of Supplier that are not sold pursuant to the Sale Processes, together with the remaining liabilities of the estates (collectively, "Remainco"), unless previously liquidated, sold, will either be transferred to a creditors' trust through a plan of reorganization or otherwise wound down, any such particular course of action depending entirely upon the available resources to fund such particular course of action. The DIP Financing will not fund the costs to operate the non-US plants in Remainco that are identified in a nonexclusive list on Exhibit A (the "Remainco Plants"), as may be supplemented by written notice by Supplier to the Customers. The cash management order entered in the Chapter 11 Cases will permit the prepetition cash management system related to Supplier's Canadian affiliate to continue postpetition. If, after expiration of the Term, any Customer desires production of Component Parts from any of the Remainco Plants, the applicable Customer and Supplier will work in good faith to determine the cost of such production, which cost Customer shall bear. The Customers and the Supplier will work together to transfer the Component Part production of each of the Customers from the Remainco Plants prior to the expiration of the Term, with the costs of transfer to be funded by the applicable Customer. The costs of transfer may, at the option of the applicable Customer, be funded as additional advances under the DIP Financing by the purchase of additional Participations (as defined, infra.). In the event that the Sale Process is not concluded by Termination Date or, if applicable the Extended Termination Date, the DIP Financing will terminate. For clarity, the DIP Financing will not fund extraordinary costs associated with the Remainco facilities after the Term expires.

4. **Funding**

A. As a condition to the Lender's provision of the DIP Financing, the Customers will each purchase their respective percentages (55.9% Ford; 24.3% Chrysler; and 19.8% GM) of subordinated, last-out participations in loans made under the Replacement ABL Agreement, as and when required, in accordance with a Budget (as defined below) and pursuant to the terms of a Subordinated Participation Agreement reasonably acceptable to Lender and the Customers (each, a "Participation"). The aggregate amount of the Participations will be $18,508,789 (the "Maximum DIP Participations") plus the amounts of any participations acquired pursuant to Section 6.J. herein,

B. Supplier, Lender and the Customers will agree on the terms of a budget (the "Budget") pursuant to which Supplier will conduct its operations during the Term. The Budget will contain an agreed-upon funding for Supplier's incentive and severance costs, Supplier's professional fees and the fees of the UST.

C. Subject to the Customers providing the Customer Accommodations, Lender will provide Supplier with the DIP Financing pursuant and subject to the terms and conditions of the Financing Orders during the Term in accordance with the Financing Orders.

D. During the Term, no Customer will impose pricedowns or price reductions on Supplier with respect to the Component Parts.

E. Within 10 days of the Effective Date, each Customer will acknowledge to Supplier its account payable balance and its tooling payable balance. Each Customer will use its commercial best efforts to resolve any disputed tooling invoices within 10 days of the Effective Date.

5. **Customers' Accommodations**

A. Limitation on Setoffs. As to all accounts payable owing by each Customer to Supplier generated or existing prior to the expiration of the Term, including prepetition payables ("Customer Accounts"), each Customer agrees, solely for the benefit of Lender and the Prepetition Lenders, or any assignee or successor of Lender, not to exercise its respective rights of setoff and/or recoupment, including, without limitation, in connection with any prior, existing or future defaults under any Purchase Orders, or any defenses, rights and claims (including without limitation claims for any incidental, special or consequential damages), other than to the extent of the Allowed Setoffs, Tooling Setoffs and Material Setoffs, (each defined below); provided, however, (i) under no circumstances may Allowed Setoffs exceed 3% percent ("Cap") of the face amount of any invoices or accounts payable; (ii) once an Allowed Setoff is deducted from a particular invoice or account payable, no further Allowed Setoffs may be taken against such invoice or account payable, and (iii) if an invoice or account payable is paid, a Customer will have no right after that payment to assert an Allowed Setoff in respect of that payment. Any Allowed Setoffs in excess of the Cap will be rolled over and available for deduction against any subsequent payment of any invoices or accounts payable; provided, however, under no circumstances will an Allowed Setoff against any invoice or account payable exceed the Cap.

(i) For purposes of this Agreement:

(a) "Allowed Setoffs" means any setoff, recoupment or deductions, whether for defective or nonconforming products, quality problems, unordered or unreleased parts (other than for parts produced for an Inventory Bank pursuant to this Agreement) returned to Supplier, short shipments, hostage payments made to material vendors that are not Material Setoffs and for which Supplier has requested in writing (or, if relating to a period prior to the Effective Date, that Customer has identified to Supplier in writing) that such Customer make such payments, misshipments, premium freight charges (not caused by a Customer), improper invoices, mispricing, duplicate payments or billing errors, and

professional fees and costs incurred by one law firm and one financial advisory firm per Customer and related to Supplier incurred by each Customer individually (the "Professional Fees") but excluding any incidental, special or consequential damages arising from or relating to such items.

(b) "Material Setoffs" means any setoff or recoupment for (A) direct payments to vendors by a Customer for the cost of materials, services or components purchased by a Customer pursuant to Supplier's written request and used by Supplier in connection with the production of Component Parts, if such material, services or components could have been purchased by Supplier but for the vendor's refusal to sell to Supplier on a COD basis, or (B) materials, services or components supplied to Supplier by a Customer in the ordinary course of business to be used in production of Component Parts for which in either instance written notice of the amount paid to vendors or Supplier, or the invoice amount of such items provided in the ordinary course, as applicable, for those materials, services or components ("Direct Payment Notice") has been received by Lender and the Prepetition ABL Agent in advance of the next reporting date for the borrowing base under the Prepetition ABL Loan Documents. Material Setoffs may be taken only against accounts that arise from shipments made by Supplier to Customer from and after the one business day following receipt by Lender and the Prepetition ABL Agent of the Direct Payment Notice.

(c) "Tooling Setoffs" means any payments to tooling vendors, including progress payments, necessary to receive possession of tooling (i) over which Lender or the Prepetition Lenders do not possess a priority lien with respect to such tooling; or (ii) which payments are necessary to secure the release of tooling where the affected Customer(s), acting in good faith, determine(s) insufficient time exists to exercise judicial remedies to obtain possession or control of such tooling. Tooling Setoffs may be taken only (1) against amounts owed by Customer to Supplier under the applicable tooling purchase order, and (2) only as to which a written notice of the amount paid to the tooling vendor(s) has been provided to the Lender and the Prepetition Agents in advance of such intended setoff. If the amount due to the Supplier under the tooling purchase order for particular tooling, less any amounts paid to the tooling vendor by a Customer, exceeds, as a result of a prior partial payment by the Supplier to the tooling vendor, the amount owed to the tooling vendor, the applicable Customer shall pay the excess (less the cost to complete if applicable) to the Prepetition Term Lenders on account of Supplier, or to Supplier in the event

that Lender's and the Prepetition Lenders' claims have been satisfied in full.

(ii) Customers reserve and do not waive any rights and interests they respectively may or would have against the Supplier but for this Agreement, including the right to assert affirmative claims against Supplier and setoffs asserted for defense purposes. Customers further agree that they will not assert any such rights and interest against any purchaser in a Sale, including any assignee of a purchase order if the Customers, or a Customer, consent(s) to such assignment.

B. Inventory Purchase Agreement.

(i) Upon the occurrence of an Inventory Trigger Event (defined below), each Customer will purchase and pay for, within 30 days of the Inventory Trigger Event, all of (collectively, "Customer Inventory"): Supplier's raw materials (including purchased components),and finished goods inventory related to that Customer's Component Parts that are usable (defined below) by the Customer or the Customer's new supplier and merchantable (defined below) and any Component Parts that are the subject of unsatisfied releases that are or were provided to Supplier and under which Supplier actually produced Component Parts ("Releases") from (i) Lender or the Prepetition ABL Agent, as applicable, (if Lender or the Prepetition ABL Agent obtains possession of and the right to sell such inventory by way of repossession, voluntary surrender, judicial intervention or otherwise), (ii) a trustee, receiver or interim receiver lawfully acting for the benefit of the Lender ("Trustee") or (iii) Supplier, if Lender and the Prepetition ABL Agent so elect.

(ii) Notwithstanding anything contained in this Agreement to the contrary, Customers will be required to purchase Customer Inventory pursuant to this Agreement only upon the occurrence of an Inventory Trigger Event, provided that Lender, the Prepetition ABL Agent, Supplier or a Trustee, as the case may be, can make the Customer Inventory available for pick up by the applicable Customer free and clear of all liens and security interests within 30 days after the occurrence of an Inventory Trigger Event; provided, however, that the determination of whether the Customer Inventory is usable and merchantable shall be made on the date of the Customer Inventory is available for pick up by the applicable Customer ("Determination Date").

(iii) For purposes of this Agreement, the following definitions shall apply:

(a) "merchantable" means merchantable as that term is defined in U.C.C. § 2-314 and in conformance with applicable Purchase Order or supply contract specifications, reasonably applied.

(b) "Inventory Trigger Event" means the first to occur of the following events without payment of all of the obligations of the

Supplier to the Lender and the Prepetition ABL Agent: (i) as to each Customer separately, such Customer resources some or all of its Component Part production from Supplier (provided that resourcing by a Customer of less than all of its business shall be deemed to be a Trigger Event only as to Customer Inventory related to the resourced Component Parts); (ii) expiration of the Term; (iii) conversion of any of the Supplier's chapter 11 cases to a chapter 7 case under the Bankruptcy Code; and (iv) an Event of Default by Supplier that is continuing and is not waived by the applicable Customer.

(c) "usable" means finished goods and raw materials, as the case may be, relating to the Component Parts or tooling which are usable by Customer (or the Customer's alternative supplier(s) of the Component Parts) in connection with manufacturing the Component Parts for which a Customer has unsatisfied requirements as of the Determination Date but in all cases in quantities not less than those called for by any Releases (including so-called fabrication or similar Releases relating to the procurement of raw materials and any inventory bank builds requested by a Customer) existing as of the Determination Date less any portion of such releases that are satisfied by the delivery of Component Parts or Customer Inventory prior to the Determination Date, it being understood that Customer Inventory in amounts called for by unsatisfied Releases (including any requested inventory bank builds) shall be deemed usable for purposes of this Agreement.

C. Purchase Price. The price for Customer Inventory to be purchased under this Agreement ("Purchase Price") will be calculated as follows:

(i) for raw materials – 100% of Supplier's actual and documented cost of the raw materials excluding premium freight charges not requested by the Customer; and

(ii) for finished Component Parts – 100% of the existing Purchase Order price (in effect on the date of purchase of the Inventory) to Customer.

All prices are F.O.B. Supplier. Upon a Customer's request made within two business days after an Inventory Trigger Event, and subject to the Customer's agreement to purchase the resulting finished goods, Lender and the Prepetition ABL Agent will permit, Supplier will complete, work-in-process inventory after an Inventory Trigger Event subject to agreement by Lender, the Prepetition ABL Agent, Supplier, and Customer on a budget to cover the costs incurred for such production and the price to Customer of the resulting finished goods, and payment in advance by the applicable Customer or Customers of all costs associated with completing the work in process pursuant to such budget; provided, further, that such production shall be completed no later than five business days after the Inventory Trigger Event.

In the event merchantable and usable raw material is used in the production of Component Parts for more than one Customer ("Common Materials"), the Common Materials will be allocated to each Customer, without regard to any portion allocated to any other customer, on a pro-rata basis based upon each party's respective sales percentage at the applicable plant over the 4 month period ending April 30, 2009.

Customers agree to pay directly to the Prepetition ABL Agent or, if the claims of the Prepetition ABL Secured Parties have been paid in full in cash, Lender (for Supplier's account) the Purchase Price of their respective Customer Inventory purchased pursuant to this Agreement without setoff, recoupment or deduction for any claims or rights Customers may otherwise have against Supplier or the Prepetition Lenders, which rights and claims Customers otherwise reserve and do not waive, except as otherwise provided under this Agreement.

D. Change of Account Payable Terms. For those shipments of the Component Parts invoiced or shipped on and after the Effective Date by the Supplier, including its Canadian affiliate, through the expiration or termination of the Term, all Customers except Chrysler Mexico will make payments on net immediate terms. Chrysler Mexico will continue its current payment terms of 10/25 prox. For purposes of this Agreement "net immediate" shall mean payments on average within 8 days after receipt by the Customer. Ford agrees that all pre-Effective Date accounts payable will be paid no later than 15 days after the Bankruptcy Filing, provided that an interim Financing Order has been entered before that time. GM agrees that it shall on May 29, 2009 pay all accounts payable for all goods received by GM and reflected in GM's disbursement system as of the close of business on May 28, 2009. Chrysler agrees that Chrysler Mexico shall pay its reconciled pre-Effective Date payable of approximately $1.61 million on or before two business days of the Effective Date and shall use its best efforts to reconcile its disputed Component Parts accounts within fourteen days of the Effective Date with such reconciled amounts paid within the next payment cycle. Chrysler agrees that Chrysler Mexico shall pay its reconciled pre-Effective Date payable of approximately $1.61 Million on or before two business days of the Effective Date and shall use its best efforts to reconcile its disputed Component Part accounts within fourteen days of the Effective Date with such reconciled amounts paid within the next payment cycle. Chrysler US shall pay its reconciled accounts as set forth in the NCM Production Agreement

E. Exclusion of New Castle Facility. Nothing in this Agreement shall pertain to the New Castle Component Parts, which shall be governed by the terms of the NCM Production Agreement dated May , 2009, which agreement shall be approved by the Bankruptcy Court. Chrysler shall have no rights under this Agreement unless it enters into a mutually acceptable NCM Production Agreement on or before the Effective Date. Chrysler US asserts that Supplier supplies goods or services critical to the going concern value of Chrysler US' businesses or the consummation of a sale transaction among Chrysler LLC and certain subsidiaries and New Carco Acquisition LLC and an indirect wholly owned subsidiary of Fiat S.p.A.

F. Bankruptcy. In the event a Customer files a petition for relief under chapter 11 of Title 11 of the United States Code in the United States Bankruptcy Court during the Term, that Customer will file a motion on its petition date to seek Court approval and direction to assume and continue performance of its obligations under this Agreement, including timely payment of all prepetition amounts owed Supplier, and will diligently prosecute such motion to obtain expedited approval thereof. No rights of any Customer hereunder and no obligations of Supplier to any Customer shall be of any force and effect unless such Customer is in full compliance with all of its obligations under this Agreement, including the funding of Subordinated Participations as set forth above.

G. Resourcing. Until the first to occur of (i) the expiration or termination of the Term or; and (ii) an Event of Default occurs, the Customers will not resource and will not further dual source the Component Parts, other than Component Parts manufactured at the Remainco Plants or the Component Parts that the Supplier and the Customer mutually agree in writing may be (the "Remainco Component Parts"). The foregoing limitation shall not prohibit the Customers from taking action during the Term to prepare for resourcing such as entering into discussions and sending requests for proposals to alternative suppliers regarding the production of the Component Parts Supplier will fully cooperate and assist the Customers in their respective resourcing preparations, provided, however, that (i) reasonable steps will be taken to protect confidential or trade-secret information and the Excluded Technology from competitors, and (ii) the costs for such preparations are contained within the Budget or are paid for directly by the Customer seeking such preparations. For clarity, this Section is not intended to constitute a commitment under this Agreement for the Customers to retain any of their business with Supplier after the expiration or termination of the Term or to consent to assignment of any of their respective purchase orders, and (b) the Customers may immediately begin to resource Component Parts manufactured at the Remainco Plants.

For clarity, the foregoing limitation does not include or prohibit (i) changes in releases due to normal business fluctuations, (ii) cessation of production due to product or program changes.

H. Survival. The obligations of the Customers described in Clauses A, B, C and D above are continuing obligations that survive the expiration of the Term.

6. Supplier's Obligations

A. Continued Production. Supplier will continue to manufacture the Component Parts for the Customers in accordance with the terms of their respective Purchase Orders and related releases; provided that, in the case of the Remainco Plants, Supplier has sufficient liquidity or financing to do so. Supplier agrees to notify Customers' respective line purchasing agent of any threat or threats to shipment of Component Parts on a timely basis, promptly upon learning of that threat or threats. Except as specifically provided in this Agreement, this Agreement is not intended to

modify the terms and conditions of the Customers' respective Purchase Orders, which terms and conditions otherwise remain in full force and effect. In the event of any inconsistency between the terms of this Agreement and the terms of the Customers' respective Purchase Orders, the terms of this Agreement will control.

B. Bankruptcy Filing. Supplier will immediately file a Voluntary Petition for relief under chapter 11 of title 11 of the United States Code in the United States Bankruptcy Court for the Southern District of New York ("Bankruptcy Court"). As promptly as possible upon the filing of its Chapter 11 Cases, Metaldyne will file such necessary motions to approve and effectuate the DIP Order.

C. Purchase Order Assignment. No Purchase Order of any Customer may be assigned to any proposed purchaser or assignee of the purchase order without the express prior written consent of the Customer party to the Purchase Order.

D. Inventory Banks. Supplier will build for each Customer an inventory bank of Component Parts in accordance with a schedule to be provided to Supplier by each Customer. Supplier will immediately begin producing inventory banks on the later of the Effective Date or the date on which the schedule is received by the Supplier and ship inventory-bank parts as they are produced. The Customers will pay for the Component Parts in accordance with the payment terms set forth in this Agreement. Supplier's obligation to build the inventory bank parts will be subject to: (i) receipt of a schedule by each Customer, (ii) the procurement of parts by Supplier, provided, Supplier shall immediately notify any Customer of an inability to procure parts that will impair the ability of the Supplier to produce that Customer's inventory bank; (iii) the Budget, provided, however, that if the Debtor asserts it is unable to produce the inventory bank for any customer due to budgetary limitation, such Customer may advance the amounts necessary to commence or continue the inventory bank directly to the Supplier and the Supplier shall thereupon immediately commence or continue its production, (iv) reasonably applied internal capacity limitations (*e.g.*, machine capacity and manpower limitations); and (v) Customer's payment of verifiable, incremental out-of-pocket costs incurred by Supplier in connection with building the Inventory Bank including, but not limited to, all special packaging and handling costs (*e.g.*, disposable dunnage, wrapping, coating, etc.) ("Incremental Bank Costs"). Supplier's production of an inventory bank for a Customer cannot disrupt normal production for other Customers of Supplier. Supplier will fulfill releases for "all time buys" of past-model service Component Parts if requested to do so by a Customer, which shall be part of the inventory bank. Upon a Customer's request for an inventory bank, Supplier shall promptly provide a schedule to the Customer setting forth the Incremental Bank Costs Supplier anticipates that it will incur in connection with building the inventory bank ("Bank Build Budget"). The Customers are not obligated to reimburse Supplier for any Incremental Bank Costs that have not been disclosed to the Customer and approved in writing before being incurred and Supplier is not obligated to commence production of an inventory bank before such approval. Supplier will ship the Inventory Bank to the locations designated in writing by each Customer, as produced, and each Customer will pay for its inventory bank according to the terms of this Agreement. The Customers agree that, to the extent that the inventory banks consist of Component

Parts other than Remainco Component Parts and a Sale occurs, the Customer will negotiate in good faith with the successful purchaser with respect to the manner in which the Component Parts will be utilized by the Customer.

Supplier will not produce inventory banks for Supplier's other customers ("Other Customers") unless (x) such Other Customer agrees to provide all of the accommodations provided by the Customers or other accommodations which have a reasonably equivalent economic impact, or (y) producing inventory banks for the Other Customer does not utilize available capacity that could be used to build inventory banks requested by Customers and such Other Customers agree in writing to piece price increases that reasonably compensate Supplier for all incremental costs incurred in producing the inventory bank, including premium labor costs.

E. Cooperation in Resourcing Business. If it becomes necessary to do so and is otherwise permitted under this Agreement, and, (for clarity, as to Remainco Component Parts, immediately upon the Effective Date), Supplier will cooperate and use its best efforts assisting Customers in moving the production of Component Parts to one or more replacement suppliers; provided that the costs of such cooperation are paid directly by the applicable Customer outside the Budget. Supplier's assistance will include, without limitation, providing, among other things, Customers and its agents and consultants copies of tool lineups, tool processing sheets, bills of materials, PPAP packages, source schedules of materials, parts purchases from sub-suppliers, part prints, tool drawings and such other data and materials as may be reasonably necessary for resourcing, and by providing Customers and their agents, consultants, employees and potential successor suppliers reasonable access to Supplier's manufacturing facilities for the purpose of inspecting Tooling (defined below) and the manufacture of the Component Parts and to remove Customer Tooling and other Customer-owned property, if requested; provided however, that (i) in no event shall potential successor suppliers or competitors of Supplier have access to (I) Supplier plants for which there is a non-resourcing commitment in effect, or (II) as to plants for Remainco Component Parts which contain the Excluded Technology (defined below); have access without Supplier's prior written consent, which consent shall not be unreasonably withheld, and notwithstanding anything herein to the contrary, in no event shall such assistance or access include any information or access involving processing technologies or formulas pertaining to the Excluded Technology, as defined below..

F. Access. Supplier agrees that Customers and their designees, agents and representatives shall have reasonable access to Supplier's operations, books and records at any time during regular business hours, or outside of regular business hours upon reasonable request and prior notice, for the purposes of meeting with Supplier's representatives and monitoring Supplier's compliance with the terms of this Agreement and any other agreements and contracts between Supplier and Customers including, but not limited to, the Purchase Orders; monitoring production of the Component Parts and providing assistance with production of Component Parts if Customers deem it to be necessary; provided however, that (i) in no event shall potential successor suppliers or competitors of Supplier have access to Supplier plants for which there is a

non-resourcing commitment in effect, or (II) as to Remainco plants which contain the Excluded Technology (defined below) have access without Supplier's prior written consent, which consent shall not be unreasonably withheld; and (ii) notwithstanding anything herein to the contrary, in no event shall such access include any access to information, including books or records involving processing technologies or formulas pertaining to the Excluded Technology, as defined below.

G. Confidentiality. Supplier further acknowledges and agrees that it will preserve and protect each customer's confidential or proprietary information, including any intellectual property, from unauthorized use and disclosure.

H. Information. Supplier will provide to Customers any financial reporting a Customer may reasonably request. Supplier further agrees to meet, as reasonably requested by a Customer, to provide updates (in form, content and presentation as reasonably requested by Customer) of its financial condition, and any material changes to its operations, financial condition, lending relationship, and supplier relationships.

I. Access and Security Agreement. With respect to each Customer, Supplier will enter into an access and security agreement with respect to the Supplier's Canadian facility.

J. Other Customers. For all Other Customers identified in Exhibit B for which Supplier produces Component Parts during the Term, Supplier shall, no later than 14 days after the Effective Date: (i) charge, retroactive to the Effective Date, a surcharge above the applicable purchase order price in an amount designed to sufficiently cover costs incurred by Supplier for all Component Parts shipped to the Other Customers and to fund such Other Customers' equitable portion of the operating losses incurred by Supplier during the Term, which surcharge shall be reasonably acceptable to the Customers, (ii) require that the Other Customers pay their share of any required material and/or Hostage Payments (their share will be calculated based upon their respective portion of shipments or outside process services from that particular third party vendor making up any required Hostage Payments) and (iii) cause such Other Customer to pay all outstanding accounts receivable and obtain an agreement from such Other Customers to pay for Component Parts on net immediate terms as that term is defined in Section 5(D) above. To the extent an Other Customer refuses to pay the surcharge, or otherwise comply with the terms of this section, after the expiration of such 10 day period, Supplier agrees that it will not use any Customer Funding and other accommodations provided by the Customers pursuant to this Agreement to fund that Other Customer's production. Notwithstanding anything herein to the contrary, an Other Customer shall not include Honda or Nissan, to the extent that, on or before 10 days after the Effective Date, either of them agrees to purchase participations in the DIP funding, which participations shall increase in the Maximum DIP Participations. Contemporaneously with the purchase of a participation interest, Honda and/or Nissan, as the case may be, shall confirm in writing its agreement to the terms and conditions of this Agreement and such parties shall thereupon be deemed to be "Customers" for all purposes of this Agreement.

K. License on Intellectual Property. Notwithstanding anything in this Agreement to the contrary and subject to the liens of the Prepetition Lenders, and in consideration for the accommodations granted by Customers to Supplier under this Agreement, Supplier grants, effective upon an Event of Default, or as to a Remainco Component Part effective upon completion of resourcing such Remainco Component Part, to each Customer and their assignee(s) or designee(s) that are not competitors of Supplier (i) an irrevocable, fully paid, worldwide non-exclusive license to the Intellectual Property (defined below) owned by Supplier, and (ii) an irrevocable sublicense to the Intellectual Property licensed to Supplier (to the extent that Supplier has the right to grant sublicenses therein) to the extent necessary to make, have made, use, have used, modify, improve, prepare derivative works of, distribute, display, offer to sell, sell, import and do all other things and exercise all other rights in the licensed or sublicensed Intellectual Property, ("License"). This section is not intended to limit or otherwise restrict any rights granted to Customers in their Purchase Orders or any other agreement, but is intended to expand those rights. Moreover, nothing in this Agreement may be construed as an admission by any Customer of the validity of Supplier's claimed rights to Intellectual Property, including an admission that a license is required by Customers to make, have made, sell, offer for sale and/or import its Component Parts. Customers will handle the Intellectual Property in accordance with the same confidentiality and other practices employed by Customers to safeguard their own most valuable intellectual property against unauthorized use and disclosure.

The term "Intellectual Property" means (x) all currently existing registered and applied-for intellectual property owned by Supplier (including, but not limited to, all patents, patent applications, trademark registrations, trademark applications, copyright registrations, and copyright applications), (y) all agreements for intellectual property licensed to Supplier and (z) any other intellectual property used to produce Component Parts (whether or not the intellectual property is identified, including, but not limited to, unregistered copyrights, inventions, discoveries, trade secrets and designs, drawings and data, regardless of whether such items are registerable or patentable in the future, and all related documents and software), that are used in or to produce any Component Parts that Supplier directly sells to Customers including, without limitation, everything defined as "intellectual property" under 11 U.S.C. §101, as amended from time to time. Notwithstanding anything herein to the contrary, "Intellectual Property" shall not include the: (i) metal forming or forging technology relating to Supplier's Sintered businesses located in the North Vernon, PA, Ridgway, PA and St. Mary's, PA plants, or (ii) die casting or tooling technology relating to Supplier's Die Casting and Valve Body businesses located in the Niles, IL or Twinsburg, OH plants, (iii) tooling technology relating to Supplier's Punchcraft business located in Warren, MI. or (iv) technology related to the damper business in Thamesville, Ontario or (v) any Intellectual Property utilized by Suppliers' non-US and non-Canadian affiliates (individually and collectively, the "Excluded Technology"), for which no license is granted, but Intellectual Property shall include any tool CAD models and mathematical data used for the creation of Customer owned tooling, tooling and engineering drawings and CMM programs and fixtures, all of which Supplier acknowledges are owned by the respective Customer.

7. **Tooling Acknowledgment.**

A. The term "Tooling" means, collectively, all tooling, dies, test and assembly fixtures, gauges, jigs, patterns, casting patterns, cavities, molds, and documentation, including engineering specifications and test reports, used in connection with the manufacture of Component Parts for Customers. The term "Unpaid Tooling" means Tooling manufactured for Customers for which Customers have not made full payment under the applicable purchase order with Supplier. The term "Supplier Owned Tooling" means Tooling which Supplier asserts is not owned by Customers and which is not subject to a purchase order issued by Customers. The term "Customer Tooling" means all Tooling other than Unpaid Tooling and Supplier Owned Tooling which is currently being used to manufacture Customers' Component Parts, whether under direct agreements between Supplier and Customers or agreements between Supplier and third parties.

B. Supplier acknowledges and agrees that Customer Tooling is (i) subject to the terms of this Agreement, (ii) owned by Customers, and (iii) held by Supplier (and, to the extent that Supplier has transferred the Customer Tooling to any third parties, by those third parties) as bailees-at-will.

C. Supplier will use commercially reasonable efforts to provide to Customers, within 30 days after the Effective Date, a list of Supplier Owned Tooling and Unpaid Tooling relating to Customers' Component Parts ("Tooling Lists"). Customers will provide assistance to Supplier in preparing the Tooling Lists as reasonably requested by Supplier. Customers reserve the right to dispute any Tooling List provided by Supplier. If Customers disagree with a Tooling List, Supplier and Customers will meet and attempt, in good faith, to resolve the dispute. If the dispute cannot be resolved by Supplier and Customers within 30 days after Customers' receipt of the Tooling List, the matter will be jointly submitted to a third party to be selected by Supplier and Customers or the Bankruptcy Court for expedited resolution. Any Tooling used to manufacture Customers' Component Parts not included in the Tooling List will be deemed Customer Tooling. If Supplier fails to timely provide a Tooling List, all Tooling will be deemed Customer Tooling.

D. If there is a dispute between Supplier and Customers over whether any Tooling is Customer Tooling, Supplier Owned Tooling or Unpaid Tooling, the disputed Tooling will be presumed to be Customer Tooling, pending resolution of the dispute, and Customers will have the right to immediate possession of the Tooling (and Supplier may not withhold delivery of possession of the Tooling to Customers pending resolution of the dispute), but the Tooling will remain subject to any valid lien of Supplier or any claim or right to payment of Supplier for the disputed amount (despite Supplier's relinquishment of possession).

E. Once the purchase order price of an item of Unpaid Tooling has been paid, it will be included in the definition of Customer Tooling.

F. Supplier has no right or title to, or interest in, Customer Tooling, but has only the obligation to hold as bailee-at-will and use Customer Tooling solely to manufacture Customers' Component Parts.

G. The acknowledgements, rights and obligations contained in this Section 4 (i) are in addition to the rights of Supplier and Customers under the Purchase Orders or any other agreement between Supplier and Customers currently in effect, and (ii) will continue in effect after the expiration of the Term or the termination of this Agreement.

H. Supplier grants to Customers permission to record, on Supplier's behalf, any notice and/or financing statements concerning Customer Tooling if Customers determine that it is reasonably necessary to do so to reflect its interests in its Customer Tooling. Supplier also authorizes Customers to affix any plate, stamp, or other evidence of Customers' ownership upon each item of its Customer Tooling.

8. **Options.**

A. Supplier grants to Customers an irrevocable and exclusive option ("Option") to purchase, free and clear of the lien of the Lender and the Prepetition ABL Lenders, but subject to the lien of the Prepetition Term Lenders, exercisable on the expiration of the Term, any Supplier Owned Tooling, any returnable containers or dunnage, and any machinery or equipment and related or ancillary items which are owned by Supplier and dedicated exclusively to the manufacture, assembly or transport of Component Parts for Customers (collectively, "Dedicated Equipment"), for a price, subject to the Prepetition Term Agent's consent, (i) equal to the orderly liquidation value of any Dedicated Equipment as determined by the Stout Resius Ross appraisal of January 2007; or (ii) agreed to by Supplier, the Prepetition Term Agent and Customers. The Option may be exercised ("Exercise Period") immediately upon an Event of Default (defined below), the expiration of the Term or the earlier termination of this Agreement, or as to Remainco Component Parts, for each Customer, upon completion of resourcing the applicable Remainco Component Parts. The parties agree to cooperate in good faith to develop a list of the Dedicated Equipment within 30 days after the Effective Date.

B. Any Dedicated Equipment purchased under this Section 8 will be free and clear of all liens, claims, and encumbrances (other than the lien of the Prepetition Term Lenders), and Customers will also be granted (for no additional consideration) a License as necessary to use and maintain the Designated Equipment. This Section 8 is not intended to limit any rights granted to Customers under their respective Purchase Orders, including rights concerning licensing and other Intellectual Property, but is intended to expand those rights.

C. Supplier acknowledges that the prices above constitute commercially reasonable prices for the Dedicated Equipment (including the related License) and the License and that any sale under this Section 8 will be deemed to be commercially reasonable in all respects, including method, time, place, and terms. Upon exercise of the Option and payment of the applicable purchase price, Customers will have the right

to take immediate possession of the Dedicated Equipment purchased, to use the License without further payment of any kind, and to own, operate, use, enjoy, sell, assign, transfer or convey the Dedicated Equipment (and related License), and Supplier agrees to cooperate with Customers in its taking possession and control of the Designated Equipment purchased and any embodiments of Intellectual Property in the License. In addition, at the request of Customers, the Supplier will execute documents that are customary and reasonably requested by Customers to memorialize and implement this Section 8; provided, however, that Customers' and Supplier's inability to reasonably agree on mutually acceptable documentation will not deprive Customers or their sub-licensees of the use and enjoyment of the License or Independent License, as applicable, or its ownership and right to possession of the Dedicated Equipment.

D. The Options described in this Section 8 are continuing rights and obligations that survive expiration of the Term or any earlier termination of this Agreement, but are subject to the applicable Customer's performance of all of its obligations under this Agreement.

9. **Events of Default.**

The occurrence of any one or more of the following will be an "Event of Default" under this Agreement, unless such event results from a Customer not performing its obligations under this Agreement or unless a waiver or deferral is agreed to in writing by the Customers.

A. Supplier repudiates or materially breaches its obligations, or refuses to perform its material obligations, under this Agreement or a Customer's Purchase Order, provided Customer is in compliance with its obligations the consequence of which is a substantial likelihood that Customer's production of Component Parts will be interrupted (in which case the Event of Default applies only to that Customer);

B. The Bankruptcy Filing is converted to a case under Chapter 7, or a trustee or examiner is appointed for the Supplier;

C. Supplier breaches or fails to meet any of the Milestones contained in Sections 3(b)(i-iv) under this Agreement.

D. An Event of Default occurs under the Financing Order then in effect that is not cured or stayed from enforcement within five business days following notice of the Event of Default, or the Lender otherwise ceases to make advances under the DIP Financing after the expiration of such five business day period for any reason other than a Customer's failure to fund its Participation under Section 4(A) above.

10. **Reservation of Rights**

Unless waived or modified in this Agreement, each party reserves and does not waive any claims, rights, and remedies that it may have under the Purchase Orders, any other agreements between or among the parties, or applicable law, and each party expressly reserves all claims, rights and remedies it has under this Agreement, the Purchase Orders, any other agreements between or among the parties and applicable law; provided however that in no event shall any such rights or remedies be asserted against a purchaser who has assumed any Purchase Orders in connection with a Sale.

11. **Confidentiality**

Each party agrees that it will not disseminate, disclose or communicate, either directly or indirectly, any of the information contained in or received by virtue of this Agreement to any person or entity other than its officers, directors, employees and professional advisors and other parties to this Agreement except (a) to enforce this Agreement or (b) as a party may reasonably believe to be required by applicable law. The parties will take all commercially reasonable steps to ensure that the contents of this Agreement are kept secret and confidential except as provided above. The foregoing restrictions shall not apply to the extent this Agreement must be disclosed or filed in Supplier's Chapter 11 Cases and such restrictions shall automatically expire upon such filing or disclosure.

12. **Notice**

Any notice must be in writing and will be deemed to be delivered at the time of delivery if delivered by hand, or at the time sent, if sent by fax or by email. Until changed by notice in the manner described above, the addresses of the parties for the purpose of notice will be:

If to Ford:

Ford Motor Company
20100 Rotunda Dr.
Building #3, 3A-027
Dearborn, MI 48126
Attention: William Strong
Fax: (313) 206-7044
Email: wstrong@ford.com

With a copy to:

Ford Motor Company
Office of the General Counsel
1 American Rd., Ste. 416-A2
Dearborn, Michigan 48126
Attention: Daniella Saltz
Fax: (313) 322-3804
Email: dsaltz@ford.com

and

Miller Canfield Paddock and Stone PLC
150 West Jefferson, Suite 2500
Detroit, MI 48226
Attention: Timothy A. Fusco
Fax:(313) 496-7500
Email:fusco@millercanfield.com

If to GM:

General Motors Corporation
30009 Van Dyke Avenue
P.O. Box 9025
Mail Code: 480-206-136
Warren, MI 48090-9025
Attention: Mark W. Fischer
Fax: (586) 575-3404
Email: mfischer@gm.com

With copy to:

Honigman Miller Schwartz and Cohn LLP
2290 First National Building
Detroit, MI 48226
Attention: Donald F. Baty, Jr.
Fax: (313) 465-7315
Email: dbaty@honigman.com

If to Chrysler:

Chrysler LLC
800 Chrysler Drive
CIMS 485-14-78
Auburn Hills, Michigan 48326
Attention: Sigmund Huber
Director, Supplier Relations
Facsimile: (248) 512-1771
Email: seh43@chrysler.com

With a copy to:

Chrysler LLC
1000 Chrysler Drive
CIMS 485-14-78
Auburn Hills, Michigan 48326-2766
Attention: Kim R. Kolb
Senior Staff Counsel
Facsimile: (248) 512-1771
Email: krk4@chrysler.com

and:

Dickinson Wright PLLC
500 Woodward Avenue, Suite 4000
Detroit, Michigan 48226
Attention: James A. Plemmons
Facsimile: (313) 223-3598

Email: jplemmons@dickinsonwright.com

If to Supplier:

Metaldyne Corporation
47603 Halyard Drive
Plymouth, Michigan 48170-2429
Attention: David L. McKee
Fax: (734) 207-6797
Email: davidmckee@metaldyne.com

With copy to:

Foley & Lardner LLP
One Detroit Center
500 Woodward Ave., Suite 2700
Detroit, Michigan 48226-3489
Attention: Judy A. O'Neill
Fax: (313) 234-2800
Email: joneill@foley.com

If to Lender, to:

Deutsche Bank AG, New York Branch
60 Wall Street
New York, New York 10005
Attention: Enrique Landaeta
Facsimile: (212) 797-4655

With a copy to:

White & Case LLP
1155 Avenue of the Americas
New York, NY 10036
Attention: Eric Leicht and Scott Greissman
Facsimile: (212) 354-8113
Email: eleicht@whitecase.com / sgreissman@whitecase.com

13. **General Terms**

A. Notwithstanding anything in this Agreement to the contrary, no Customer may enforce any obligation hereunder against Supplier, unless such Customer is in full compliance with all of its obligations under this Agreement.

B. This Agreement, together with any other documents executed in connection with this Agreement, constitute the entire understanding of the parties in connection with the subject matter of this Agreement. There are no written or oral representations or understandings that are not fully expressed in this Agreement or one of the other documents executed in connection with this Agreement. This Agreement may not be modified, altered or amended except by an agreement in writing signed by all parties.

C. The persons executing this Agreement as representatives warrant that they have the power and authority to execute this Agreement on behalf of the corporation or entity that they represent.

D. Supplier must obtain the consent of Customers to assign or transfer, directly or indirectly, any of its rights or obligations under this Agreement. Likewise, this Agreement is not intended for the benefit of any third parties other than the Prepetition Lenders.

E. The delay or failure of a Customer to exercise any right, power or privilege under this Agreement does not affect that right, power or privilege. Any single or partial exercise of any right, power or privilege does not preclude further exercise on another occasion. Waiver of any breach of any term of this Agreement or Purchase Order by any party does not waive any other breach of that or any other term by any party.

F. If any part of this Agreement is for any reason found to be unenforceable, all other parts of this Agreement nevertheless remain enforceable.

G. Supplier agrees that it will not enter into any other arrangements or agreements that would in any way materially impair Customers' rights under this Agreement.

H. Nothing in this Agreement may be interpreted to constitute Supplier as Customers' agent for any purpose.

I. This Agreement may be executed in any number of counterparts with the same effect as if all signatories had signed the same document. All counterparts will be construed together to constitute one instrument. The parties agree that their respective signatures may be delivered by fax or email and that fax or email signatures will be treated as originals for all purposes.

J. This Agreement must be construed – and its performance must be enforced – under internal Michigan law, without reference to its conflicts of laws principles. During the Chapter 11 Cases, the parties consent to the exclusive jurisdiction of the United States Bankruptcy Court for the Southern District of New York, as to any claim or proceeding over which it may have jurisdiction. Each party waives any objection to the exercise of jurisdiction over it by this court.

14. **REPRESENTATIONS. EACH PARTY HAD THE OPPORTUNITY TO CONSULT WITH COUNSEL OF ITS CHOICE BEFORE SIGNING THIS AGREEMENT. NO PARTY IS RELYING ON ANY REPRESENTATIONS, WARRANTIES OR COMMITMENTS THAT ARE NOT IN THIS AGREEMENT. ANY AMBIGUOUS LANGUAGE IN THIS AGREEMENT SHOULD NOT BE CONSTRUED AGAINST ANY PARTICULAR PARTY BECAUSE THAT PARTY DRAFTED THE LANGUAGE.**

15. JURY TRIAL WAIVER. THE PARTIES ACKNOWLEDGE THAT THE RIGHT TO TRIAL BY JURY IS A CONSTITUTIONAL RIGHT, BUT THAT THIS RIGHT MAY BE WAIVED. EACH PARTY WAIVES ALL RIGHTS TO A TRIAL BY JURY OF ALL DISPUTES ARISING OUT OF OR IN RELATION TO THIS AGREEMENT OR THE PURCHASE ORDERS. NO PARTY WILL BE DEEMED TO HAVE RELINQUISHED ITS WAIVER OF JURY TRIAL UNLESS THAT PARTY DOES SO IN WRITING.

[Signatures on next page]

[Signature page to Accommodation Agreement]

Metaldyne Corporation, on behalf of itself and its subsidiaries

By: _____

Name: _____

Title: _____

Ford Motor Company

By: _____

Name: _____

Title: _____

General Motors Corporation

By: _____

Name: _____

Title: _____

Chrysler LLC on behalf of itself and Chrysler Motors LLC

By: _____

Name: _____

Title: _____

Chrysler de Mexico S.A. de C.V.

By: _____

Name: _____

Title: _____

Deutsche Bank, AG

By: _____

Name: _____

Title: _____

EXHIBIT B

Other Customers

Other OEMs	Other Suppliers
Hyundai	Dana
Honda *	Magna
Nissan *	TRW
Mitsubishi	American Axle
	Federal Mogul
	Conti
	Cummins
	Navistar

*If not a participant in the DIP Facility

EXHIBIT E

IWASAKI AFFIDAVIT

JONES DAY
222 East 41st Street
New York, New York 10017
Telephone: (212) 326-3939
Facsimile: (212) 755-7306
Richard H. Engman
Ross S. Barr

- and -

JONES DAY
North Point
901 Lakeside Avenue
Cleveland, Ohio 44114
Telephone: (216) 586-3939
Facsimile: (216) 579-0212
Heather Lennox
Ryan T. Routh

Proposed Attorneys for Debtors
and Debtors in Possession

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re	:	Chapter 11
Metaldyne Corporation, *et al.*,	:	Case No. 09-13412 (___)
Debtors.	:	(Jointly Administered)

AFFIDAVIT OF TERRY IWASAKI IN SUPPORT OF MOTION OF DEBTORS AND DEBTORS IN POSSESSION FOR INTERIM AND FINAL ORDERS PURSUANT TO SECTIONS 361, 362, 363, 364 AND 510 OF THE BANKRUPTCY CODE AND RULE 4001 OF THE FEDERAL RULES OF BANKRUPTCY PROCEDURE (A) AUTHORIZING THE DEBTORS TO (I) USE CASH COLLATERAL OF THE PREPETITION SECURED LENDERS, (II) OBTAIN POSTPETITION FINANCING AND (III) PROVIDE ADEQUATE PROTECTION TO THE PREPETITION SECURED LENDERS, (B) AUTHORIZING DEBTORS TO ENTER INTO, AND APPROVING, AN ACCOMMODATION AGREEMENT WITH CERTAIN CUSTOMERS AND (C) PROVIDING NOTICE AND SCHEDULING FINAL HEARING

STATE OF NEW YORK)
) ss:
COUNTY OF NEW YORK)

Terry Iwasaki, being duly sworn, deposes and says:

1. I am Vice President, Chief Financial Officer and Treasurer of Metaldyne Corporation ("Metaldyne"), one of the debtors and debtors in possession in the above-captioned chapter 11 cases (collectively, the "Debtors"). Metaldyne is a leading global designer and supplier of powertrain and chassis products for the automotive industry with primary offices at 47603 Halyard Drive, Plymouth, Michigan 48170.

2. I submit this Affidavit in support of the Motion of Debtors and Debtors in Possession for Interim and Final Orders Pursuant to Sections 361, 362, 363, 364 and 510 of the Bankruptcy Code and Rule 4001 of the Federal Rules of Bankruptcy Procedure (A) Authorizing the Debtors to (I) Use Cash Collateral of the Prepetition Secured Lenders, (II) Obtain Postpetition Financing and (III) Provide Adequate Protection to the Prepetition Secured Lenders, (B) Authorizing Debtors to Enter Into, and Approving, an Accommodation Agreement With Certain Customers and (C) Providing Notice and Scheduling Final Hearing (the "Motion"), filed by the Debtors in the above-captioned chapter 11 cases (the "Chapter 11 Cases").[1]

3. Except as otherwise indicated, all statements in this Affidavit are based on my personal knowledge, my review of relevant documents or my opinion based upon my experience and knowledge of the Debtors' operations and financial conditions. If I were called upon to testify, I could and would testify to each of the facts set forth herein based on such

[1] Capitalized terms not otherwise defined herein have the meanings given to them in the Motion.

personal knowledge, review of documents or opinion. I am authorized to submit this Affidavit on behalf of the Debtors.

Qualifications

4. As Vice President, Chief Financial Officer and Treasurer, I provide financial direction and guidance to Metaldyne. In this role, I lead the development of Metaldyne's long-range plans, global capital markets activities and capital investments. Additionally, I implement and oversee Metaldyne's financial controls and policies to safeguard Metaldyne's assets and accurately report results.

5. I have been employed with Metaldyne since 1996, serving in a number of roles including Vice President of Finance, Commercial Operations, and as group controller for Metaldyne's Engine Products and Hydraulic Controls Group.

6. Prior to joining Metaldyne, I worked as controller for the former MascoTech and for Ishikawa Gasket America, Inc., a U.S. subsidiary of a Japanese automotive components supplier. I began my career as a financial advisor with American Express.

7. I hold a Bachelor's degree from Michigan State University.

Background

8. Metaldyne is a wholly-owned subsidiary of Metaldyne Holdings LLC ("Metaldyne Holdings"). On January 11, 2007, in connection with a plan of merger, Asahi Tec Corporation ("Asahi Tec"), a Japanese corporation, acquired the shares of Metaldyne. On the same date, Asahi Tec contributed those shares to Metaldyne Holdings, and Asahi Tec thereby became the indirect parent of Metaldyne and the other Debtors. RHJ International S.A. ("RHJI"), a corporation formed under the laws of Belgium and listed on the Euronext exchange, presently holds approximately 60.1% of the outstanding capital stock of Asahi Tec.

9. The Metaldyne Companies went into and emerged from their merger transaction with Asahi Tec still highly-leveraged, even though the transaction was delevering. To ameliorate the effects of such continuing leverage, in early 2008 the Debtors developed and began to implement an internal restructuring that was designed to excise costs and enhance operational efficiencies. Prior to the Petition Date, the Debtors had implemented several phases of that plan, which resulted in cost savings of over $60 million per year (in addition to $40 million in annual interest savings obtained through the Tender Offer transaction described below).

10. Due to the precipitous reduction in production levels by the North American OEMs in 2008 and the tightening of consumer and wholesale financing for the OEMs' vehicles, the Debtors experienced liquidity pressures in the Summer and Fall of 2008. These problems were exacerbated by the constraints placed upon the Debtors by their own debt service obligations. After reaching a series of agreements with Asahi Tec, RHJI and the North American OEMs, among other parties, on October 29, 2008, the Debtors launched a cash tender offer (the "Tender Offer") for the outstanding 11% senior subordinated notes due 2012 and 10% senior notes due 2013 (collectively, the "Notes"). The Tender Offer consideration to be paid by the Debtors was significantly less than the par value of the Notes. The Tender Offer, which was accepted by over 90% of the eligible noteholders, was completed on November 28, 2008 and resulted in the retirement of over $350 million in debt, or approximately 40% of the aggregate long-term debt of the Debtors that was outstanding at the time. Cash for the Tender Offer was received from Asahi Tec (after Asahi Tec received such cash through an equity investment by RHJI) and from the North American OEMs in exchange for the issuance of

$60 million in new notes to the North American OEMs by Metaldyne. In addition, as part of the Tender Offer, the Notes, which had been secured, became unsecured obligations of the Debtors.

11. While the completion of the Tender Offer provided the Debtors with a brief respite from liquidity pressures, the extended holiday shutdowns of the Debtors' North American OEM customers and the continued historic difficulties in the North American automotive industry quickly eroded the Debtors' liquidity in December 2008 and early 2009. As has been widely reported, North American vehicle production has dropped nearly in half, with over 15 million units produced in each year between 2004 and 2007, approximately 12.6 million units produced in 2008 and only 1.7 million units produced in the first quarter of 2009. Key industry analysts are projecting production of approximately 8 million units for 2009.

12. Reacting to these unprecedented figures, in early 2009, the Metaldyne Companies implemented a new round of internal restructuring initiatives and began exploring options to further refinance and/or de-lever the Metaldyne Companies. Specifically, the Debtors sought additional capital from various sources, including private equity firms, RHJI and the Debtors' senior secured lenders. While various entities explored options for making a capital investment into the Debtors, ultimately none of the entities approached by the Metaldyne Companies were willing to make a direct investment in the companies or enter into a re-financing transaction; however, certain such entities expressed a desire to purchase certain assets or businesses from the Debtors pursuant to a sale under section 363 of the Bankruptcy Code. The Debtors' efforts, thus, were refocused upon negotiating with potential purchasers in an effort to arrange a sale of the company as a whole or a sale of one or more business units on a going concern basis.

13. For the fiscal year ended March 29, 2008, the Metaldyne Companies recorded annual revenue of approximately $1.32 billion, of which approximately $782 million was from sales of the Debtors. As of March 29, 2008, utilizing book values, the Metaldyne Companies had assets of approximately $977 million and liabilities of approximately $927 million. As of the Petition Date, the Metaldyne Companies have approximately 4,450 employees, of which approximately 2,500 are employees of the Debtors.

Prepetition Indebtedness

14. Debtor Metaldyne Company LLC ("Metaldyne Company") is a borrower under a senior secured credit facility (as amended, the "Prepetition Term Credit Agreement") pursuant to the Credit Agreement, dated as of January 11, 2007, among Metaldyne Company, Debtor Metaldyne Intermediate Holdco, Inc. ("Metaldyne Intermediate"), The Bank of New York Mellon ("BONYM" or the "Prepetition Term Agent") (as administrative agent and collateral agent)[2], Citicorp North America, Inc. (as syndication agent), Deutsche Bank Securities Inc. (as documentation agent) and the other lender parties thereto (collectively, the "Prepetition Term Lenders").[3] Twenty-four of the other Debtors are guarantors under the Prepetition Term Credit Agreement (the "Subsidiary Guarantors").[4]

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2 BONYM is in the process of taking over as successor agent to JP Morgan Chase, N.A.; the Debtors are presently unaware if that transition is completed. The Debtors understand that JP Morgan Chase will continue to serve as agent for the letter of credit facility under the Prepetition Term Credit Agreement.

3 Metaldyne Company is a wholly-owned subsidiary of Metaldyne Intermediate. Metaldyne Intermediate is a wholly-owned subsidiary of Metaldyne.

4 The Subsidiary Guarantors are: ER Acquisition Corp.; Metaldyne Tubular Products, Inc.; W.C. McCurdy Co.; Halyard Aviation Services, Inc.; Metaldyne Europe, Inc.; NC-M Chassis Systems, LLC; MASG Disposition, Inc.; Metaldyne Services, Inc.; Metaldyne Machining and Assembly Company, Inc.; Precision Headed Products, Inc.; Metaldyne Sintered Components St. Marys, Inc. (f/k/a Windfall Products, Inc.); Metaldyne Asia, Inc.; Punchcraft Company; Metaldyne Sintered Components, LLC; Metaldyne Sintered Components of Indiana, Inc.; GMTI Holding Company; Metaldyne Precision Forming - Fort Wayne, Inc.; MASX Energy Services Group, Inc.; Metaldyne Light Metals Company, Inc.; Stahl International, Inc.; Metaldyne U.S. Holding Co.; Metaldyne DuPage Die Casting Corporation; Metaldyne Lester Precision Die Casting, Inc.; and Windfall Specialty Powders, Inc.

15. On October 29, 2008, in connection with the Tender Offer, Metaldyne Company and Metaldyne Intermediate entered into an agreement with the Prepetition Term Lenders to amend such credit agreements to ease certain covenants, increase the interest rates in certain circumstances, provide additional security to the lenders and make certain other changes.

16. The Prepetition Term Credit Agreement has a seven-year term loan component (the "Secured Term Loan"), and all amounts outstanding thereunder mature on January 11, 2014. The Secured Term Loan and other indebtedness outstanding under the Prepetition Term Credit Agreement may become due prior to the maturity date thereunder if the Metaldyne Company or the Subsidiary Guarantors fail to comply with the conditions set forth in the Prepetition Term Credit Agreement. Borrowings under the Secured Term Loan presently bear interest at a rate per annum equal to, at the option of Metaldyne Company, the sum of (a) either (i) the London Interbank Offered Rate ("LIBO Rate"), based on a 1, 2 or 3 month interest period as selected by the borrower or (ii) the "ABR Rate"[5] plus (a) the "Applicable Margin,"[6] plus (c) default interest of 2.00% plus (d) paid in kind interest of 1.00%.[7] On the Petition Date, the principal amount outstanding under the Secured Term Loan portion of the Prepetition Term Credit Agreement was $408 million.

17. The Prepetition Term Credit Agreement also contains a revolving credit facility that provided for revolving credit loans (the "DF Revolving Credit Loans") up to $10.0 million and a synthetic letter of credit facility pursuant to which the Debtors may request

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5 The "ABR Rate" is the greatest of (a) the prime rate, (b) the federal funds rate plus 0.5% or (c) one-month LIBO Rate plus 1.0%.

6 The "Applicable Margin" for LIBO Rate loans is currently 3.50% and the Applicable Margin for ABR Rate loans is currently 2.50%, but may increase depending upon the leverage ratio submitted by the borrowers under the Prepetition Term Credit Agreement.

7 The amount of paid in kind interest charged can range from 1.00% to 2.00% based upon the leverage ratio submitted by the borrowers under the Prepetition Term Credit Agreement.

letters of credit for the benefit of third parties up to $60.0 million (less the amount of the DF Revolving Credit Loans outstanding). As of the Petition Date, $10 million in principal amount had been borrowed as DF Revolving Credit Loans. The DF Revolving Credit Loans bear interest, for each borrowing, at the same rate as the Secured Term Loan. The DF Revolving Credit Loans mature on January 11, 2012, and any issued but not disbursed letters of credit expire on the same date.

18. Shortly before the Petition Date, the beneficiary under a letter of credit in the amount of approximately $9.7 million that was issued under the Prepetition Term Credit Agreement made a drawing under such letter of credit, and the amount of the drawing now represents a reimbursement obligation of the Debtors to the Prepetition Term Agent under the facility. This obligation bears interest at the ABR Rate plus (a) 2.50%, (b) a default rate of 2.00% and (c) paid in kind interest of 1.00%. An additional $38.6 million in undrawn letters of credit issued have been issued, which, if drawn, would increase the amounts to be repaid under the Prepetition Term Credit Agreement.

19. To secure the obligations under the Prepetition Term Credit Agreement (the "Prepetition Term Loan Obligations") Metaldyne Intermediate, Metaldyne Company and the Subsidiary Guarantors entered into (a) a Security Agreement dated January 11, 2007 and (b) a Pledge Agreement dated January 11, 2007, pursuant to which such parties granted BONYM, as agent and for the benefit of the Prepetition Term Lenders, security interests in substantially all of their personal tangible and intangible property (subject to certain exceptions including, among other things, the limitation of security interests to 65% of such entities' equity interests in their first-tier foreign subsidiaries) (collectively, the "Common Collateral"). Moreover, to further secure the Prepetition Term Loan Obligations, BONYM, as agent and for the benefit of the

Prepetition Term Lenders, obtained a first-priority mortgage upon the Debtors' three facilities located in New Castle, Indiana; Greenville, North Carolina; and Farmington Hills, Michigan (the "Mortgaged Facilities" and together with the Common Collateral, the "Prepetition Collateral").[8]

20. Metaldyne Company also is a borrower under a revolving credit facility (as amended, the "Prepetition ABL Credit Agreement" and, together with the Prepetition Term Credit Agreement, the "Prepetition Credit Facilities") pursuant to the ABL Credit Agreement, dated as of January 11, 2007, among Metaldyne Company, Metaldyne Intermediate, DBNY (in such capacity, the "Prepetition ABL Agent" and, together with the Prepetition Term Agent, the "Prepetition Agents") (as administrative agent and collateral agent), JPMorgan Chase Bank, N.A. (as syndication agent) and Citicorp North America, Inc. and Wachovia Capital Finance Corporation (Central) (as co-documentation agents) and the other lender parties thereto (the "Prepetition ABL Lenders" and together with the Prepetition Term Lenders, the "Prepetition Lenders"). The Subsidiary Guarantors also are guarantors under the Prepetition ABL Credit Agreement.

21. On October 29, 2008, in connection with the Tender Offer, Metaldyne Company and Metaldyne Intermediate entered into an amendment of the Prepetition ABL Credit Agreement with the Prepetition ABL Lenders to ease certain covenants, increase the interest rates, provide additional security to the Prepetition ABL Lenders, reduce availability of revolving commitments and make certain other changes.

22. The Prepetition ABL Credit Agreement was amended as of April 22, 2009 pursuant to a Forbearance Agreement and Second Amendment to Credit Agreement, and in connection therewith the commitments of the Prepetition ABL Lenders were reduced to an

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[8] The Greenville, North Carolina facility was sold in September 2008, and the mortgage was released.

aggregate amount equal to $55,000,000. The Prepetition ABL Credit Agreement was further amended as of May 21, 2009 to (a) reduce the original revolving loan commitments by an additional $20,000,000 and (b) provide for additional commitments (the "Incremental Loan Commitment") up to a maximum amount of $6,491,000. DBNY, who is one of the Prepetition ABL Lenders (in such capacity, the "Incremental Loan Lender"), agreed to provide the Incremental Loan Commitment and extend loans (the "Incremental Loans") under the Prepetition ABL Agreement. As a result, the aggregate amount of commitments under the Prepetition ABL Credit Agreement, after taking into account the Incremental Loan Commitment, remained less than the original total commitment. The Incremental Loan Lender and North American OEMs entered into a Subordinated Participation Agreement (the "Participation Agreement") as of May 21, 2009, pursuant to which the Incremental Loan Lender sold an economic participation in the Incremental Loans to the North American OEMs.

23. Loans under the Prepetition ABL Credit Agreement mature on January 11, 2012, and any issued but not disbursed letters of credit expire on the same date. Borrowings (other than the Incremental Loans) under the Prepetition ABL Credit Agreement currently bear interest, for each borrowing, at a rate equal to, at the option of Metaldyne Company, the sum of (i) either (a) the LIBO Rate or (b) the ABR Rate plus (ii) the "Applicable Margin" for the Prepetition ABL Credit Agreement.[9] Incremental Loans under the Prepetition ABL Credit Agreement currently bear interest at a rate equal to ABR plus 2.00% per annum. The principal amount outstanding under the Prepetition ABL Credit Agreement as of the Petition Date was approximately $35.49 million, consisting of approximately $29 million in revolving loans and $6.49 million in Incremental Loans. Borrowings under the Prepetition ABL Credit Agreement

[9] The "Applicable Margin" for the Prepetition ABL Agreement is 3.25% for LIBO Rate loans and 2.25% for ABR Rate loans.

have been used for Metaldyne's working capital and other general corporate purposes, including capital expenditures. Despite the Debtors' having been in default under the Prepetition ABL Credit Agreement prior to the Petition Date, DBNY and the Prepetition ABL Lenders have continued to work with the Debtors to ensure that the Debtors had sufficient working capital to continue operating through the filing of these cases.

24. To secure the obligations under the Prepetition ABL Credit Agreement (the "Prepetition ABL Obligations" and together with the Prepetition Term Loan Obligations, the "Prepetition Obligations"), Metaldyne Intermediate, Metaldyne Company and the Subsidiary Guarantors entered into (a) a Security Agreement dated January 11, 2007 and (b) a Pledge Agreement dated January 11, 2007, pursuant to which such parties granted DBNY, as agent and for the benefit of the Prepetition ABL Lenders, security interests in the Common Collateral. In addition, to secure the Prepetition ABL Obligations, DBNY, as agent and for the benefit of the Prepetition ABL Lenders, obtained a second-priority mortgage upon the Mortgaged Facilities.

First Priority Intercreditor Agreement

25. The Intercreditor Agreement (the "First Priority Intercreditor Agreement")[10], dated as of January 11, 2007, was entered into by BONYM, as successor to JPMorgan Chase Bank, N.A., as administrative agent under the Prepetition Term Credit Agreement, and DBNY, as administrative agent under the Prepetition ABL Credit Agreement, Metaldyne Intermediate and Metaldyne Company. The First Priority Intercreditor Agreement distinguishes the relative priorities of the Prepetition ABL Lenders under the Prepetition ABL Credit Agreement and the Prepetition Term Lenders under the Prepetition Term Credit Agreement with respect to Common Collateral. The First Priority Intercreditor Agreement

10 A true and correct copy of the First Priority Intercreditor Agreement is annexed to the Motion as Exhibit I.

provides that the Prepetition ABL Lenders have a first-priority security interest in Common Collateral constituting accounts, chattel paper representing accounts, deposit accounts and related property, inventory and certain related collateral, including the proceeds of the foregoing (collectively, the "Prepetition ABL Priority Collateral"). The Prepetition Term Lenders have a second-priority security interest on the Prepetition ABL Priority Collateral. The Prepetition Term Lenders have a first-priority security interest, and the Prepetition ABL Lenders have a second-priority security interest, in the remaining Common Collateral (the "Prepetition Term Priority Collateral").

The Debtors' Urgent Need for Postpetition Financing

26. It is essential that the Debtors obtain immediate postpetition financing and authority to use the Prepetition Lenders' Cash Collateral. This relief is essential to the Debtors' efforts to continue their ordinary course, day-to-day operations, provide goods to their customers and successfully complete the Sales Processes and maintain a business as usual atmosphere.

27. Immediate access to postpetition financing and the use of Cash Collateral is necessary to provide working capital during these Chapter 11 Cases to provide customers, employees, vendors, suppliers and other key constituencies with confidence that the Debtors have sufficient resources available to maintain their operations in the ordinary course. Absent access to postpetition financing and the ability to use Cash Collateral immediately, the Debtors also could be forced to cease all business operations in the short term to the direct detriment of all parties in interest.

28. Without the immediate access to postpetition financing and the ability to use Cash Collateral, the Debtors could suffer substantial and irreparable harm, which could threaten their ability to maximize value for stakeholders. By contrast, if the relief sought in the Motion is approved, the Debtors' ability to minimize disruption to their business operations,

instill confidence in their various stakeholders and successfully complete the Sale Processes will be substantially enhanced. The Debtors' need for postpetition financing and the use of Cash Collateral, therefore, is urgent. In addition, because the Debtors lack sufficient unencumbered funds to meet their imminent expenses necessary for a smooth transition to chapter 11, it is essential that they obtain interim financing under the terms set forth in the Interim Order before the Court conducts the Final Hearing.

The Proposed Debtor in Possession Financing Facility

29. The DIP Lender, the North American OEMs and the Debtors have agreed to the DIP Facility terms as described in the Interim Order. The DIP Lender agreed to provide debtor in possession financing to the Debtors as fully funded by the North American OEMs through the purchase of the Subordinated Participations. Pursuant to the terms of the Participation Agreement the North American OEMs will agree to subordinate their right of payment to that of the Prepetition ABL Lenders.

30. In addition, the North American OEMs also have agreed to certain financial accommodations in connection with their purchase of component parts from the Debtors. Specifically, the North American OEMs and the Debtors entered into the Accommodation Agreement memorializing these terms. Pursuant to the Accommodation Agreement, the North American OEMs agree, subject to entry of an acceptable financing order, to limit resourcing activities and provide the Debtors with certain financial accommodations and purchase the Subordinated Participations. For example, pursuant to the Accommodation Agreement, the North American OEMs will grant the Debtors certain credit enhancements, including expedited payment terms, and limit their right of setoff to 3% of the face value of invoices. The Debtors will acknowledge the North American OEMs' tooling ownership, agree to cooperate with the North American OEMs in their resourcing activities if certain sales

milestones are not met or a default occurs and grant the North American OEMs an option to acquire dedicated tooling and equipment that remain in the estates after the Sale Processes are concluded, all pursuant to the terms specified in the Accommodation Agreement.

31. Accordingly, subject to the Court's approval, the Debtors have determined to enter into the DIP Facility with the DIP Lender and the Accommodation Agreement with the North American OEMs.

The DIP Facility is Necessary to Preserve Assets of the Debtors' Estates

32. It is essential that the Debtors immediately obtain the financing necessary to continue, among other things, the orderly operation of the Debtors' businesses and to make certain capital expenditures and satisfy certain working capital requirements of the Debtors' businesses. The DIP Facility and the use of Cash Collateral are also essential to provide the Debtors' various stakeholders, including customers, employees, vendors, service providers and other key constituencies, with confidence in the Debtors' ability to continue to operate on a business as usual basis while they pursue the Sale Processes. As a result, the DIP Facility is necessary to preserve and maximize the value of the Debtors' estates for the benefit of all stakeholders.

33. The success of the Chapter 11 Cases depends on, among other things, (a) the Debtors' ability to meet their day-to-day working capital requirements and acquire services without interruption or delay (so as not to impair the assets held for sale) and (b) the confidence of the Debtors' stakeholders. If the relief sought in the Motion is denied or delayed, the Debtors likely will experience business disruptions in the short term, stakeholder confidence may be destroyed and the Debtors' ability to maximize value for stakeholders through the Sale Processes may be damaged irreparably. Further, pursuant to the Prepetition Term Credit Agreement and the Prepetition ABL Credit Agreement, the Debtors have pledged virtually all

their cash and the proceeds of existing accounts receivable and inventory as collateral. As a result, without immediate access to the Cash Collateral and new borrowing relief, the Debtors' business operations would grind to an almost immediate halt. In addition, the new liquidity under the proposed interim portion of the DIP Facility will ensure that the Debtors can make the payments requested by the First Day Pleadings, pay claims incurred in the ordinary course and provide assurances to the Debtors' customers that they will be able to deliver products during these Chapter 11 Cases.

34. As a result of the Debtors' recent liquidity constraints and in anticipation of the immediate need for the postpetition financing and the use of Cash Collateral, the Debtors have, in consultation with AlixPartners, LLP, as financial advisors to the Debtors, performed a review and analysis of their projected cash needs.[11] Based upon that review and analysis, the Debtors and AlixPartners, LLP have prepared the Budget outlining the Debtors' postpetition cash needs. The Budget was subsequently vetted and negotiated with the Prepetition ABL Agent and the North American OEMs with an eye toward prudent husbandry of resources during these cases. The Budget was also provided to the Prepetition Term Lenders.

35. The interim availability under the proposed DIP Facility along with the use of Cash Collateral will allow the Debtors to meet their immediate cash needs and help provide assurances to the Debtors' suppliers, vendors and employees that they will be paid for postpetition services. The liquidity provided by the DIP Facility, to be used in accordance with the Budget, also will provide assurances to the Debtors' customers that they will be able to deliver products during these Chapter 11 Cases. Approval of interim borrowing under the DIP Facility thus is crucial to the success of these Chapter 11 Cases.

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[11] A true and correct copy of the Budget is attached to Motion as Exhibit C.

Application of the Business Judgment Standard

36. It is the Debtors' sound business judgment that a postpetition credit facility is appropriate for these cases. I believe that the terms of the DIP Facility are fair and reasonable, and are in the best interests of the Debtors' estates, and the Debtors could not obtain postpetition financing from any other lending source on any other terms.

The Prepetition Lenders are Adequately Protected

37. The Prepetition Lenders' interests in the Prepetition Collateral are adequately protected by virtue of (a) the Debtors' expenditure of cash in accordance with the Budget, which will, among other things, protect the value of the Debtors' accounts receivable, and (b) the grant of the Adequate Protection Replacement Liens on, and the Adequate Protection Superpriority Claims against, the Debtors' assets. The Budget, which was prepared with the assistance of the Debtors' professional advisors and vetted with the DIP Lender's, the Prepetition ABL Lenders' and the North American OEMs' advisors, provides an additional layer of adequate protection because it ensures that the Debtors' expenditure of cash will be limited to only those items that are necessary and essential to fund the Debtors' operations and preserve the Prepetition Collateral during the Sale Processes. If funds are not made available to pay these essential items on an emergency basis, the Debtors' businesses likely would be forced immediately to shut down, and the Prepetition Lenders' collateral would be at risk.

38. The Prepetition ABL Priority Collateral, which includes approximately $43.5 million in net accounts receivable from the Debtors' customers, would be subject to risk of significant decline in the event of a shut down of the Debtors' operations. In such an event, the Debtors would be unable to continue to supply the North American OEMs and their other customers, thus resulting in a potential breach of the Debtors' obligations under the supply agreements with their customers. The Debtors anticipate that their customers would take the

position that they are entitled to set off any damages that may result from the Debtors' failure to satisfy their obligations to the customers against the accounts receivable owed by such customers to the Debtors. In fact, certain of the Debtors' customers already have indicated their intention to effectuate such a setoff in the event that the Debtors are unable to perform their supply obligations. The Debtors estimate these potential setoffs would reduce significantly (if not eliminate altogether) the Debtors' accounts receivable and, therefore, eliminate the value of this portion of the Prepetition ABL Priority Collateral. As a result, a significant portion of the value of the Prepetition ABL Priority Collateral is directly dependant on the Debtors' continued operation, which is possible only if the Debtors are authorized to enter into the Accommodation Agreement, make borrowings under the DIP Facility and use the Cash Collateral.

Interim Borrowings Under the DIP Facility

39. Pending a Final Hearing, the Debtors require use of up to $56 million of Cash Collateral and to borrow up to $11.7 million under the DIP Facility, each on an interim basis. This interim financing is necessary for among other things, the orderly continuation of their business operations including the satisfaction of obligations to trade vendors and raw material suppliers, equipment and real property lease payments, utility payments and deposits, freight and shipping costs, capital maintenance expenditures, insurance, taxes, employee obligations, plant consolidation and rigging expenses and professional fees. Absent authorization from the Court to obtain secured credit and use the Cash Collateral, as requested, on an interim basis pending the Final Hearing, the Debtors' estates will be immediately and irreparably harmed. The use of the Cash Collateral and the availability of interim loans under the DIP Facility will provide the necessary assurance to vendors, employees and customers of the Debtors' ability to meet their near-term obligations and continue to operate on a business as usual basis.

Good Faith

40. The terms and conditions of the DIP Facility, the use of Cash Collateral and the Accommodation Agreement are fair and reasonable and were negotiated by the parties in good faith and at arms' length.

41. Without approval of the Accommodation Agreement, access to the DIP Facility and the use of the Cash Collateral, I believe that the Debtors would experience a severe disruption of their businesses. Accordingly, because it is my belief that maintaining the operation of the Debtors' businesses is critical to maximizing value in the Chapter 11 Cases, it is in the best interest of the estates that the Debtors be authorized to enter into the Accommodation agreement and the DIP Facility and to use the Cash Collateral in order to maintain such value.

Terry Iwasaki

Terry Iwasaki
Vice President, Chief Financial Officer
and Corporate Controller
Metaldyne Corporation

Sworn to and subscribed before me, a notary public for the State of New York, County of New York, this 28th day of May 2009.

ALICIA FARRINGTON
NOTARY PUBLIC, State of New York
No. 01FA4883424
Qualified in Kings County
Commission Expires June 28, 2010

EXHIBIT F

MENDELSOHN DECLARATION

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Proposed Attorneys for Debtors
and Debtors in Possession

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re	:	Chapter 11
Metaldyne Corporation, *et al.*,	:	Case No. 09-13412 (___)
Debtors.	:	(Jointly Administered)

DECLARATION OF ERIC MENDELSOHN IN SUPPORT OF MOTION OF DEBTORS AND DEBTORS IN POSSESSION FOR INTERIM AND FINAL ORDERS PURSUANT TO SECTIONS 361, 362, 363, 364 AND 510 OF THE BANKRUPTCY CODE AND RULE 4001 OF THE FEDERAL RULES OF BANKRUPTCY PROCEDURE (A) AUTHORIZING THE DEBTORS TO (I) USE CASH COLLATERAL OF THE PREPETITION SECURED LENDERS, (II) OBTAIN POSTPETITION FINANCING AND (III) PROVIDE ADEQUATE PROTECTION TO THE PREPETITION SECURED LENDERS, (B) AUTHORIZING DEBTORS TO ENTER INTO, AND APPROVING, AN ACCOMMODATION AGREEMENT WITH CERTAIN CUSTOMERS AND (C) PROVIDING NOTICE AND SCHEDULING FINAL HEARING

1. I am a Managing Director of Lazard Freres & Co. LLC, ("Lazard") Financial Advisor to the debtors and debtors in possession in the above-captioned chapter 11 cases (collectively, the "Debtors"). Lazard is an international financial advisory and asset management firm.

2. I submit this Declaration in support of the Motion of Debtors and Debtors in Possession for Interim and Final Orders Pursuant to Sections 361, 362, 363, 364 and 510 of the Bankruptcy Code and Rule 4001 of the Federal Rules of Bankruptcy Procedure (A) Authorizing the Debtors to (I) Use Cash Collateral of the Prepetition Secured Lenders, (II) Obtain Postpetition Financing and (III) Provide Adequate Protection to the Prepetition Secured Lenders, (B) Authorizing Debtors to Enter Into, and Approving, an Accommodation Agreement With Certain Customers and (C) Providing Notice and Scheduling Final Hearing (the "Motion"), filed by the Debtors in the above-captioned chapter 11 cases (the "Chapter 11 Cases").[1]

3. Except as otherwise indicated, all statements in this Declaration are based on my personal knowledge, my review of relevant documents or my opinion based upon my experience and knowledge of the Debtors' operations and financial conditions. If I were called upon to testify, I could and would testify to each of the facts set forth herein based on such personal knowledge, review of documents or opinion. I am authorized to submit this Declaration on behalf of the Debtors. I am not being compensated specifically for this testimony other than payments received by Lazard as a retained professional in these cases.

Eric Mendelsohn's Qualifications

4. Lazard is a global, full service investment bank founded in 1848. Lazard is an investment banking firm focused on providing financial and investment banking advice and

[1] Capitalized terms not otherwise defined herein have the meanings given to them in the Motion.

transaction execution on behalf of its clients. Lazard's broad range of corporate advisory services includes services pertaining to: general financial advice; domestic and cross-border mergers and acquisitions; divestitures; privatization; special committee assignments; takeover defenses; corporate restructures; and strategic partnerships/joint ventures.

5. Lazard has extensive experience in the reorganization and restructuring of troubled companies, both out-of-court and in chapter 11 cases. Lazard's employees have advised debtors, creditors, equity constituencies, and government agencies in many complex financial reorganizations. Since 1990, Lazard's professionals have been involved in over 250 restructurings, representing over $1 trillion in debtors' assets.

6. Notably, Lazard has been retained as a financial advisor and investment banker in numerous large and complex chapter 11 cases, including, among others, In re Lehman Brothers Holdings Inc., Case No. 08-13555 (Bankr. S.D.N.Y. Dec. 17, 2008); In re Tropicana Entm't, LLC, Case No. 08-10856 (Bankr. D. Del. May 30, 2008); In re Wellman, Inc., Case No. 08-10595 (Bankr. S.D.N.Y. Mar. 19, 2008); In re Movie Gallery, Inc., Case No. 07-33849 (Bankr. E.D. Va. Oct. 18, 2007); In re New Century TRS Holdings, Inc., Case No. 07-10416 (Bankr. D. Del. Apr. 5, 2007); In re Northwest Airlines, Inc., Case No. 05-17930 (Bankr. S.D.N.Y. July 20, 2006); In re Calpine Corp., Case No. 05-60200 (Bankr. S.D.N.Y. May 2, 2006); In re Collins & Aikman Corp., Case No. 05-55927 (Bankr. E.D. Mich. July 18, 2005); In re Tower Automotive, Inc., Case No. 05-10578 (Bankr. S.D.N.Y. June 15, 2005); In re Solutia, Inc., Case No. 03-17949 (Bankr. S.D.N.Y. May 26, 2004); In re Parmalat U.S.A Corp., Case No. 04-11139 (Bankr. S.D.N.Y. Apr. 22, 2004); In re Adelphia Comm. Corp., Case No. 02-41729 (Bankr. S.D.N.Y. Dec. 12, 2003); In re WorldCom, Inc., Case No. 02-13533 (Bankr. S.D.N.Y. Jan. 14, 2003); In re Metrocall, Inc., Case No. 02-11579 (Bankr. D. Del. July

8, 2002); In re Formica Corp., Case No. 02-10969 (Bankr. S.D.N.Y. June 13, 2002); In re 360networks (USA), Inc., Case No. 01-13721 (Bankr. S.D.N.Y. May 2, 2002); In re Kaiser Aluminum Corp., Case No. 02-10429 (Bankr. D. Del. March 19, 2002); In re Hayes Lemmerz Int'l, Inc., Case No. 01-11490 (Bankr. D. Del. Feb. 14, 2002); In re Exodus Comm'ns, Inc., Case No. 01-10539 (Bankr. D. Del. Dec. 6, 2001); In re Vlasic Foods Int'l, Inc., Case No. 01-00285 (Bankr. D. Del. Mar. 14, 2001); In re Loews Cineplex Entm't Corp., Case No. 01-40346 (Bankr. S.D.N.Y. Feb. 16, 2001); In re Owens Corning Corp., Case No. 00-03837 (Bankr. D. Del. Nov. 30, 2000).

7. I am a Managing Director in the Restructuring Group of Lazard, which advises debtors and creditors with respect to reorganizations, restructurings, financings and mergers and acquisitions involving troubled companies. Prior to joining Lazard in 1999, I was an Associate in the Restructuring Group at BT Alex. Brown and Alex. Brown & Sons. From 1993 through 1995 I was a Fixed Income Research analyst at CS First Boston.

8. The nature of my work for Lazard has been primarily focused on bankruptcy and other restructuring situations representing debtors and creditors' committees. The scope of this work includes, but is not limited to, review of debtors' operations, review and analyses of business plans, review and assistance in the preparation and/or compilation of liquidation analyses, negotiations with creditors, analyses of valuations and ranges of debt capacity and potential capital structures, advice on mergers and acquisitions, and review of other bankruptcy related issues, including assistance to debtors in obtaining DIP and exit credit facilities.

9. I have been involved in over 30 restructuring transactions aggregating over $100 billion of obligations including Bearingpoint, Journal Register, Centro, InSight Health

Services, Tower Automotive, Collins & Aikman, US Airways, WorldCom, Atlas Air, Hayes Lemmerz International, Fruit of the Loom, CAI Wireless Systems, Sun Healthcare Group, Brazos Sportswear, 360networks, SkyView World Media, Flagstar and NextWave Telecom. I have been involved in the execution of multiple mergers and acquisitions transactions and DIP, exit, high yield and equity financings.

10. I have personally been involved in procuring DIP or exit credit facilities for many chapter 11 Debtors including Collins & Aikman, Tower Automotive, Atlas Air, WorldCom, Hayes Lemmerz International, CAI Wireless Systems and Sun Healthcare Group.

11. I am licensed by the NASD and NYSE with Series 24 General Securities Principal, Series 7 General Securities and Series 63 State Law licenses. I have authored numerous investment research reports as a Fixed Income Research analyst at CS First Boston from 1993 to 1995. I have lectured on financing, valuation and other restructuring issues at various industry symposiums. I have an M.B.A. in Finance from The Wharton School of the University of Pennsylvania and a B.A. in Economics with High Honors from Middlebury College.

The Proposed Debtor In Possession Financing Facility

12. The Debtors have determined, in the exercise of their business judgment, that they require the use of Cash Collateral and postpetition financing to meet their ongoing working capital and general business needs and to continue the comprehensive process for the sale of their assets that they began prepetition. As discussed in greater detail below, the Debtors sought proposals for debtor in possession financing from numerous sophisticated commercial entities active in the debtor in possession financing market, including traditional banks, asset-based lenders, investment banks, private equity and hedge funds and institutional lenders. The Debtors also sought financing from private equity funds that have been known to provide

working capital or other loans as a bridge to ownership. The Debtors, however, were unable to secure a commitment from any of these finance providers prior to the Petition Date. Nor could the Debtors obtain a financing commitment from the Prepetition Term Lenders or the Prepetition ABL Lenders.

13. As a result, the Debtors sought (a) debtor in possession financing, (b) certain financial accommodations from the North American OEMs, (c) commercial agreements embodied in the NCM Production Agreement and (d) the right to use Cash Collateral on a consensual basis from the Prepetition ABL Lenders. As a result of the negotiations with the DIP Lender, the North American OEMs and the Prepetition ABL Lenders, the Debtors were able to secure debtor in possession financing from the DIP Lender and the right to use the Prepetition Lenders' Cash Collateral on a consensual basis, on the terms in the Interim Order.

The Debtors Were Unable to Obtain Necessary Financing on an Unsecured Basis

14. The Debtors' efforts to obtain debtor in possession financing were complicated by the Debtors' substantial level of secured debt, the Debtors' lack of material unencumbered assets (with the exception of 35% of the stock of foreign subsidiaries which could result in material tax consequences if pledged), the challenging market for debtor in possession financing in general as well as the challenging automotive industry environment. As noted above, to obtain postpetition financing, the Debtors and their advisors approached numerous sophisticated commercial entities active in the debtor in possession financing market, including traditional banks, asset-based lenders, investment banks, hedge funds, private equity funds and institutional lenders (collectively, the "Potential Lenders"). The Debtors also sought financing from private equity funds that have expressed interest in purchasing at least a portion of the Debtors' assets in connection with the Sale Processes. No fewer than 19 Potential Lenders were contacted directly by Lazard regarding postpetition financing, only 8 of which executed

confidentiality agreements so that they could be provided due diligence packages by the Debtors' advisors. Beginning with in-person and/or telephonic meetings in March 2009 and on several subsequent occasions, the Debtors and their advisors also approached the Prepetition ABL Lenders (approximately 9 institutions as of early 2009) and the Prepetition Term Lenders (approximately 40 institutions as of early 2009) to obtain postpetition financing. The Prepetition Term Lenders consistently declined to provide financing. While the Prepetition ABL Lenders have declined to provide new financing, they have consented to the use of their Cash Collateral. Through these discussions, the Debtors and Lazard effectively approached many of the major institutions that have experience providing distressed financing.

The Terms of the DIP Facility Are Reasonable and Appropriate and Are the Best Available Under Current Market Conditions

15. None of the Potential Lenders, including the Prepetition Lenders, was willing to make a postpetition loan either on an unsecured basis or any other basis. The Debtors could not have obtained a postpetition financing facility of the type and magnitude required in these Chapter 11 Cases on an unsecured basis. In fact, after an extensive search for financing from traditional lenders active in the debtor in possession financing market and from private equity funds that might be interested in providing bridge financing to ultimate ownership, the Debtors were unable to obtain any commitment for postpetition financing other than from the DIP Lender on the terms set forth in the Interim Order. The DIP Facility, therefore, provides the only option for the Debtors to address their immediate postpetition financing needs. Moreover, the interest rate and lack of fees payable to the DIP Lender under the Interim Order are superior to current debtor in possession financing market terms. The favorable terms were negotiated in conjunction with the protections provided to the DIP Lender in the Accommodation Agreement.

As such, when considering all of the factors, the Debtors concluded that the DIP Facility is the Debtors' best and only financing alternative.

16. The proposed Interim Order provides generally that the security interests and superpriority administrative expense claims granted to the DIP Lender are subject to the Carve-Out, which provides for (a) fees required to be paid to the Clerk of the Bankruptcy Court and to the Office of the United States Trustee, (b) payment of fees and expenses of case professionals and (c) chapter 7 "burial" type expenses if necessary.

17. Furthermore, the DIP Lender is not imposing fees or other charges under the DIP Facility, but merely seeks reimbursement of its professional fees and the protections provided under the Accommodation Agreement. I believe that the absence of lender fees coupled with the very modest interest rate of prime plus 2% are well below the parameters of market fee structures for postpetition financing in the current environment.

I declare under the penalty of perjury that the foregoing is true and correct.

Executed on May 28, 2009

\s\ Eric Mendelsohn
Eric Mendelsohn
Managing Director
Lazard Freres & Co. LLC

EXHIBIT G

ACCESS AND SECURITY AGREEMENT

ACCESS AND SECURITY AGREEMENT

Metaldyne Machining and Assembly Mfg. Co. (Canada) Ltd. ("Supplier") and General Motors Corporation ("GM"), Ford Motor Company ("Ford") and Chrysler LLC, on behalf of itself and Chrysler Motors LLC (collectively, "Chrysler", and together with GM and Ford, each a "Customer" and, collectively, the "Customers"), enter into this Access and Security Agreement (this "Agreement") on May ___, 2009.

RECITALS

A. Under various purchase orders, supply agreements, and/or releases issued by the Customers to Supplier (each a "Purchase Order," and, collectively, the "Purchase Orders"), Supplier manufactures and supplies to the Customers, either directly or indirectly, certain component parts, service parts and/or assembled goods from the Facility (defined below) (each a "Component Part," and, collectively, the "Component Parts").

B. Supplier and Supplier's affiliates have requested and the Customers have agreed to provide certain accommodations as set forth in the Accommodation Agreement dated May 26, 2009, to which Supplier, certain of Supplier's affiliates and Customers are parties (the "Accommodation Agreement"). In consideration of the accommodations provided by the Customers pursuant to the Accommodation Agreement, Supplier has agreed to grant the Customers each a "Right of Access" (as defined below) to the facility listed in Schedule 1 (the "Facility").

C. Supplier acknowledges that a material delay in production of the Component Parts may cause the Customer an interruption to its assembly operations.

D. Supplier is entering into this Agreement for the benefit of the Customers to afford the Customers the right to use certain of Supplier's assets as provided below if an "Event of Default" (defined below) occurs.

BASED ON THE FOREGOING RECITALS, and for good and valuable consideration, the receipt and sufficiency of which are acknowledged, Supplier and the Customers agree as follows:

TERMS AND CONDITIONS

1. **Defined Terms**. In addition to those terms defined elsewhere in this Agreement, the following terms have the indicated meanings, unless the context otherwise requires:

"Accounts" means any "account" or "chattel paper," as defined, respectively, of the "PPSA" (defined below), owned now or hereafter by Supplier, and also means and includes (i) all accounts receivable, contract rights, book debts, notes, drafts, instruments, documents, acceptances, payments under leases and other forms of obligations, now owned or hereafter received or acquired by or belonging or owing to Supplier (including under any trade name, styles, or division thereof) whether arising out of goods sold or leased or services rendered by Supplier or from any other transaction,

whether or not the same involves the sale of goods or services by Supplier (including, without limitation, any such payment obligation or right to payment which might be characterized as an account, contract right, general intangible, or chattel paper under the PPSA); (ii) all monies due to or to become due to Supplier under all contracts for the sale or lease of goods or the performance of services by Supplier (whether or not yet earned by performance on the part of Supplier) now in existence or hereafter arising; and (iii) deposit accounts, insurance refunds, tax refunds, tax refund claims and related cash and cash equivalents, now owned or hereafter received or acquired by or belonging or owing to Supplier.

"Contract Rights" means all "contract rights" as defined in the PPSA.

"Contracts" or individually, a "Contract," means any licensing agreements and any and all other contracts, supply agreements, or other agreements used in or related to the manufacture, production or assembly of Component Parts and in or under which Supplier may now or hereafter have any right, title, or interest and which pertain to the lease, sale, or other disposition by Supplier of "Equipment" (defined below), "Inventory" (defined below), fixtures, real property, or the right to use or acquire personal property, as any of the same may from time to time be amended, supplemented, or otherwise modified.

"Documents" means all "documents" as defined in the PPSA.

"Equipment" means any "equipment," as that term is defined in Section 9-102(a)(33) of the PPSA, now or hereafter owned by Supplier, which is used in or related to the manufacture, production or assembly of Component Parts, and will also mean and include all such machinery, equipment, vehicles, furnishings, and fixtures (as such terms are defined in the PPSA) now owned or hereafter acquired by Supplier, including, without limitation, all items of machinery and equipment of any kind, nature and description, whether affixed to real property or not, as well as all additions to, substitutions for, replacements of or accessions to any of the foregoing items and all attachments, components, parts (including spare parts), and accessories whether installed thereon or affixed thereto in each case only if and to the extent used in or related to the manufacture of Component Parts.

"Event of Default" will mean any of the following events:

(a) a Companies' Creditors Arrangement Act, a Bankruptcy and Insolvency Act or receivership proceeding is initiated by or against Supplier;

(b) Supplier repudiates or breaches any material provision of any Purchase Order that results in a material interruption of supply of the Component Parts, that would give rise to an imminent interruption of Customer's production at an one or more Customer's assembly plants;

(c) Supplier acknowledges in writing that it is unable to timely satisfy delivery requirements of Component Parts without additional financial accommodations from Customers relating to the Facility beyond those provided in the Accommodation Agreement;

(d) Any secured or lien creditor commences any foreclosure or other enforcement action against a material portion of the Operating Assets at the Facility if such action would give rise to an imminent risk of nonperformance of production of Components Parts by Supplier; or

(e) An "Event of Default" occurs under the Accommodation Agreement;

"General Intangibles" means all "intangibles," as such term is defined in the PPSA, now or hereafter owned by Supplier, which are used in or related to the manufacture, production or assembly of Component Parts, including, without limitation, customer lists, rights in Intellectual Property, goodwill, trade names, service marks, trade secrets, patents, trademarks, copyrights, applications therefore, permits, licenses, now owned or hereafter acquired by Supplier, but excluding items described in the definition of Accounts.

"Instruments" means all "instruments," as defined in the PPSA.

"Intellectual Property" means all now existing or hereafter acquired patents, trademarks, copyrights, inventions, licenses, discoveries, processes, know-how, techniques, trade secrets, specifications and the like (regardless of whether such items are now patented or registered, or registerable, or patentable in the future), and all technical, engineering, or other information and knowledge, production data and drawings, which are used in or related to the manufacture, production or assembly of Component Parts.

"Inventory" means any "inventory," as that term is defined in the PPSA, wherever located, now owned or hereafter acquired by Supplier or in which Supplier now has or hereafter may acquire any right, title or interest including, without limitation, all goods and other personal property now or hereafter owned by Supplier which are leased or held for sale or lease or are furnished or are to be furnished under a contract of service or which constitute raw materials, work in process or materials used or consumed or to be used or consumed in the manufacture of Component Parts, or in the processing, packaging or shipping of the same, and all finished goods.

"Obligations" means the obligation to provide the Customers or their Designees the "Right of Access" (defined below).

"Operating Assets" means all assets necessary for and incidental to production of Component Parts, including Equipment, Real Estate, Contract Rights and General Intangibles, but specifically excluding any Accounts, Inventory, Documents, Instruments, and "Proceeds" (defined below) of such excluded items and "Proceeds" of General Intangibles.

"PPSA" means the Personal Property Security Act in Ontario, Canada of the date of this Agreement

"Proceeds" has the meaning provided it the PPSA and, in any event, will include, but not be limited to: (i) any and all proceeds of any insurance, indemnity, warranty, or guaranty payable to Supplier from time to time with respect to any of the Operating

Assets or Real Estate; (ii) any and all payments (in any form whatsoever) made or due and payable to Supplier from time to time in connection with any requisition, confiscation, condemnation, seizure, or forfeiture of all or any part of the Operating Assets or Real Estate by any governmental body, authority, bureau, or agency (or any Person acting under color of governmental authority); and (iii) any and all other amounts from time to time paid or payable under or in connection with any of the Operating Assets or Real Estate.

"Real Estate" means the real property associated with the Facility.

2. **Grant of Liens and Security Interests**. As collateral security for the Obligations, Supplier hereby grants to the Customers effective upon the occurrence and continuation of an Event of Default (i) continuing liens and security interests in the Operating Assets and a license to use and occupy the Real Estate, whether now owned or hereafter acquired by Supplier, or in which Supplier now has or at any time in the future may acquire any right, title or interest, and (ii) security interests and liens on, and collateral assignments of, the Intellectual Property used in, related to or necessary for the production of Component Parts (collectively, the "Collateral"). Further, Supplier hereby grants the Customers permission to file any registration statements and/or notices of lien deemed necessary by the Customers to perfect their liens and security interests. The liens and security interests granted to the Customers pursuant to this Agreement to secure the Obligations are junior to the liens, security interests and mortgages granted to any third parties prior to the date of this Agreement, The Customers rights as secured creditors under this Agreement will be strictly limited to enforcing the Right of Access.

3. **Right of Access**.

(a) General. Upon an Event of Default, a Customer that exercises the Right of Access (the "Exercising Customer") or its designee(s) that are not competitors of Supplier ("Designees") will have a right, but not the obligation, to use and occupy the Operating Assets and Real Estate to manufacture, process and/or ship Component Parts (the "Right of Access") for a period of up to [90] days (the "Access Period") from the date the Exercising Customer provides the written notice referenced below; provided, however, a Customer can only be an Exercising Customer if such Customer has paid in full all prepetition accounts payable and postpetition accounts payable of such Customer to Supplier. A Customer may invoke the Right of Access at any time after the occurrence of an Event of Default by delivering one business days' written notice to Supplier indicating its intention to invoke the Right of Access. The Exercising Customer will have no right to sell, transfer, or dispose of the Operating Assets or the Real Estate as part of the Right of Access.

(b) The Customer's Obligations. In lieu of payment for Component Parts produced after exercise of the Right of Access, an Exercising Customer will:

(i) use commercially reasonable efforts to preserve the Operating Assets and Real Estate as a prudent owner would use in connection with the custody and preservation of its own assets, and will indemnify,

defend and hold harmless Supplier, its officers and directors, agents and employees from any physical damage to property, including, without limitation, the Operating Assets and Real Estate, or physical injury suffered by third parties caused by or arising out of the Exercising Customer's or its Designee's use of the Operating Assets and Real Estate during the Access Period; provided, however, the foregoing indemnity obligations will not apply to claims arising out of or related to conditions which existed or events that occurred before the Access Period;

(ii) insure and maintain the Operating Assets and Real Estate in the same condition as existed on the date the Exercising Customer exercised the Right of Access, ordinary wear and tear excepted;

(iii) pay the actual costs and expenses incurred in connection with the manufacturing of Component Parts during the Access Period, including, without limitation, utilities, prorated property taxes and assessments attributable to the Operating Assets and Real Estate, and pay an equitable allocation of divisional and corporate overhead expenses for services provided by Supplier under Section 3(c)(iii) incurred during the Access Period to make the Component Parts as agreed to by Supplier and the Exercising Customer;

(iv) subject to the Exercising Customer's or its Designee's right to use and occupy the Operating Assets and Real Estate during the Access Period, not interfere with Supplier's and its representatives' (and representatives of the Lenders, secured creditors, lessors or mortgagees of the Operating Assets and/or Real Estate) access to the Facility to operate such Facility to produce product for other customers and to prepare for a liquidation or going-concern sale of the Operating Assets and Real Estate at the end of the Access Period, and to sell any asset other than the Operating Assets and Real Estate before expiration of the Access Period;

(v) if Supplier is not operating the Facility to produce parts for other customers and subject to (a) Supplier's other customers agreeing to make payment to the Exercising Customer or its Designees, as applicable, on account of its allocable share of overhead and

related expenses and all direct expenses related to such other customer's production; (b) Supplier making the necessary tangible personal property available for use during the Access Period; and (c) Supplier providing an Exercising Customer or its Designee an appropriate license for any Intellectual Property necessary in the production or parts for such customer during the Access Period, the Exercising Customer agrees, for itself and its Designees, to produce parts for such other customers during the Access Period or to provide the other customers access provided such customers do not interfere with the production of the Exercising Customer's Component Parts;

(vi) observe all applicable laws, rules, regulations, and ordinances relating to the use, operation, and occupancy of the Operating Assets or the Real Estate;

(vii) at the end of the Access Period, leave the Operating Assets and Real Estate in a safe and secure state and in the same condition that such Operating Assets and Real Estate were in prior to the exercise of the Right of Access, ordinary wear and tear excepted;

(viii) on expiration of the Access Period, the liens, security interests, and/or mortgages granted to the Customers in this Access Agreement will automatically terminate and the Customers will release and record, at their expense, any financing statements and/or mortgages they have filed; and

(ix) During the Access Period, pay Supplier on a monthly basis in advance an access fee of $25,000 CDN (the "Access Fee").

(c) Supplier's Obligations. If a Customer invokes the Right of Access, Supplier will comply with the following:

(i) At the Exercising Customer's election and in its sole discretion, Supplier will use commercially reasonable efforts to continue to employ those of its employees which the Customer determines are necessary to maintain production of Component Parts (the "Employees") and in turn lease the Employees to the Exercising Customer or the Exercising Customer's Designees, and the Exercising Customer or its Designees will reimburse Supplier for all costs and

expenses relating to Supplier's employment of the Employees incurred during the Access Period. Without limiting the generality of the foregoing, the Exercising Customer or its Designees will reimburse Supplier all amounts incurred by Supplier to meet its regular payroll obligations, including salaries, wages, payroll taxes, workers' compensation, unemployment insurance, disability insurance, welfare, pension contributions, and other payments, contributions and third party administrative and processing costs required to be made by Supplier with respect to the Employees that are incurred during the Access Period, but in no event will the Exercising Customer be liable for any costs for unfunded pension liability, actuarial liability, past service unfunded actuarial liability or solvency or other deficiency relating to any pension plan, retiree medical plan, or other obligations relating to service prior to the time the Exercising Customer exercised the Right of Access.

(ii) During the Access Period, Supplier will not increase compensation or benefits of the Employees without the consent of the Exercising Customer, except as may be required by applicable law or any collective bargaining agreement then in effect.

(iii) During the Access Period, Supplier will continue, as requested by the Exercising Customer or its Designee to provide any services provided by Supplier to the Facility before the exercise of the Right of Access. The Exercising Customer or its Designee will reimburse Supplier (or, at Supplier's option, one of Supplier's affiliates) for such services and for its allocable share of divisional, corporate and attributable to Supplier's providing such services in accordance with Section 3(b)(iii). In addition, during the Access Period and if sufficient funding is available to permit Supplier and its affiliates to do so, Supplier and its affiliates will fill orders and releases for, and otherwise continue to supply, component parts or assemblies used in manufacturing or assembling the Exercising Customer's Component Parts to the Exercising Customer or its Designee at the Facility at the piece prices set forth in the applicable Purchase Orders, and the Exercising Customer shall pay and reimburse Supplier and its affiliates for all such orders, releases, component parts and assemblies.

(iv) Supplier will indemnify, defend and hold the Exercising Customer, its Designees and its employees and agents harmless of, from and against any and all costs, expenses (including all court costs and reasonable attorneys' fees), losses, damages, liabilities or injury arising from claims or liabilities arising or accruing as a result of Supplier's activities and operations before the date of the Exercising Customer's exercise of the Right of Access, regardless of when such claims are asserted. For purposes of this indemnification, Supplier shall have the same rights afforded to the Exercising Customer in Section 3(e) below.

(v) During the Access Period, Supplier agrees that the Exercising Customer and its Designees and agents and representatives will have reasonable access to Supplier's books and records for the purposes of confirming and calculating the amounts due, if any, from the Exercising Customer under this Agreement.

(vi) If there are multiple Exercising Customers, Supplier is entitled to rely on the consent and direction of any one of them in exercising its duties in (i) and (ii), above.

(d) Right to Terminate; Survival. An Exercising Customer will have the absolute right to terminate the Right of Access upon three days' written notice to Supplier. Upon expiration of such notice period, the Access Period will terminate and, except for the Exercising Customer's obligation to pay amounts payable under this Agreement not paid or accrued but not paid as of the termination of the Access Period and any indemnification and confidentiality obligations of the Existing Customer arising hereunder (all of which shall survive the termination of the Access Period and this Agreement), the Exercising Customer will have no further obligations or liabilities to Supplier on account of the Right of Access.

(e) Indemnification. To the extent Supplier makes a claim against an Exercising Customer for indemnification under sub-paragraph (b)(i) above, Supplier agrees the following will apply:

(i) The Exercising Customer's indemnity obligations do not include any losses, liabilities, claims or damages or expenses to the extent the same are determined in a final, non-appealable judgment of a court of competent jurisdiction to have arisen from the gross negligence or willful misconduct of Supplier.

(ii) If Supplier becomes aware of any claims, demands, actions or proceedings for which it will be seeking

indemnification, it must use commercially reasonable efforts in good faith to promptly notify the Exercising Customer in writing of same. The Exercising Customer will have the right, at its expense, to assume the defense thereof (retaining counsel of its choosing) and the Exercising Customer will have the right, with the consent of Supplier (which shall not be unreasonably withheld), to settle any such claims or actions on any basis it deems appropriate. Supplier may, but is not required to, engage a single firm or separate counsel of its choice at the Exercising Customer's expense in connection with any matters to which the Exercising Customer's indemnification relates, provided that the Exercising Customer will at no time be obligated to pay for more than one firm on behalf of Supplier.

(iii) Supplier agrees that it must: (1) refrain from taking action that has a material adverse impact on the defense of such claim; (2) cooperate fully with the defense of any claims made hereunder at the Exercising Customer's cost and expense; and (3) upon the Exercising Customer's request, provide reasonable assistance to the Exercising Customer (at the Exercising Customer's cost and expense) in the defense of such claim.

(f) Specific Performance. IN CONNECTION WITH ANY ACTION OR PROCEEDING TO ENFORCE THE RIGHT OF ACCESS, SUPPLIER ACKNOWLEDGES THAT THE CUSTOMERS MAY NOT HAVE AN ADEQUATE REMEDY AT LAW, THAT THE OPERATING ASSETS AND THE REAL ESTATE ARE UNIQUE AND THAT THE CUSTOMERS WILL BE ENTITLED TO SPECIFIC PERFORMANCE OF SUPPLIER'S OBLIGATIONS TO AFFORD THE CUSTOMERS THEIR RIGHT OF ACCESS UNDER THIS AGREEMENT.

(g) Appointment of Receiver. In addition to any rights and remedies the Customers may have as a secured creditor under the terms of this Agreement or any other agreement between the Customers and Supplier, the Customers shall have the right to the appointment of a receiver or a receiver and manager (which is not a competitor or Supplier) to effectuate the Right of Access. In addition with any hearing on the appointment of a receiver, Supplier agrees that seventy-two (72) hours' notice of any request for a hearing on such appointment shall be adequate notice and that the only issue to be litigated at the hearing will be whether or not an Event of Default has occurred.

(h) Irreparable Harm; Limitation of Notice. SUPPLIER ACKNOWLEDGES THAT THE CUSTOMERS WILL SUFFER IRREPARABLE HARM IF A CUSTOMER INVOKES THE RIGHT OF ACCESS AND SUPPLIER FAILS TO

COOPERATE WITH THE CUSTOMER IN ALLOWING THE CUSTOMER TO EXERCISE THE RIGHT OF ACCESS UNDER THIS AGREEMENT. ACCORDINGLY, PROVIDED THAT SUPPLIER RECEIVES SEVENTY-TWO (72) HOURS' NOTICE OF ANY REQUEST FOR HEARINGS IN CONNECTION WITH PROCEEDINGS INSTITUTED BY A CUSTOMER, SUPPLIER WAIVES, TO THE FULLEST EXTENT POSSIBLE UNDER APPLICABLE LAW, THE RIGHT TO NOTICE IN EXCESS OF SEVENTY-TWO (72) HOURS IN CONNECTION WITH ANY JUDICIAL PROCEEDINGS INSTITUTED BY A CUSTOMER TO ENFORCE THE RIGHT OF ACCESS.

4. **Obligation to Purchase Inventory**. Upon exercising the Right of Access, each Exercising Customer shall purchase all raw materials and finished goods inventory specifically relating to the Exercising Customer's Component Parts manufactured at the Facility according to the terms of the Accommodation Agreement.

5. **License**. Supplier hereby grants each Customer or its Designees a perpetual, fully paid up, worldwide, non-exclusive, irrevocable, right and license to make, have made, use, have used Supplier's Intellectual Property that is necessary to develop, manufacture, assemble and/or sell the Component Parts produced by Supplier at the Facility, including the Component Parts, during the Access Period (the "License").

(a) Right to Use License. Although the License is being granted to each Customer as of the date set forth above, each Customer agrees that it will not utilize the License unless that Customer invokes the Right of Access and then only for the Access Period.

(b) No Royalty. For all purposes, Supplier has been fully paid for the License and other rights granted to each Customer under this Agreement (except as otherwise provided in this Agreement) and no royalties, fees, payments, charges or other consideration shall be due from any Customer on account of the License or a Customer's use of the License (except as otherwise provided in this Agreement).

(c) Protection of Ownership. Each Customer shall treat and preserve the Intellectual Property in accordance with the same practices employed by the Customer to safeguard its intellectual property against unauthorized use and disclosure and will only use such information, data and trade secrets during the Access Period in connection with producing that Customer's Component Parts. The foregoing obligations of each Customer shall not be applicable to information that is now or becomes hereafter available to the public through no action, conduct, admission or fault of the respective Customer. The provisions of this Section shall survive the expiration or any earlier termination of the Access Period and this Agreement.

6. **Rights of the Customer; Limitations on the Customer's Obligations**. Unless the Customers exercise the Right of Access, in which case the Exercising Customer will have the obligations outlined in this Agreement, the Customers will not have any obligation or liability by reason of or arising out of this Agreement except, if applicable, with respect to any confidentiality obligations hereunder. In addition, regardless of whether the Customers exercise the Right of Access, as specifically

provided in this Agreement, the Customers will not be required or obligated in any manner to perform or fulfill any of the obligations of Supplier under this Agreement.

7. **Remedies**. Subject to any limitations in the Accommodation Agreement, upon an Event of Default, the Customers will have all rights and remedies provided in this Agreement. Supplier waives any right it may have to require the Customers to foreclose their security interests or mortgages granted herein. If a Customer exercises the Right of Access, the Exercising Customer will be treated as a secured party in possession and the Exercising Customer's use and occupancy of the Operating Assets will not be deemed to be acceptance of such assets in satisfaction of the Obligations. Further, subject to any limitations in the Accommodation Agreement, all of the Exercising Customer's rights and remedies under this Agreement are cumulative and not exclusive of any rights and remedies under any other agreement or under applicable law or at equity.

8. **Inventory Bank**. Supplier will manufacture an inventory bank of Component Parts during the Term (as defined in the Accommodation Agreement) in quantities and in accordance with a schedule acceptable to each Customer and reasonably acceptable to Supplier to be delivered to Supplier by no later than June 1, 2009, and each Customer will purchase from Supplier at the applicable Purchase Order price such inventory bank Component Parts.

9. **Covenants**. Supplier covenants and agrees with the Customers that from and after the date of this Agreement until the Obligations are fully performed:

(a) Further Documentation. At any time and from time to time, upon the written request of a Customer, and at such Customer's sole expense, Supplier will promptly and duly execute and deliver any and all such further instruments and documents and take such further action as the Customer may reasonably request for the purpose of obtaining the full benefits of this Agreement and of the rights and powers herein granted.

(b) Sales or Dispositions of Assets; Certain Uses Prohibited. Before the end of the Access Period, Supplier will not sell or otherwise dispose of the Operating Assets or the Real Estate, except in the ordinary course of business or in connection with a sale of substantially all of the assets of the Facility as a going concern, without the written consent of the Customers, which consent will not be unreasonably withheld. Further, Supplier will not use any of the Operating Assets or the Real Estate in any way which would materially adversely affect the Customers' Right of Access or the Customers' other rights and remedies under this Agreement. Supplier acknowledges and agrees that it will be reasonable for the Customers to withhold consent if the proposed sale or encumbrance would materially impair the Customer's rights under this Agreement.

(c) Limitations on Modifications of Agreements, etc. During the Term, Supplier will not, other than in the ordinary course of business: (i) amend, modify, terminate, or waive any provision of any agreement with any third party (a "Contract"), or enter into any Contract, which might materially adversely affect the Customers' Right of Access; or (ii) fail to exercise promptly and diligently each and every right which it

may have under each Contract in any manner which could materially adversely affect the Customers' Right of Access or the Customers' other rights or remedies under this Agreement.

(d) Right of Inspection; Cooperation. In addition to any rights the Customers may have under the Accommodation Agreement or any other agreements with Supplier, the Customers and their representatives(excluding competitors of Seller) will, at the Customers' expense, upon reasonable request and at reasonable times, have the right to enter into and upon any premises where any of the Operating Assets and the Real Estate are located for the purpose of inspecting the same, observing their use or otherwise protecting the Customer's interests therein. The Customers will maintain the confidentiality of information obtained by the Customers, except as required by law and, if required by law, after giving three business days' prior written notice to Supplier.

(e) Notice of Default. Supplier will provide immediate notice to the Customers, by way of facsimile transmission and overnight express mail service, of its or its attorneys' or agents' receipt of any notice of default received from a creditor that holds an interest in the Operating Assets or from any lessor of any Operating Assets or the Real Estate, including but not limited to taxing authorities and the landlord to the Facility. Supplier hereby grants to the Customers the option, but not the obligation, to exercise whatever rights to cure defaults that Supplier has under such agreements or by law.

10. **Secured Party and Lessor Acknowledgments**.

(a) Supplier will use commercially reasonable efforts to, within 10 days of execution of this Agreement, provide to Customers the acknowledgment and consent of any secured party holding a security interest in any of the Operating Assets or Real Estate in a form substantially similar to Schedule 10(a).

(b) Supplier will use commercially reasonable efforts to, within 10 days of execution of this Agreement, provide to the Customers the acknowledgement and consent of any real property lessors to the rights granted to the Customers under this Agreement by providing a copy to Customer of a form executed by such party substantially similar to Schedule 10(b).

(c) If, subsequent to execution of this Agreement, Supplier intends to grant additional or further security interests, liens or mortgages in the Operating Assets or the Real Estate to any additional parties, three (3) business days before granting such liens, security interests, mortgages, or leaseholds, Supplier must deliver to the Customers an acknowledgment from such secured creditors, mortgagees, and/or lessees in a form substantially similar to Schedule 10(a) or 10(b), as appropriate.

11. **Term**. The rights granted to the each Customer under this Agreement will continue until the earlier of (i) September 30, 2009, or (ii) a sale of substantially all of the assets of the Facility as a going concern that would not materially impair the Customer's rights under this Agreement (the "Term") after which time they shall expire; provided,

however, that if invoked before such date, the Customer exercising the Right of Access shall continue to have such right until the termination or expiration of the Access Period.

12. **Confidential Information and Data**. Without limiting the Customers' rights under this Agreement, to the extent the Operating Assets include or the Customers or their Designees otherwise come into possession of or become aware of, Supplier's trade secrets or proprietary information during the Term, including the Access Period, the Exercising Customer and its Designees shall keep the information, data, and trade secrets confidential and may not use them for any reason after the expiration of the Access Period.

13. **Severability**. Should any provision of this Agreement be held invalid, prohibited or unenforceable in any one jurisdiction it will, as to that jurisdiction only, be ineffective to the extent of such holding without invalidating the remaining provisions of this Agreement, and any such holding does not invalidate or render unenforceable that provision in any other jurisdiction wherein it would be valid and enforceable.

14. **Authorization**. The parties executing this Agreement as representatives warrant that they have the power and authority to execute this Agreement on behalf of the corporation that they represent and that their signatures bind said corporations to the terms of this Agreement.

15. **Section Headings**. The Section headings used in this Agreement are for convenience of reference only and are not to affect the construction hereof or be taken into consideration in the interpretation of this Agreement. All references to Sections, Schedules, and Exhibits are to Sections, Schedules, and Exhibits in or to this Agreement unless otherwise specified.

16. **No Waiver; Cumulative Remedies**. The Customers will not by any act, delay, indulgence, omission, or otherwise be deemed to have waived any right or remedy under this Agreement or of any breach of the terms and conditions of this Agreement. A waiver by a Customer of any right or remedy under this Agreement on any one occasion will not be construed as a bar to any right or remedy which the Customer would otherwise have had on a subsequent occasion. No failure to exercise nor any delay in exercising on the part of a Customer any right, power, or privilege under this Agreement, will operate as a waiver, nor will any single or partial exercise of any right, power or privilege under this Agreement preclude any other or future exercise thereof or the exercise of any other right, power or privilege. The rights and remedies under this Agreement are cumulative.

17. **Waivers and Amendments; Successors and Assigns**. No term or provision of this Agreement may be waived, altered, modified, or amended except by a written instrument, duly executed by Supplier and the Customers. This Agreement and all of Supplier's obligations are binding upon the successors and assigns of Supplier, and together with the rights and remedies of the Customers under this Agreement, inure to the benefit of the Customers, and their successors and assigns; provided, however, that Supplier may not assign or transfer any right or obligation under this Agreement without the prior written consent of the Customers. This Agreement and all of each Customer's obligations are binding upon the successors and assigns of each Customer,

and together with the rights and remedies of Supplier under this Agreement, inure to the benefit of Supplier, and its successors and assigns; provided, however, that Customers may not assign or transfer any right or obligation under this Agreement without the prior written consent of Supplier.

18. **Notices**. All notices, requests, and other communications that are required or may be given under this Agreement must be in writing, and will be deemed to have been given on the date of delivery, if delivered by hand, facsimile or courier, or three (3) days after mailing, if mailed by certified or registered mail, postage prepaid, return receipt requested, addressed as set forth below (which addresses may be changed, from time to time, by notice given in the manner provided in this Section):

If to GM:	General Motors Corporation 30009 Van Dyke Road P.O. Box 9025 Mail PPSA 480-206-116 Warren, Michigan 48090-9025 Attention: Mark W. Fischer Facsimile: (586) 575-3404
With a copy to:	Honigman Miller Schwartz and Cohn LLP 2290 First National Building Detroit, Michigan 48226 Attention: Donald F. Baty, Jr. Facsimile: (313) 465-7597
If to Chrysler:	Chrysler LLC 800 Chrysler Drive CIMS 485-14-78 Auburn Hills, Michigan 48326 Attention: Sigmund Huber Facsimile: (248) 512-1771
With a copy to:	Chrysler LLC 1000 Chrysler Drive CIMS 485-14-78 Auburn Hills, Michigan 48326-2766 Attention: Kim R. Kolb Facsimile: (248) 512-1771

and

Dickinson Wright PLLC
500 Woodward Avenue
Suite 4000
Detroit, Michigan 48226
Attention: James A. Plemmons
Facsimile: (313) 223-3598

If to Ford:

Ford Motor Company
20100 Rotunda Drive
Building #3, 3A-027
Dearborn, Michigan 48126
Attention: William Strong
Facsimile: (313) 206-7044

With a copy to:

Ford Motor Company
Office of the General Counsel
1 American Road
Suite 416-A2
Dearborn, Michigan 48126
Attention: Daniella Saltz
Facsimile: (313) 322-3804

and

Miller Canfield Paddock and Stone PLC
150 West Jefferson
Suite 2500
Detroit, Michigan 48226
Attention: Timothy A. Fusco
Facsimile: (313) 496-7500

If to Supplier:

Metaldyne Corporation
47603 Halyard Drive
Plymouth, Michigan 48170-2429
Attention: David L. McKee
Fax: (734) 207-6797
Email: davidmckee@metaldyne.com

With a copy to:

Jones Day
North Point
901 Lakeside Avenue
Cleveland, Ohio 44114
Attention: Heather Lennox
Fax: (216) 579-0212
Email: hlennox@jonesday.com

19. **No Intended Third Party Beneficiary**. The parties hereto acknowledge and agree that the rights and interests of the parties under this Agreement are intended to benefit solely the parties to this Agreement.

20. **Counterparts**. This Agreement may be executed in any number of counterparts and by each party hereto on separate counterparts, each of which when so executed and delivered will be an original, but all of which together will constitute one and the same instrument, and it will not be necessary in making proof of this Agreement to produce or account for more than one such counterpart. For purposes of this Agreement, signatures obtained by facsimile will constitute original signatures.

21. **Entire Agreement; Conflicts**. This Agreement (together with any other agreements and schedules executed in connection with this Agreement) and the Accommodation Agreement constitute the entire understanding of the parties in connection with the subject matter hereof. This Agreement may not be modified, altered, or amended except by an agreement in writing signed by the Customers and Supplier. The terms and conditions of the Accommodation Agreement will be unaffected by this Agreement except to the extent that an inconsistency or conflict exists between the express terms of the Accommodation Agreement and this Agreement in which event the terms of the Accommodation Agreement will govern and control.

22. **CONSULTATION WITH COUNSEL. THE PARTIES HERETO ACKNOWLEDGE THAT THEY HAVE BEEN GIVEN THE OPPORTUNITY TO CONSULT WITH COUNSEL BEFORE EXECUTING THIS AGREEMENT AND ARE EXECUTING SUCH AGREEMENT WITHOUT DURESS OR COERCION AND WITHOUT RELIANCE ON ANY REPRESENTATIONS, WARRANTIES OR COMMITMENTS OTHER THAN THOSE REPRESENTATIONS, WARRANTIES AND COMMITMENTS SET FORTH IN THIS AGREEMENT.**

23. **WAIVER OF JURY TRIAL. THE PARTIES EACH HEREBY KNOWINGLY, VOLUNTARILY AND WITHOUT COERCION, WAIVE ALL RIGHTS TO A TRIAL BY JURY OF ALL DISPUTES ARISING OUT OF OR IN RELATION TO THIS AGREEMENT OR ANY OTHER AGREEMENTS BETWEEN THE PARTIES. NO PARTY WILL BE DEEMED TO HAVE RELINQUISHED THE BENEFIT OF THIS WAIVER OF JURY TRIAL UNLESS SUCH RELINQUISHMENT IS IN A WRITTEN INSTRUMENT SIGNED BY THE PARTY TO WHICH SUCH RELINQUISHMENT WILL BE CHARGED.**

[Signature Pages Follow]

METALDYNE MACHINING AND ASSEMBLY MFG. CO. (CANADA) LTD.

By: _____
Its: _____

FORD MOTOR COMPANY

By: _____
Its: _____

GENERAL MOTORS CORPORATION

By: _____
Its: _____

CHRYSLER LLC on behalf of itself and Chrysler Motors LLC

By: _____
Its: _____

Schedule 8(a): - **Existing Liens**
Schedule 10(a): - **Lender's Acknowledgement and Consent**
Schedule 10(b): - **Lessor's Acknowledgement and Consent**

SCHEDULE 1
FACILITIES

Metaldyne Thamesville
Box 70
23589 Civic Industrial Rd
Thamesville Ontario, Canada N0P 2K0

SCHEDULE 12(a)

ACKNOWLEDGMENT AND CONSENT

While not a party to the Access and Security Agreement ("Access Agreement") among General Motors Corporation ("GM"), Ford Motor Company ("Ford") and Chrysler LLC on behalf of itself and Chrysler Motors LLC (collectively, "Chrysler" and together with GM and Ford, collectively, the "Customers"), and Metaldyne Machining and Assembly Mfg. Co Canada Ltd. ("Supplier") dated _____, 2009, _____ ("Bank") is a party to various loan and/or security agreements with Supplier under which Bank has liens and security interests in Supplier's assets. In such capacity, the Bank acknowledges, consents to and agrees that its liens and security interests in the Operating Assets and Real Estate (each as defined in the Access Agreement) will be subject to the terms and conditions of the Access Agreement. The fact that the Bank is executing this Acknowledgment and Consent will not in any way make it a guarantor or surety for Supplier's performance under the Access Agreement.

WITNESSED:

_____
Name

_____
Name

By:_____

Name: _____

Title: _____

Date:_____

SCHEDULE 12(b)
LESSOR'S
ACKNOWLEDGMENT AND CONSENT

While not a party to the Access and Security Agreement ("Access Agreement") among General Motors Corporation ("GM"), Ford Motor Company ("Ford") and Chrysler LLC on behalf of itself and Chrysler Motors LLC (collectively, "Chrysler" and together with GM and Ford, collectively, the "Customers"), and Metaldyne Machining and Assembly Mfg. Co Canada Ltd. ("Supplier") dated _____, 2009, the undersigned leases certain real estate or personal property to Supplier and, in such capacity, the undersigned acknowledges, consents to, and agrees with, and agrees to be bound by, the terms and conditions of the Access Agreement, including the Customers' right to use the Operating Assets and the Real Estate during any Access Period.

_____
Name of Lessor

Dated: _____, 2009

EXHIBIT H

BORROWING BASE TERMS

Borrowing Base, Applicable Availability Block, Reserves, etc.[6]

Borrowing Base and Applicable Availability Block: shall continue during the Chapter 11 Cases in each case as in effect under (and as defined in) the Prepetition ABL Credit Agreement immediately prior to the Petition Date (including, without limitation, eligibility criteria and rights to establish, increase or decrease reserves or additional eligibility restrictions under the Borrowing Base), all as further adjusted in accordance with the terms hereof.

Borrowing Base Certificates and Mandatory Prepayments: the Debtors will continue to provide weekly Borrowing Base Certificates in accordance with the terms of the Prepetition ABL Credit Agreement and if, at any time, the amount of the Prepetition ABL Obligations (other than the Incremental Loans) exceeds the Borrowing Base after taking into account the Applicable Availability Block and any reserves or additional eligibility restrictions, in each case as then in effect, the Debtors may not use Cash Collateral other than to immediately and permanently repay the Prepetition ABL Obligations (other than the Incremental Loans) in the amount of such excess. If the amount of Cash Collateral at such time is insufficient for such purpose, the Debtors shall immediately request DIP Loans and/or use the proceeds of DIP Loans to make such repayment.

Mandatory Repayments with the Proceeds from Dispositions of DIP Collateral: all net cash proceeds from the sales or dispositions of any DIP Collateral (other than Prepetition Term Priority Collateral and ordinary course disposition of inventory and collections of accounts) shall be immediately and permanently applied to repay outstanding Prepetition ABL Obligations (other than the Incremental Loans).

Accounts Receivable: subject to the other terms hereof, will continue to be deemed immediately ineligible if the applicable account debtor becomes subject to a bankruptcy or insolvency proceeding.

Inventory: for the avoidance of doubt, inventory directly purchased by a customer from a vendor which is in the possession of a Debtor (for the purpose of manufacturing the same into finished product or otherwise), and inventory manufactured for the purpose of a customer inventory bank, unless in each case subject to an accommodation agreement or similar arrangement reasonably acceptable to the Prepetition ABL Agent, shall not be included in the Borrowing Base.

Reserves: for the avoidance of doubt, the Prepetition ABL Agent may reserve against the Borrowing Base the value of any inventory included therein (unless subject to an accommodation agreement or similar arrangement reasonably acceptable to the Prepetition ABL Agent) which (i) is manufactured for purchase by customers who become subject to a bankruptcy or insolvency proceeding or (ii) the Prepetition ABL Agent determines at any time in its sole discretion is unmerchantable. Examples of unmerchantable inventory include, but are not limited to, inventory manufactured for customers who:

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[6] Capitalized terms used but not defined herein shall have the meanings given them in the Interim Order to which this Exhibit E is attached.

- have entered into extended shut-downs during which period they are not taking possession of Metaldyne's parts;

- appear reasonably likely to re-source parts supplied by Metaldyne; or

- appear reasonably likely to terminate the production of parts or platforms where Metaldyne's products are sourced.

The Prepetition ABL Agent agrees, so long as no Event of Default shall have occurred and be continuing, to provide the Debtors with no less than five (5) business days' prior written notice of its intention to take a reserve against any inventory in accordance with the terms hereof and/or the Prepetition ABL Credit Agreement, setting forth in reasonable detail the basis therefor. If, within such five (5) business day period, the Debtors enter into an accommodation agreement or similar arrangement with the applicable customer which is in form and substance reasonably satisfactory to the Prepetition ABL Agent (and, to the extent the applicable customer is subject to a bankruptcy proceeding, which has been approved by the Bankruptcy Court having jurisdiction over such bankruptcy case), the Prepetition ABL Agent agrees that it will not implement such reserve.

GM Bankruptcy: the Prepetition ABL Agent agrees that, notwithstanding anything to the contrary set forth in the Prepetition ABL Credit Agreement, accounts receivable owed by GM or any of its affiliates, and inventory manufactured for GM or any of its affiliates, shall be removed from the Borrowing Base within ten (10) days after a bankruptcy filing by GM and/or such affiliate, unless, within such ten (10) day period, the Accommodation Agreement is approved by the Bankruptcy Court having jurisdiction over the applicable bankruptcy case and/or the Debtors enter into with GM and/or such affiliate an accommodation agreement or similar arrangement reasonably satisfactory to the Prepetition ABL Agent which is approved by the Bankruptcy Court having jurisdiction over the applicable bankruptcy case.

Applicable Availability Block: will continue to apply to the Borrowing Base until the Prepetition ABL Obligations are indefeasibly paid in full in cash, and shall be deemed to be $10,000,000 for each fiscal week ended after May 29, 2009 (i.e., the last fiscal week of the existing forbearance period agreed to by the Prepetition ABL Lenders), subject to adjustment as provided in the following sentence. The Applicable Availability Block will increase on the first day of each fiscal week by $500,000, beginning with the fiscal week ended July 24, 2009.

EXHIBIT I

FIRST PRIORITY INTERCREDITOR AGREEMENT

EXECUTION COPY

INTERCREDITOR AGREEMENT

Intercreditor Agreement (this "Agreement"), dated as of January 11, 2007, among DEUTSCHE BANK AG, NEW YORK BRANCH, as Collateral Agent (in such capacity, with its successors and assigns, and as more specifically defined below, the "ABL Agent") for the ABL Secured Parties (as defined below), JPMORGAN CHASE BANK, N.A., as Collateral Agent (in such capacity, with its successors and assigns, and as more specifically defined below, the "Term Agent") for the Term Secured Parties (as defined below), METALDYNE INTERMEDIATE HOLDCO, INC. ("Holdings") and METALDYNE COMPANY LLC (the "Parent Borrower").

WHEREAS, Holdings, the Parent Borrower, the ABL Agent and certain financial institutions and other entities are parties to the ABL Credit Agreement, dated as of January 11, 2007 (as amended, modified, supplemented or waived from time to time, the "Existing ABL Agreement"), pursuant to which such financial institutions and other entities have agreed to make loans and extend other financial accommodations to the Parent Borrower; and

WHEREAS, Holdings, the Parent Borrower, the Term Agent and certain financial institutions and other entities are parties to the Credit Agreement, dated as of January 11, 2007 (as amended, modified, supplemented or waived from time to time, the "Existing Term Agreement"), pursuant to which such financial institutions and other entities have agreed to make loans and extend other financial accommodations to the Parent Borrower; and

WHEREAS, the Parent Borrower and the other Loan Parties propose to grant to the ABL Agent security interests in the Common Collateral (as defined below) as security for payment and performance of the ABL Obligations; and

WHEREAS, the Parent Borrower and the other Loan Parties propose to grant to the Term Agent security interests in the Common Collateral as security for payment and performance of the Term Obligations; and

NOW THEREFORE, in consideration of the foregoing and the mutual covenants herein contained and other good and valuable consideration, the existence and sufficiency of which is expressly recognized by all of the parties hereto, the parties agree as follows:

SECTION 1. *Definitions.*

1.1 UCC Definitions. The following terms which are defined in the Uniform Commercial Code are used herein as so defined: Accounts, Chattel Paper, Deposit Accounts, Documents, Equipment, General Intangibles, Instruments, Inventory, Investment Property, Securities, Securities Accounts, Securities Entitlements and Supporting Obligations.

1.2 Certain Defined Terms. Capitalized terms used in this Agreement and not otherwise defined herein shall have the meanings set forth in the Existing ABL Agreement and Existing Term Agreement, as applicable.

1.3 Defined Terms. The following terms, as used herein, have the following meanings:

"ABL Agent" has the meaning set forth in the introductory paragraph hereof. In the case of any Replacement ABL Agreement, the ABL Agent shall be the Person identified as such in such Replacement ABL Agreement.

"ABL Agreement" means the collective reference to (a) the Existing ABL Agreement, (b) any Additional ABL Agreement and (c) any other credit agreement, loan agreement, note agreement, promissory note, indenture or other agreement or instrument evidencing or governing the terms of any indebtedness or other financial accommodation that has been incurred to extend, increase, renew, refund, replace (whether upon or after termination or otherwise) or refinance (including by means of sales of debt securities to institutional investors or a DIP Financing) in whole or in part from time to time the indebtedness and other obligations outstanding under the Existing ABL Agreement, any Additional ABL Agreement or any other agreement or instrument referred to in this clause (c) unless such agreement or instrument expressly provides that it is not intended to be and is not an ABL Agreement hereunder (a "Replacement ABL Agreement"). Any reference to the ABL Agreement hereunder shall be deemed a reference to any ABL Agreement then existing.

"ABL Collateral" means all assets, whether now owned or hereafter acquired by the Parent Borrower or any other Loan Party, in which a Lien is granted or purported to be granted to any ABL Secured Party as security for any ABL Obligation.

"ABL Documents" means the ABL Agreement, each ABL Security Document, each ABL Guarantee and each other "Loan Document" as defined in the ABL Agreement.

"ABL Guarantee" means any guarantee by any Loan Party of any or all of the ABL Obligations.

"ABL Lien" means any Lien created by the ABL Security Documents.

"ABL Obligations" means, (1) with respect to the Existing ABL Agreement, all "Obligations" of each Loan Party as defined in the Existing ABL Agreement, and (2) with respect to each other ABL Agreement, (a) all principal of and interest (including, without limitation, any Post-Petition Interest) and premium (if any) on all loans made or other indebtedness issued or incurred pursuant to the ABL Agreement, (b) all reimbursement obligations (if any) and interest thereon (including without limitation any Post-Petition Interest) with respect to any letter of credit or similar instruments issued pursuant to the ABL Agreement, (c) all Hedging Obligations owed to any ABL Secured Party or any Person which was an ABL Secured Party (or any of its affiliates) when such Hedging Obligations were entered into, (d) all Cash Management Obligations owed to any ABL Secured Party or any Person which was an ABL Secured Party (or any of its affiliates) when such Cash Management Obligations were incurred, and (e) all ABL Guarantees, fees, expenses and other amounts payable from time to time pursuant to the ABL Documents, in each case whether or not allowed or allowable in an Insolvency Proceeding. To the extent any payment with respect to any ABL Obligation (whether by or on behalf of any Loan Party, as proceeds of security, enforcement of any right of setoff or otherwise) is declared to be a fraudulent conveyance or a preference in any respect, set aside or required to be paid to a debtor in possession, any Term Secured Party, receiver or similar Person, then the obligation or part thereof originally intended to be satisfied shall, for the purposes of this Agreement and the

rights and obligations of the ABL Secured Parties and the Term Secured Parties, be deemed to be reinstated and outstanding as if such payment had not occurred.

"ABL Obligations Payment Date" means the first date on which (a) the ABL Obligations (other than those that constitute Unasserted Contingent Obligations) have been indefeasibly paid in cash in full (or cash collateralized or defeased in accordance with the terms of the ABL Documents), (b) all commitments to extend credit under the ABL Documents have been terminated, (c) there are no outstanding letters of credit or similar instruments issued under the ABL Documents (other than such as have been cash collateralized or defeased in accordance with the terms of the ABL Security Documents), and (d) the ABL Agent has delivered a written notice to the Term Agent stating that the events described in clauses (a), (b) and (c) have occurred to the satisfaction of the ABL Secured Parties, which notice shall be delivered by the ABL Agent to the Term Agent promptly after the occurrence of the events described in clauses (a), (b) and (c).

"ABL Priority Collateral" means any of the following in which a Lien is granted or purported to be granted to any ABL Secured Party as security for any ABL Obligation:

(1) all Accounts;

(2) all Chattel Paper representing Accounts;

(3) (a) all Deposit Accounts and all cash, checks, other negotiable instruments, funds and other evidences of payments held therein and (b) all Securities, Security Entitlements, and Securities Accounts, in each case, to the extent constituting cash or cash equivalents or representing a claim to cash equivalents, except, in each case, for any Deposit Accounts and any cash, checks, other negotiable instruments, funds or other evidences of payments held therein or any Securities, Securities Entitlements, Securities Accounts and all cash and cash equivalents held therein, in each case, that constitute identifiable proceeds of Term Priority Collateral and all deposits and other funds held therein;

(4) all Inventory;

(5) to the extent involving or governing any of the items referred to in the preceding clauses (1) through (4), all Documents, General Intangibles and Instruments; provided that to the extent that the foregoing also relates to Term Priority Collateral, only that portion related to the items referred to in clauses (1) through (4) shall be included in the ABL Priority Collateral;

(6) to the extent evidencing or governing any of the items referred to in clauses (1) through (4), all Supporting Obligations; provided that to the extent that the foregoing also relates to Term Priority Collateral, only that portion related to the items referred to in clauses (1) through (4) shall be included in the ABL Priority Collateral;

(7) all books and records relating to the foregoing;

(8) all proceeds of any of the foregoing (including, without limitation, proceeds of insurance with respect to any or all of the foregoing clauses (1) through (7) and all collateral security and guarantees given by any Person with respect to any of the foregoing);

provided, however, that (a) any Common Collateral, regardless of type, received in connection with a permitted disposition or otherwise in exchange for ABL Priority Collateral pursuant to the terms of the ABL Agreement shall be treated as ABL Priority Collateral under this Agreement and (b) any Common Collateral, regardless of type, received in connection with a permitted disposition or otherwise in exchange for Term Priority Collateral pursuant to the terms of the Term Agreement shall be treated as Term Priority Collateral under this Agreement

"ABL Secured Parties" means the ABL Agent, the "Lenders" as defined in the ABL Agreement, any Persons that are designated under the ABL Documents as the "Secured Parties", and any other holders of the ABL Obligations.

"ABL Security Documents" means the "Security Documents" as defined in the ABL Agreement, and any other documents that are designated under the ABL Agreement as "Security Documents" for purposes of this Agreement.

"Additional ABL Agreement" means any agreement permitted to be designated as such under the ABL Agreement and the Term Agreement.

"Additional Debt" has the meaning set forth in Section 9.3(b).

"Additional Term Agreement" means any agreement permitted to be designated as such under the ABL Agreement and the Term Agreement.

"Agreement" has the meaning set forth in the introductory paragraph hereof.

"Bankruptcy Code" means the United States Bankruptcy Code (11 U.S.C. §101 et seq.), as amended from time to time.

"Cash Management Obligations" means, with respect to any Loan Party, any obligations of such Loan Party owed to any ABL Secured Party or any Person which was an ABL Secured Party (or any of its affiliates) when such obligations were incurred or any Term Secured Party or any Person which was a Term Secured Party (or any of its affiliates) when such obligations were incurred, as applicable, in respect of overdrafts and related liabilities or arising from treasury, depositary or other cash management services or in connection with any automated clearinghouse transfer of funds.

"Common Collateral" means all assets that are both ABL Collateral and Term Collateral.

"Comparable ABL Security Document" means, in relation to any Common Collateral subject to any Term Security Document, that ABL Security Document that creates a security interest in the same Common Collateral, granted by the same Loan Party, as applicable.

"Comparable Term Security Document" means, in relation to any Common Collateral subject to any ABL Security Document, that Term Security Document that creates a security interest in the same Common Collateral, granted by the same Loan Party, as applicable.

"Copyright License" means any written agreement, now or hereafter in effect, granting any right to any third party under any Copyright now or hereafter owned by any Loan Party or that such Loan Party otherwise has the right to license, or granting any right to such Loan Party under any Copyright now or hereafter owned by any third party, and all rights of such Loan Party under any such agreement.

"Copyrights" means all of the following now owned or hereafter acquired by any Loan Party: (a) all copyright rights in any work subject to the copyright laws of the United States or any other country, whether as author, assignee, transferee or otherwise and (b) all registrations and applications for registration of any such copyright in the United States or any other country, including registrations, recordings, supplemental registrations and pending applications for registration in the United States Copyright Office.

"Credit Bid Rights" means, (a) in respect of any order relating to a sale of assets constituting ABL Priority Collateral in any Insolvency Proceeding, that (i) such order grants the Term Agent and the Term Secured Parties (individually and in any combination) the right to bid at the sale of such assets and the right to offset its claims secured by Term Liens upon such assets against the purchase price of such assets if (A) the bid of the Term Agent or such Term Secured Parties is the highest bid or otherwise determined by a court to be the best offer at a sale and (B) the bid of the Term Agent or such Term Secured Parties includes a cash purchase price component payable at the closing of the sale in an amount that would be sufficient on the date of the closing of the sale, if such amount were applied to such payment on such date, to pay all unpaid ABL Obligations (except Unasserted Contingent Obligations) and to satisfy all Liens entitled to priority over the ABL Liens that attach to the proceeds of the sale, and such order requires such amount to be so applied and (ii) such order allows the claims of the Term Agent and the Term Secured Parties in such Insolvency Proceeding to the extent required for the grant of such rights, and (b) in respect of any order relating to a sale of assets constituting Term Priority Collateral in any Insolvency Proceeding, that (i) such order grants the ABL Agent and the ABL Secured Parties (individually and in any combination) the right to bid at the sale of such assets and the right to offset its claims secured by ABL Liens upon such assets against the purchase price of such assets if (A) the bid of the ABL Agent or such ABL Secured Parties is the highest bid or otherwise determined by a court to be the best offer at a sale and (B) the bid of the ABL Agent or such ABL Secured Parties includes a cash purchase price component payable at the closing of the sale in an amount that would be sufficient on the date of the closing of the sale, if such amount were applied to such payment on such date, to pay all unpaid Term Obligations (except Unasserted Contingent Obligations) and to satisfy all Liens entitled to priority over the Term Liens that attach to the proceeds of the sale, and such order requires such amount to be so applied and (ii) such order allows the claims of the ABL Agent and the ABL Secured Parties in such Insolvency Proceeding to the extent required for the grant of such rights.

"DIP Financing" has the meaning set forth in Section 5.2.

"Enforcement Action" means, with respect to the ABL Obligations or the Term Obligations, the exercise of any rights and remedies with respect to any Common Collateral securing such obligations or the commencement or prosecution of enforcement of any of the rights and remedies of a secured creditor under, as applicable, the ABL Documents or the Term Documents, or applicable law, including without limitation the exercise of any rights of

set-off or recoupment, and the exercise of any rights or remedies of a secured creditor under the Uniform Commercial Code of any applicable jurisdiction or under the Bankruptcy Code.

"Existing ABL Agreement" has the meaning set forth in the first WHEREAS clause of this Agreement.

"Existing Term Agreement" has the meaning set forth in the second WHEREAS clause of this Agreement.

"Hedging Obligations" means, with respect to any Loan Party, any obligations of such Loan Party owed to any ABL Secured Party or any Person which was an ABL Secured Party (or any of its affiliates) at the time such obligations were entered into or any Term Secured Party or any Person which was a Term Secured Party (or any of its affiliates) at the time such obligations were entered into, as applicable, in respect of any commodity, interest rate or currency swap, cap, floor, collar, forward agreement or other exchange or protection agreements or any option with respect to any such transaction.

"Holdings" has the meaning set forth in the introductory paragraph hereof.

"Insolvency Proceeding" means any proceeding in respect of bankruptcy, insolvency, winding up, receivership, dissolution or general assignment for the benefit of creditors, in each of the foregoing events whether under the Bankruptcy Code or any similar federal, state or foreign bankruptcy, insolvency, reorganization, receivership or similar law.

"Intellectual Property" means all intellectual property of any Loan Party of every kind and nature now owned or hereafter acquired by any Loan Party, including inventions, designs, Patents, Copyrights, Licenses, Trademarks, trade secrets, confidential or proprietary technical and business information, know-how, show-how or other data or information, software and databases and all embodiments or fixations thereof and related documentation, registrations and franchises, and all additions, improvements and accessions to, and books and records describing or used in connection with, any of the foregoing.

"Loan Party" (a) with respect to the Existing ABL Agreement and Existing Term Agreement, has the meaning set forth in the Existing ABL Agreement and Existing Term Agreement and (b) with respect to each other agreement comprising the ABL Agreement or Term Agreement, means the Borrower, each direct or indirect affiliate or shareholder (or equivalent) of the Borrower or any of its affiliates that now or hereafter becomes a party to any ABL Agreement or Term Agreement. All references in this Agreement to any Loan Party shall include such Loan Party as a debtor-in-possession and any receiver or trustee for such Loan Party in any Insolvency Proceeding.

"Parent Borrower" has the meaning set forth in the introductory paragraph hereof.

"Patent License" means any written agreement, now or hereafter in effect, granting to any third party any right to make, use or sell any invention on which a Patent, now or hereafter owned by any Loan Party or that any Loan Party otherwise has the right to license, is in existence, or granting to any Loan Party any right to make, use or sell any invention on which a Patent, now or hereafter owned by any third party, is in existence, and all rights of any Loan Party under any such agreement.

"Patents" means all of the following now owned or hereafter acquired by any Loan Party: (a) all letters patent of the United States or any other country, all registrations and recordings thereof, and all applications for letters patent of the United States or any other country, including registrations, recordings and pending applications in the United States Patent and Trademark Office or any similar offices in any other country and (b) all reissues, continuations, divisions, continuations-in-part, renewals or extensions thereof, and the inventions disclosed or claimed therein, including the right to make, use and/or sell the inventions disclosed or claimed therein.

"Person" means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

"Post-Petition Interest" means any interest or entitlement to fees or expenses or other charges that accrues after the commencement of any Insolvency Proceeding, whether or not allowed or allowable in any such Insolvency Proceeding.

"Recovery" has the meaning set forth in Section 5.5.

"Replacement ABL Agreement" has the meaning set forth in the definition of "ABL Agreement".

"Replacement Term Agreement" has the meaning set forth in the definition of "Term Agreement".

"Secured Parties" means the ABL Secured Parties and the Term Secured Parties.

"Term Agent" has the meaning set forth in the introductory paragraph hereof. In the case of any Replacement Term Agreement, the Term Agent shall be the Person identified as such in such Replacement Term Agreement.

"Term Agreement" means the collective reference to (a) the Existing Term Agreement, (b) any Additional Term Agreement and (c) any other credit agreement, loan agreement, note agreement, promissory note, indenture, or other agreement or instrument evidencing or governing the terms of any indebtedness or other financial accommodation that has been incurred to extend, increase, renew, refund, replace (whether upon or after termination or otherwise) or refinance (including by means of sales of debt securities to institutional investors or a DIP Financing) in whole or in part the indebtedness and other obligations outstanding under the Existing Term Agreement, any Additional Term Agreement or any other agreement or instrument referred to in this clause (c) unless such agreement or instrument expressly provides that it is not intended to be and is not a Term Agreement hereunder (a "Replacement Term Agreement"). Any reference to the Term Agreement hereunder shall be deemed a reference to any Term Agreement then existing.

"Term Collateral" means all assets, whether now owned or hereafter acquired by the Parent Borrower or any other Loan Party, in which a Lien is granted or purported to be granted to any Term Secured Party as security for any Term Obligation.

"Term Documents" means each Term Agreement, each Term Security Document and each Term Guarantee.

"Term Guarantee" means any guarantee by any Loan Party of any or all of the Term Obligations.

"Term Lien" means any Lien created by the Term Security Documents.

"Term Obligations" means (1) with respect to the Existing Term Agreement, all "Obligations" of each Loan Party as defined in the Existing Term Agreement, and (2) with respect to each other Term Agreement, (a) all principal of and interest (including, without limitation, any Post-Petition Interest) and premium (if any) on all loans made or other indebtedness issued or incurred pursuant to the Term Agreement, (b) all reimbursement obligations (if any) and interest thereon (including without limitation any Post-Petition Interest) with respect to any letter of credit or similar instruments issued pursuant to the Term Agreement, (c) all Hedging Obligations owed to any Term Secured Party or any Person which was a Term Secured Party (or any of its affiliates) when such Hedging Obligations were entered into, (d) all Cash Management Obligations owed to any Term Secured Party or any Person which was a Term Secured Party (or any of its affiliates) when such Cash Management Obligations were incurred, and (e) all Term Guarantees, fees, expenses and other amounts payable from time to time pursuant to the Term Documents, in each case whether or not allowed or allowable in an Insolvency Proceeding. To the extent any payment with respect to any Term Obligation (whether by or on behalf of any Loan Party, as proceeds of security, enforcement of any right of setoff or otherwise) is declared to be a fraudulent conveyance or a preference in any respect, set aside or required to be paid to a debtor in possession, any ABL Secured Party, receiver or similar Person, then the obligation or part thereof originally intended to be satisfied shall, for the purposes of this Agreement and the rights and obligations of the Term Secured Parties and the ABL Secured Parties, be deemed to be reinstated and outstanding as if such payment had not occurred.

"Term Obligations Payment Date" means the first date on which (a) the Term Obligations (other than those that constitute Unasserted Contingent Obligations) have been indefeasibly paid in cash in full (or cash collateralized or defeased in accordance with the terms of the Term Documents), (b) all commitments to extend credit under the Term Documents have been terminated, (c) there are no outstanding letters of credit or similar instruments issued under the Term Documents (other than such as have been cash collateralized or defeased in accordance with the terms of the Term Security Documents), and (d) the Term Agent has delivered a written notice to the ABL Agent stating that the events described in clauses (a), (b) and (c) have occurred to the satisfaction of the Term Secured Parties, which notice shall be delivered by the Term Agent to the ABL Agent promptly after the occurrence of the events described in clauses (a), (b) and (c).

"Term Priority Collateral" means all Common Collateral other than ABL Priority Collateral.

"Term Secured Party" means the Term Agent, the "Lenders" as defined in the Term Agreement, any Persons that are designated under the Term Documents as the "Secured Parties", and any other holders of the Term Obligations.

"Term Security Documents" means the "Security Documents" as defined in the Term Agreement, and any other documents that are designated under the Term Agreement as "Security Documents" for purposes of this Agreement.

"Trademark License" means any written agreement, now or hereafter in effect, granting to any third party any right to use any Trademark now or hereafter owned by any Loan Party or that any Loan Party otherwise has the right to license, or granting to any Loan Party any right to use any Trademark now or hereafter owned by any third party, and all rights of any Grantor under any such agreement, in each case to the extent constituting Common Collateral.

"Trademarks" means all of the following now owned or hereafter acquired by any Loan Party: (a) all trademarks, service marks, trade names, corporate names, company names, business names, fictitious business names, trade styles, trade dress, logos, other source or business identifiers, designs and general intangibles of like nature, now existing or hereafter adopted or acquired, all registrations and recordings thereof, and all registration and recording applications filed in connection therewith, including registrations and registration applications in the United States Patent and Trademark Office, any State of the United States or any similar offices in any other country or any political subdivision thereof, and all extensions or renewals thereof (b) all goodwill associated therewith or symbolized thereby and (c) all other assets, rights and interests that uniquely reflect or embody such goodwill.

"Unasserted Contingent Obligations" shall mean, at any time, ABL Obligations or Term Obligations, as applicable, for taxes, costs, indemnifications, reimbursements, damages and other liabilities (excluding (a) the principal of, and interest and premium (if any) on, and fees relating to, any ABL Obligation or Term Obligation, as applicable, and (b) contingent reimbursement obligations in respect of amounts that may be drawn under outstanding letters of credit) in respect of which no assertion of liability (whether oral or written) and no claim or demand for payment (whether oral or written) has been made (and, in the case of ABL Obligations or Term Obligations, as applicable, for indemnification, no notice for indemnification has been issued by the indemnitee) at such time.

"Uniform Commercial Code" shall mean the Uniform Commercial Code as in effect from time to time in the applicable jurisdiction.

1.4 Terms Generally. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation". The word "will" shall be construed to have the same meaning and effect as the word "shall". Unless the context requires otherwise (i) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, restated, supplemented or otherwise modified, (ii) any reference herein to any Person shall be construed to include such Person's successors or permitted assigns, (iii) any reference herein to any Loan Party shall be construed to include such Loan Party as debtor and debtor-in-possession and any receiver or trustee for such Loan Party in any Insolvency Proceeding, (iv) the words "herein", "hereof" and "hereunder", and words of similar import, shall be

construed to refer to this Agreement in its entirety and not to any particular provision hereof, (v) all references herein to Sections shall be construed to refer to Exhibits or Sections of this Agreement and (vi) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

SECTION 2. *Lien Priorities.*

2.1 Subordination of Liens. (a) Any and all Liens on the ABL Priority Collateral now existing or hereafter created or arising in favor of any Term Secured Party securing the Term Obligations, regardless of how acquired, whether by grant, statute, operation of law, subrogation or otherwise are expressly junior in priority, operation and effect to any and all Liens on the ABL Priority Collateral now existing or hereafter created or arising in favor of the ABL Secured Parties securing the ABL Obligations, notwithstanding (i) anything to the contrary contained in any agreement or filing to which any Term Secured Party may now or hereafter be a party, and regardless of the time, order or method of grant, attachment, recording or perfection of any financing statements or other security interests, assignments, pledges, deeds, mortgages and other liens, charges or encumbrances or any defect or deficiency or alleged defect or deficiency in any of the foregoing, (ii) any provision of the Uniform Commercial Code or any applicable law or any ABL Document or Term Document or any other circumstance whatsoever and (iii) the fact that any such Liens in favor of any ABL Secured Party securing any of the ABL Obligations are (A) subordinated to any Lien securing any obligation of any Loan Party other than the Term Obligations or (B) otherwise subordinated, voided, avoided, invalidated or lapsed.

(b) Any and all Liens on the Term Priority Collateral now existing or hereafter created or arising in favor of any ABL Secured Party securing the ABL Obligations, regardless of how acquired, whether by grant, statute, operation of law, subrogation or otherwise are expressly junior in priority, operation and effect to any and all Liens on the Term Priority Collateral now existing or hereafter created or arising in favor of the Term Secured Parties securing the Term Obligations, notwithstanding (i) anything to the contrary contained in any agreement or filing to which any ABL Secured Party may now or hereafter be a party, and regardless of the time, order or method of grant, attachment, recording or perfection of any financing statements or other security interests, assignments, pledges, deeds, mortgages and other liens, charges or encumbrances or any defect or deficiency or alleged defect or deficiency in any of the foregoing, (ii) any provision of the Uniform Commercial Code or any applicable law or any Term Document or ABL Document or any other circumstance whatsoever and (iii) the fact that any such Liens in favor of any Term Secured Party securing any of the Term Obligations are (A) subordinated to any Lien securing any obligation of any Loan Party other than the ABL Obligations or (B) otherwise subordinated, voided, avoided, invalidated or lapsed.

(c) No ABL Secured Party or Term Secured Party shall object to or contest, or support any other Person in contesting or objecting to, in any proceeding (including without limitation, any Insolvency Proceeding), the validity, extent, perfection, priority or enforceability of any security interest in the Common Collateral granted to the other. Notwithstanding any failure by any ABL Secured Party or Term Secured Party to perfect its security interests in the Common Collateral or any avoidance, invalidation or subordination

by any third party or court of competent jurisdiction of the security interests in the Common Collateral granted to the ABL Secured Parties or the Term Secured parties, the priority and rights as between the ABL Secured Parties and the Term Secured Parties with respect to the Common Collateral shall be as set forth herein.

2.2 Nature of ABL Obligations and Term Obligations. The Term Agent on behalf of itself and the other Term Secured Parties acknowledges that a portion of the ABL Obligations represents debt that is revolving in nature and that the amount thereof that may be outstanding at any time or from time to time may be increased or reduced and subsequently reborrowed, and that the terms of the ABL Obligations may be modified, extended or amended from time to time, and that the aggregate amount of the ABL Obligations may be increased, replaced or refinanced, in each event without notice to or consent by the Term Secured Parties and without affecting the provisions hereof. The ABL Agent on behalf of itself and the other ABL Secured Parties acknowledges that a portion of the Term Obligations represents debt that is revolving in nature and that the amount thereof that may be outstanding at any time or from time to time may be increased or reduced and subsequently reborrowed, and that the terms of the Term Obligations may be modified, extended or amended from time to time, and that the aggregate amount of the Term Obligations may be increased, replaced or refinanced, in each event without notice to or consent by the ABL Secured Parties and without affecting the provisions hereof. The lien priorities provided in Section 2.1 shall not be altered or otherwise affected by any such amendment, modification, supplement, extension, repayment, reborrowing, increase, replacement, renewal, restatement or refinancing of either the ABL Obligations or the Term Obligations, or any portion thereof.

2.3 Agreements Regarding Actions to Perfect Liens. (a) The Term Agent on behalf of itself and the other Term Secured Parties agrees that, prior to the ABL Obligations Payment Date, UCC-1 financing statements, patent, trademark or copyright filings or other filings or recordings filed or recorded by or on behalf of the Term Agent shall be in form reasonably satisfactory to the ABL Agent, it being agreed that any such filings on or prior to the date hereof are reasonably satisfactory to the ABL Agent.

(b) The ABL Agent on behalf of itself and the other ABL Secured Parties agrees that, prior to the Term Obligations Payment Date, UCC-1 financing statements, patent, trademark or copyright filings or other filings or recordings filed or recorded by or on behalf of the ABL Agent shall be in form reasonably satisfactory to the Term Agent, it being agreed that any such filings on or prior to the date hereof are reasonably satisfactory to the Term Agent.

(c) The ABL Agent agrees on behalf of itself and the other ABL Secured Parties that, prior to the Term Obligations Payment Date, all mortgages, deeds of trust, deeds and similar instruments (collectively, "mortgages") now or hereafter filed against real property in favor of or for the benefit of the ABL Agent and the other ABL Secured Parties shall be in form reasonably satisfactory to the Term Agent and shall contain substantially the following notation: "The lien created by this mortgage on the property described herein is junior and subordinate to the lien on such property created by any mortgage, deed of trust or similar instrument now or hereafter granted to JPMorgan Chase Bank, N.A., as Collateral Agent for the Term Secured Parties, and its successors and assigns in such property as defined in and in accordance with the provisions of the Intercreditor Agreement dated as of January 11, 2007

among Deutsche Bank AG, New York Branch, as Collateral Agent for the ABL Secured Parties, JPMorgan Chase Bank, N.A., as Collateral Agent for the Term Secured Parties, and Metaldyne Intermediate Holdco, Inc., a Delaware corporation, and Metaldyne Company LLC, a Delaware limited liability company, as the Parent Borrower, as amended from time to time."

(d) Each of the ABL Agent and the Term Agent hereby acknowledges that, to the extent that it holds, or a third party holds on its behalf, physical possession of or "control" (as defined in the Uniform Commercial Code) over Common Collateral pursuant to the ABL Security Documents or the Term Security Documents, as applicable, such possession or control is also for the benefit of, and the ABL Agent or Term Agent, as applicable, or such third party holds such possession or control as bailee and agent for, the Term Agent and the other Term Secured Parties or the ABL Agent and the other ABL Secured Parties, as applicable, solely to the extent required to perfect their security interest in such Common Collateral (such bailment and agency for perfection being intended, among other things, to satisfy the requirements of Sections 8-301(a)(2) and 9-313(c) of the Uniform Commercial Code). Nothing in the preceding sentence shall be construed to impose any duty on the ABL Agent or the Term Agent (or any third party acting on either such Person's behalf) with respect to such Common Collateral or provide the Term Agent or any other Term Secured Party or the ABL Agent or any other ABL Secured Party, as applicable, with any rights with respect to such Common Collateral beyond those specified in this Agreement, the ABL Security Documents and the Term Security Documents, provided that (i) subsequent to the occurrence of the ABL Obligations Payment Date (if the Term Obligations Payment Date has not occurred), the ABL Agent shall (A) deliver to the Term Agent, at the Parent Borrower's sole cost and expense, the Common Collateral in its possession or control together with any necessary endorsements to the extent required by the Term Documents or (B) direct and deliver such Common Collateral as a court of competent jurisdiction otherwise directs, and (ii) subsequent to the occurrence of the Term Obligations Payment Date (if the ABL Obligations Payment Date has not occurred), the Term Agent shall (A) deliver to the ABL Agent, at the Parent Borrower's sole cost and expense, the Common Collateral in its possession or control together with any necessary endorsements to the extent required by the ABL Documents or (B) direct and deliver such Common Collateral as a court of competent jurisdiction otherwise directs, and provided further, that the provisions of this Agreement are intended solely to govern the respective Lien priorities as between the ABL Secured Parties and the Term Secured Parties and shall not impose on the ABL Secured Parties or the Term Secured Parties any obligations in respect of the disposition of any Common Collateral (or any proceeds thereof) that would conflict with prior perfected Liens or any claims thereon in favor of any other Person that is not a Secured Party.

2.4 No New Liens. (a) Until the ABL Obligations Payment Date has occurred the parties hereto agree that (i) there shall be no Lien (other than cash collateralization of any Term Obligations consisting of letters of credit or Hedging Obligations), and no Loan Party shall have any right to create any Lien (other than cash collateralization of any Term Obligations consisting of letters of credit or Hedging Obligations), on any assets of any Loan Party securing any Term Obligation if these same assets are not subject to, and do not become subject to, a Lien securing the ABL Obligations subject to the lien priorities set forth in Section 2.1 and (ii) if any Term Secured Party shall acquire or hold any Lien on any assets of any Loan Party securing any Term Obligation which assets are not also subject to the Lien

of the ABL Agent under the ABL Documents, subject to the lien priorities set forth in Section 2.1, then the Term Agent will, without the need for any further consent of any other Term Secured Party and notwithstanding anything to the contrary in any other Term Document, be deemed to also hold and have held such Lien for the benefit of the ABL Agent as security for the ABL Obligations (subject to the lien priorities set forth in Section 2.1 and the other terms hereof) and shall promptly notify the ABL Agent in writing of the existence of such Lien. To the extent that the foregoing provisions are not complied with for any reason, without limiting any other rights and remedies available to the ABL Secured Parties, the Term Agent and the other Term Secured Parties agree that any amounts received by or distributed to any of them pursuant to or as a result of Liens granted in contravention of this Section 2.4 shall be subject to Section 4.1.

(b) Until the Term Obligations Payment Date has occurred the parties hereto agree that (i) there shall be no Lien (other than cash collateralization of any ABL Obligations consisting of letters of credit or Hedging Obligations), and no Loan Party shall have any right to create any Lien (other than cash collateralization of any ABL Obligations consisting of letters of credit or Hedging Obligations), on any assets of any Loan Party securing any ABL Obligation if these same assets are not subject to, and do not become subject to, a Lien securing the Term Obligations subject to the lien priorities set forth in Section 2.1 and (ii) if any ABL Secured Party shall acquire or hold any Lien on any assets of any Loan Party securing any ABL Obligation which assets are not also subject to the Lien of the Term Agent under the Term Documents, subject to the lien priorities set forth in Section 2.1, then the ABL Agent will, without the need for any further consent of any other ABL Secured Party and notwithstanding anything to the contrary in any other ABL Document, be deemed to also hold and have held such Lien for the benefit of the Term Agent as security for the Term Obligations (subject to the lien priorities set forth in Section 2.1 and the other terms hereof) and shall promptly notify the Term Agent in writing of the existence of such Lien. To the extent that the foregoing provisions are not complied with for any reason, without limiting any other rights and remedies available to the Term Secured Parties, the ABL Agent and the other ABL Secured Parties agree that any amounts received by or distributed to any of them pursuant to or as a result of Liens granted in contravention of this Section 2.4 shall be subject to Section 4.1.

2.5 Hedging Obligations and Cash Management Obligations. Notwithstanding anything to the contrary set forth in this Agreement, if at any date the events described in clauses (a), (b) and (c) of the defined term "ABL Obligations Payment Date" (other than with respect to Hedging Obligations, Cash Management Obligations and Unasserted Contingent Obligations) shall have occurred, the Term Agent on behalf of itself and the other Term Secured Parties shall have the right to take any Enforcement Action with respect to the ABL Priority Collateral pursuant to the terms of the Term Documents; provided that the Term Agent on behalf of itself and the other Term Secured Parties hereby acknowledges and agrees that any proceeds of the ABL Priority Collateral received after such date shall be applied in accordance with Section 4.1(a) until the ABL Obligations Payment Date. Notwithstanding anything to the contrary set forth in this Agreement, if at any date the events described in clauses (a), (b) and (c) of the defined term "Term Obligations Payment Date" (other than with respect to Hedging Obligations, Cash Management Obligations and Unasserted Contingent Obligations) shall have occurred, the ABL Agent on behalf of itself and the other ABL Secured Parties shall have the right to take any Enforcement Action with respect to the Term

Priority Collateral pursuant to the terms of the ABL Documents; provided that the ABL Agent on behalf of itself and the other ABL Secured Parties hereby acknowledges and agrees that any proceeds of the Term Priority Collateral received after such date shall be applied in accordance with Section 4.1(a) until the Term Obligations Payment Date.

SECTION 3. *Enforcement Rights.*

3.1 Exclusive Enforcement. (a) Until the ABL Obligations Payment Date has occurred, whether or not an Insolvency Proceeding has been commenced by or against any Loan Party, the ABL Secured Parties shall have the exclusive right to take and continue any Enforcement Action with respect to the ABL Priority Collateral, without any consultation with or consent of any Term Secured Party except as otherwise expressly provided for in this Agreement; provided that nothing contained herein shall be construed as preventing the Term Agent or any Term Secured Party from taking any action which is reasonably necessary to (i) perfect the Term Liens upon the ABL Priority Collateral (other than by possession or "control" (within the meaning of the Uniform Commercial Code) except as otherwise provided in Section 2.3(d)) or (ii) prove, preserve or protect (but not enforce) the Term Liens upon the ABL Priority Collateral, so long as such action would not, in any case, adversely affect any ABL Lien. Upon the occurrence and during the continuance of an event of default under the ABL Documents, the ABL Agent and the other ABL Secured Parties may take and continue any Enforcement Action with respect to the ABL Obligations and the ABL Priority Collateral in such order and manner as they may determine in their sole discretion in accordance with the ABL Documents and applicable law.

(b) Until the Term Obligations Payment Date has occurred, whether or not an Insolvency Proceeding has been commenced by or against any Loan Party, the Term Secured Parties shall have the exclusive right to take and continue any Enforcement Action with respect to the Term Priority Collateral, without any consultation with or consent of any ABL Secured Party except as otherwise expressly provided for in this Agreement; provided that nothing contained herein shall be construed as preventing the ABL Agent or any ABL Secured Party from taking any action which is reasonably necessary to (i) perfect the ABL Liens upon the Term Priority Collateral (other than by possession or "control" (within the meaning of the Uniform Commercial Code) except as otherwise provided in Section 2.3(d)) or (ii) prove, preserve or protect (but not enforce) the ABL Liens upon the Term Priority Collateral, so long as such action would not, in any case, adversely affect any Term Lien. Upon the occurrence and during the continuance of an event of default under the Term Documents, the Term Agent and the other Term Secured Parties may take and continue any Enforcement Action with respect to the Term Obligations and the Term Priority Collateral in such order and manner as they may determine in their sole discretion in accordance with the Term Documents and applicable law; provided that for a period of up to 150 days (such period to be calculated by excluding any day on which Enforcement Actions are stayed as a result of an Insolvency Proceeding with respect to the Parent Borrower) following the acceleration of the first of the ABL Obligations or the Term Obligations, as the case may be, and during such time, the ABL Secured Parties shall have use or access to such of the Term Collateral as they deem reasonably necessary or desirable in taking Enforcement Actions against the ABL Priority Collateral and during such time the Term Secured Parties shall not take any Enforcement Action with respect to the Term Priority Collateral that may interfere with such use or access, provided further, that the Term Secured Parties may take

Enforcement Action subject to the rights of the ABL Secured Parties with respect to the Term Priority Collateral described above.

3.2 Standstill and Waivers. (a) The Term Agent, on behalf of itself and the other Term Secured Parties, agrees that, until the ABL Obligations Payment Date has occurred, subject to Section 2.5, the proviso set forth in Section 3.1(a), the proviso set forth in the second sentence of Section 3.1(b), and the proviso set forth in Section 5.1(a):

(i) they will not take or cause to be taken any action, the purpose or effect of which is to make any Lien in respect of any Term Obligation pari passu with or senior to, or to give any Term Secured Party any preference or priority relative to, the Liens on the ABL Priority Collateral securing the ABL Obligations;

(ii) they will not contest, oppose, object to, interfere with, hinder or delay, in any manner, whether by judicial proceedings (including without limitation the filing of an Insolvency Proceeding) or otherwise, any foreclosure, sale, lease, exchange, transfer or other disposition of the ABL Priority Collateral by any ABL Secured Party or any other Enforcement Action taken (or any forbearance from taking any Enforcement Action) in respect of the ABL Priority Collateral by or on behalf of any ABL Secured Party;

(iii) they have no right to (A) direct either the ABL Agent or any other ABL Secured Party to exercise any right, remedy or power with respect to the ABL Priority Collateral or pursuant to the ABL Security Documents in respect of the ABL Priority Collateral or (B) consent or object to the exercise by the ABL Agent or any other ABL Secured Party of any right, remedy or power with respect to the ABL Priority Collateral or pursuant to the ABL Security Documents in respect of the ABL Priority Collateral or to the timing or manner in which any such right is exercised or not exercised (or, to the extent they may have any such right described in this clause (iii), whether as a junior lien creditor in respect of the ABL Priority Collateral or otherwise, they hereby irrevocably waive such right);

(iv) they will not institute any suit or other proceeding or assert in any suit, Insolvency Proceeding or other proceeding any claim against any ABL Secured Party seeking damages from or other relief by way of specific performance, instructions or otherwise, with respect to, and no ABL Secured Party shall be liable for, any action taken or omitted to be taken by any ABL Secured Party with respect to the ABL Priority Collateral or pursuant to the ABL Documents in respect of the ABL Priority Collateral so long as such ABL Secured Party, in taking or omitting to take such action, has not breached or otherwise violated this Agreement;

(v) they will not commence judicial or nonjudicial foreclosure proceedings with respect to, seek to have a trustee, receiver, liquidator or similar official appointed for or over, attempt any action to take possession of, exercise any right, remedy or power with respect to, or otherwise take any action to enforce their interest in or realize upon, the ABL Priority Collateral; and

(vi) they will not seek, and hereby waive any right, to have the ABL Priority Collateral or any part thereof marshaled upon any foreclosure or other disposition of the ABL Priority Collateral.

(b) The ABL Agent, on behalf of itself and the other ABL Secured Parties, agrees that, until the Term Obligations Payment Date has occurred, subject to the proviso set forth in Section 3.1(b) and the proviso set forth in Section 5.1(b):

(i) they will not take or cause to be taken any action, the purpose or effect of which is to make any Lien in respect of any ABL Obligation pari passu with or senior to, or to give any ABL Secured Party any preference or priority relative to, the Liens on the Term Priority Collateral securing the Term Obligations;

(ii) they will not contest, oppose, object to, interfere with, hinder or delay, in any manner, whether by judicial proceedings (including without limitation the filing of an Insolvency Proceeding) or otherwise, any foreclosure, sale, lease, exchange, transfer or other disposition of the Term Priority Collateral by any Term Secured Party or any other Enforcement Action taken (or any forbearance from taking any Enforcement Action) in respect of the Term Priority Collateral by or on behalf of any Term Secured Party;

(iii) they have no right to (A) direct either the Term Agent or any other Term Secured Party to exercise any right, remedy or power with respect to the Term Priority Collateral or pursuant to the Term Security Documents in respect of the Term Priority Collateral or (B) consent or object to the exercise by the Term Agent or any other Term Secured Party of any right, remedy or power with respect to the Term Priority Collateral or pursuant to the Term Security Documents in respect of the Term Priority Collateral or to the timing or manner in which any such right is exercised or not exercised (or, to the extent they may have any such right described in this clause (iii), whether as a junior lien creditor in respect of the Term Priority Collateral or otherwise, they hereby irrevocably waive such right);

(iv) they will not institute any suit or other proceeding or assert in any suit, Insolvency Proceeding or other proceeding any claim against any Term Secured Party seeking damages from or other relief by way of specific performance, instructions or otherwise, with respect to, and no Term Secured Party shall be liable for, any action taken or omitted to be taken by any Term Secured Party with respect to the Term Priority Collateral or pursuant to the Term Documents in respect of the Term Priority Collateral so long as such Term Secured Party, in taking or omitting to take such action, has not breached or otherwise violated this Agreement;

(v) they will not commence judicial or nonjudicial foreclosure proceedings with respect to, seek to have a trustee, receiver, liquidator or similar official appointed for or over, attempt any action to take possession of, exercise any right, remedy or power with respect to, or otherwise take any action to enforce their interest in or realize upon, the Term Priority Collateral; and

(vi) they will not seek, and hereby waive any right, to have the Term Priority Collateral or any part thereof marshaled upon any foreclosure or other disposition of the Term Priority Collateral.

(c) (i) Notwithstanding the foregoing Section 3.2(b), any ABL Secured Party may exercise its rights and remedies in respect of the Term Priority Collateral under the ABL Security Documents or applicable law after the passage of a period of 90 days (the "ABL Standstill Period") from the date of delivery of a notice in writing to the Term Agent of its intention to exercise such rights and remedies, which notice may only be delivered following the occurrence of and during the continuation of an "Event of Default" under and as defined in the ABL Agreement (and any recovery shall be subject to the other provisions of this Agreement); provided, further, however, that, notwithstanding the foregoing, in no event shall any ABL Secured Party exercise or continue to exercise any such rights or remedies if, notwithstanding the expiration of the ABL Standstill Period, (A) any Term Secured Party shall have commenced and be diligently pursuing the exercise of any of its rights and remedies with respect to a material portion of the Term Priority Collateral (prompt notice of such exercise to be given to the ABL Agent) or (B) an Insolvency Proceeding in respect of any Loan Party shall have been commenced.

(ii) Notwithstanding the foregoing Section 3.2(a), any Term Secured Party may exercise its rights and remedies in respect of the ABL Priority Collateral under the Term Security Documents or applicable law after the passage of a period of 90 days (the "Term Standstill Period") from the date of delivery of a notice in writing to the ABL Agent of its intention to exercise such rights and remedies, which notice may only be delivered following the occurrence of and during the continuation of an "Event of Default" under and as defined in the Term Agreement (and any recovery shall be subject to the other provisions of this Agreement); provided, further, however, that, notwithstanding the foregoing, in no event shall any Term Secured Party exercise or continue to exercise any such rights or remedies if, notwithstanding the expiration of the Term Standstill Period, (A) any ABL Secured Party shall have commenced and be diligently pursuing the exercise of any of its rights and remedies with respect to a material portion of the ABL Priority Collateral (prompt notice of such exercise to be given to the Term Agent) or (B) an Insolvency Proceeding in respect of any Loan Party shall have been commenced.

3.3 Judgment Creditors. In the event that any Term Secured Party becomes a judgment lien creditor in respect of Common Collateral as a result of its enforcement of its rights as an unsecured creditor, such judgment lien shall be subject to the terms of this Agreement for all purposes (including in relation to the ABL Liens and the ABL Obligations) to the same extent as all other Liens securing the Term Obligations are subject to the terms of this Agreement. In the event that any ABL Secured Party becomes a judgment lien creditor in respect of Common Collateral as a result of its enforcement of its rights as an unsecured creditor, such judgment lien shall be subject to the terms of this Agreement for all purposes (including in relation to the Term Liens and the Term Obligations) to the same extent as all other Liens securing the ABL Obligations are subject to the terms of this Agreement.

3.4 Cooperation; Sharing of Information and Access; License. (a) The Term Agent, on behalf of itself and the other Term Secured Parties, agrees that each of them shall take such actions as the ABL Agent shall reasonably request in connection with the exercise

by the ABL Secured Parties of their rights set forth herein in respect of the ABL Priority Collateral. The ABL Agent, on behalf of itself and the other ABL Secured Parties, agrees that each of them shall take such actions as the Term Agent shall reasonably request in connection with the exercise by the Term Secured Parties of their rights set forth herein in respect of the Term Priority Collateral.

(b) In the event that the ABL Agent shall, in the exercise of its rights under the ABL Documents or otherwise, receive possession or control of any books and records of any Loan Party which contain information identifying or pertaining to the Term Priority Collateral, the ABL Agent shall promptly notify the Term Agent of such fact and, upon request from the Term Agent and as promptly as practicable thereafter, shall either make available to the Term Agent such books and records for inspection and duplication or provide to the Term Agent copies thereof. In the event that the Term Agent shall, in the exercise of its rights under the Term Documents or otherwise, receive possession or control of any books and records of any Loan Party which contain information identifying or pertaining to the ABL Priority Collateral, the Term Agent shall promptly notify the ABL Agent of such fact and, upon request from the ABL Agent and as promptly as practicable thereafter, shall either make available to the ABL Agent such books and records for inspection and duplication or provide to the ABL Agent copies thereof.

(c) The Term Agent, on behalf of the Term Secured Parties, hereby irrevocably grants the ABL Agent a non-exclusive worldwide license to or right to use, to the maximum extent permitted by applicable law and to the extent of the Term Agent's interest therein, exercisable without payment of royalty or other compensation, any of the Intellectual Property now or hereafter owned by, licensed to, or otherwise used by the Loan Parties in order for the ABL Agent and the ABL Secured Parties to purchase, use, market, repossess, possess, store, assemble, manufacture, process, sell, transfer, distribute or otherwise dispose of any inventory included in the ABL Priority Collateral in connection with the liquidation, disposition, foreclosure or realization upon the inventory included in the ABL Priority Collateral in accordance with the terms of the ABL Documents; provided that such license shall expire on the earlier of (i) 150 days (such period to be calculated by excluding any day on which Enforcement Actions are stayed as a result of an Insolvency Proceeding with respect to the Parent Borrower) following the acceleration of the first of the ABL Obligations or the Term Obligations, as the case may be, and (ii) the date that the ABL Secured Parties have completed any (or the ABL Agent has advised the Term Agent that no such Enforcement Action is to be taken) Enforcement Action with respect to the ABL Priority Collateral in connection with which such license is required (the "License Expiration Date"). The Term Agent agrees that any of the Intellectual Property constituting Term Priority Collateral that is sold, transferred or otherwise disposed of (whether pursuant to an Enforcement Action or otherwise) prior to the License Expiration Date will be subject to the rights of the ABL Agent as set forth in this Section 3.4.

3.5 No Additional Rights For the Loan Parties Hereunder. Except as provided in Section 3.6, if any ABL Secured Party or Term Secured Party shall enforce its rights or remedies in violation of the terms of this Agreement, no Loan Party shall be entitled to use such violation as a defense to any action by any ABL Secured Party or Term Secured Party, nor to assert such violation as a counterclaim or basis for set off or recoupment against any

ABL Secured Party or Term Secured Party (unless and to the extent such violation also violates the ABL Documents or Term Documents, as the case may be).

3.6 Actions Upon Breach. (a) If any Term Secured Party or ABL Secured Party, contrary to this Agreement, commences or participates in any action or proceeding against any Loan Party or the Common Collateral, such Loan Party, with the prior written consent of the ABL Agent or the Term Agent, as applicable, may interpose as a defense or dilatory plea the making of this Agreement, and any ABL Secured Party or Term Secured Party, as applicable, may intervene and interpose such defense or plea in its or their name or in the name of such Loan Party.

(b) Should any Term Secured Party, contrary to this Agreement, in any way take, attempt to or threaten to take any action with respect to the Common Collateral (including, without limitation, any attempt to realize upon or enforce any remedy with respect to this Agreement), or fail to take any action required by this Agreement, any ABL Secured Party (in its own name or in the name of the relevant Loan Party) or the relevant Loan Party may obtain relief against such Term Secured Party, by injunction, specific performance and/or other appropriate equitable relief, it being understood and agreed by the Term Agent on behalf of each Term Secured Party that (i) the ABL Secured Parties' damages from its actions may at that time be difficult to ascertain and may be irreparable, and (ii) each Term Secured Party waives any defense that the Loan Parties and/or the ABL Secured Parties cannot demonstrate damage and/or be made whole by the awarding of damages.

(c) Should any ABL Secured Party, contrary to this Agreement, in any way take, attempt to or threaten to take any action with respect to the Common Collateral (including, without limitation, any attempt to realize upon or enforce any remedy with respect to this Agreement), or fail to take any action required by this Agreement, any Term Secured Party (in its own name or in the name of the relevant Loan Party) or the relevant Loan Party may obtain relief against such ABL Secured Party, by injunction, specific performance and/or other appropriate equitable relief, it being understood and agreed by the ABL Agent on behalf of each ABL Secured Party that (i) the Term Secured Parties' damages from its actions may at that time be difficult to ascertain and may be irreparable, and (ii) each ABL Secured Party waives any defense that the Loan Parties and/or the Term Secured Parties cannot demonstrate damage and/or be made whole by the awarding of damages.

SECTION 4. *Application of Proceeds; Dispositions and Releases; Inspection and Insurance.*

4.1 Application of Proceeds; Turnover Provisions. (a) All proceeds of ABL Priority Collateral (including without limitation any interest earned thereon) resulting from the sale, collection or other disposition of ABL Priority Collateral in connection with or resulting from any Enforcement Action, and whether or not pursuant to an Insolvency Proceeding, shall be distributed as follows: first to the ABL Agent for application to the ABL Obligations in accordance with the terms of the ABL Documents, until the ABL Obligations Payment Date has occurred and thereafter, to the Term Agent for application in accordance with the Term Documents. Until the occurrence of the ABL Obligations Payment Date, any ABL Priority Collateral, including without limitation any such ABL Priority Collateral constituting proceeds, that may be received by any Term Secured Party in violation of this

Agreement shall be segregated and held in trust and promptly paid over to the ABL Agent, for the benefit of the ABL Secured Parties, in the same form as received, with any necessary endorsements, and each Term Secured Party hereby authorizes the ABL Agent to make any such endorsements as agent for the Term Agent (which authorization, being coupled with an interest, is irrevocable).

(b) All proceeds of Term Priority Collateral (including without limitation any interest earned thereon) resulting from the sale, collection or other disposition of Term Priority Collateral in connection with or resulting from any Enforcement Action, and whether or not pursuant to an Insolvency Proceeding, shall be distributed as follows: first to the Term Agent for application to the Term Obligations in accordance with the terms of the Term Documents, until the Term Obligations Payment Date has occurred and thereafter, to the ABL Agent for application in accordance with the ABL Documents. Until the occurrence of the Term Obligations Payment Date, any Term Priority Collateral, including without limitation any such Term Priority Collateral constituting proceeds, that may be received by any ABL Secured Party in violation of this Agreement shall be segregated and held in trust and promptly paid over to the Term Agent, for the benefit of the Term Secured Parties, in the same form as received, with any necessary endorsements, and each ABL Secured Party hereby authorizes the Term Agent to make any such endorsements as agent for the ABL Agent (which authorization, being coupled with an interest, is irrevocable).

4.2 Releases of Liens. (a) (i) Upon any release, sale or disposition of ABL Priority Collateral permitted pursuant to the terms of the ABL Documents that results in the release of the ABL Lien (other than release of the ABL Lien due to the occurrence of the ABL Obligations Payment Date that is not in connection with a sale or disposition) on any ABL Priority Collateral, the Term Lien on such ABL Priority Collateral (excluding any portion of the proceeds of such ABL Priority Collateral remaining after the ABL Obligations Payment Date occurs) shall be automatically and unconditionally released with no further consent or action of any Person so long as such release, sale or disposition of ABL Priority Collateral is permitted pursuant to the terms of the Term Documents.

(ii) Upon any release, sale or disposition of ABL Priority Collateral that results in the release of the ABL Lien on any ABL Priority Collateral pursuant to any Enforcement Action, the Term Lien on such ABL Priority Collateral (excluding any portion of the proceeds of such ABL Priority Collateral remaining after the ABL Obligations Payment Date occurs) shall be automatically and unconditionally released with no further consent or action of any Person so long as the proceeds of such ABL Priority Collateral are applied in accordance with Section 4.1(a) (with, in the case of ABL Obligations consisting of debt of a revolving nature, a corresponding permanent reduction in the commitments thereto).

(iii) The Term Agent shall promptly execute and deliver such release documents and instruments and shall take such further actions as the ABL Agent shall request to evidence any release of the Term Lien described herein. The Term Agent hereby appoints the ABL Agent and any officer or duly authorized person of the ABL Agent, with full power of substitution, as its true and lawful attorney-in-fact with full irrevocable power of attorney in the place and stead of the Term Agent and in the name of the Term Agent or in the ABL Agent's own name, from time to time, in the ABL Agent's sole discretion, for the purposes of carrying out the terms of this Section 4.2, to take any and all appropriate action and to

execute and deliver any and all documents and instruments as may be necessary or desirable to accomplish the purposes of this Section 4.2, including, without limitation, any financing statements, endorsements, assignments, releases or other documents or instruments of transfer (which appointment, being coupled with an interest, is irrevocable).

(b) (i) Upon any release, sale or disposition of Term Priority Collateral permitted pursuant to the terms of the Term Documents that results in the release of the Term Lien (other than release of the Term Lien due to the occurrence of the Term Obligations Payment Date that is not in connection with a sale or disposition) on any Term Priority Collateral, the ABL Lien on such Term Priority Collateral (excluding any portion of the proceeds of such Term Priority Collateral remaining after the Term Obligations Payment Date occurs) shall be automatically and unconditionally released with no further consent or action of any Person so long as such release, sale or disposition of Term Priority Collateral is permitted pursuant to the terms of the ABL Documents.

(ii) Upon any release, sale or disposition of Term Priority Collateral that results in the release of the Term Lien on any Term Priority Collateral pursuant to any Enforcement Action, the ABL Lien on such Term Priority Collateral (excluding any portion of the proceeds of such Term Priority Collateral remaining after the Term Obligations Payment Date occurs) shall be automatically and unconditionally released with no further consent or action of any Person so long as the proceeds of such Term Priority Collateral are applied in accordance with Section 4.1(b).

(iii) The ABL Agent shall promptly execute and deliver such release documents and instruments and shall take such further actions as the Term Agent shall request to evidence any release of the ABL Lien described herein. The ABL Agent hereby appoints the Term Agent and any officer or duly authorized person of the Term Agent, with full power of substitution, as its true and lawful attorney-in-fact with full irrevocable power of attorney in the place and stead of the ABL Agent and in the name of the ABL Agent or in the Term Agent's own name, from time to time, in the Term Agent's sole discretion, for the purposes of carrying out the terms of this Section 4.2, to take any and all appropriate action and to execute and deliver any and all documents and instruments as may be necessary or desirable to accomplish the purposes of this Section 4.2, including, without limitation, any financing statements, endorsements, assignments, releases or other documents or instruments of transfer (which appointment, being coupled with an interest, is irrevocable).

4.3 Inspection Rights and Insurance. (a) To the extent permitted by the ABL Documents, any ABL Secured Party and its representatives and invitees may at any time inspect, repossess, remove and otherwise deal with the ABL Priority Collateral, and the ABL Agent may advertise and conduct public auctions or private sales of the ABL Priority Collateral, in each case without notice to, the involvement of or interference by any Term Secured Party or liability to any Term Secured Party except as otherwise provided in Section 3.4.

(b) To the extent permitted by the Term Documents, any Term Secured Party and its representatives and invitees may at any time inspect, repossess, remove and otherwise deal with the Term Priority Collateral, and the Term Agent may advertise and conduct public auctions or private sales of the Term Priority Collateral, in each case without notice to, the

involvement of or interference by any ABL Secured Party or liability to any ABL Secured Party except as otherwise provided in Section 3.4.

(c) Proceeds of Common Collateral include insurance proceeds, and therefore the lien priorities set forth in Section 2.1 shall govern the ultimate disposition of casualty insurance proceeds. Until the ABL Obligations Payment Date has occurred, the ABL Agent will have, as among the Secured Parties, the sole and exclusive right (i) to adjust or settle any insurance policy or claim covering the ABL Priority Collateral in the event of any loss thereunder and (ii) to approve any award granted in any condemnation or similar proceeding affecting the ABL Priority Collateral, in each case to the extent such right is provided pursuant to the ABL Documents. Each of the ABL Agent and the Term Agent shall be named as additional insured and loss payee under any insurance policies maintained from time to time by any Loan Party with respect to the ABL Priority Collateral (provided that such policy shall provide that the ABL Agent and the Term Agent shall be so named as their interests may appear). Until the Term Obligations Payment Date has occurred, the Term Agent will have, as among the Secured Parties, the sole and exclusive right (i) to adjust or settle any insurance policy or claim covering the Term Priority Collateral in the event of any loss thereunder and (ii) to approve any award granted in any condemnation or similar proceeding affecting the Term Priority Collateral, in each case to the extent such right is provided pursuant to the Term Documents. Each of the Term Agent and the ABL Agent shall be named as additional insured and loss payee under any insurance policies maintained from time to time by any Loan Party with respect to the Term Priority Collateral (provided that such policy shall provide that the Term Agent and the ABL Agent shall be so named as their interests may appear).

SECTION 5. *Insolvency Proceedings.*

5.1 Filing of Motions. (a) Until the ABL Obligations Payment Date has occurred, the Term Agent agrees on behalf of itself and the other Term Secured Parties that no Term Secured Party shall, in or in connection with any Insolvency Proceeding, take any action with respect to the ABL Priority Collateral or the validity or enforceability of any of the ABL Documents or any of the ABL Obligations thereunder, including by filing any pleadings or motions or taking any position at any hearing or proceeding of any nature, that in each case (i) violates, or is prohibited by, this Section 5 (or, in the absence of an Insolvency Proceeding, otherwise would violate or be prohibited by this Agreement), (ii) asserts any right, benefit or privilege that arises in favor of the Term Agent or Term Secured Parties, in whole or in part, as a result of their interest in the ABL Priority Collateral or in the Term Lien on the ABL Priority Collateral (unless the assertion of such right is expressly permitted by this Agreement) or (iii) relates in any way to the determination of any Liens or claims held by the ABL Agent (including the validity and enforceability thereof) or any other ABL Secured Party or the value of any claims of such parties under Section 506(a) of the Bankruptcy Code or otherwise; provided that the Term Agent may (A) file a proof of claim in an Insolvency Proceeding and (B) file any necessary responsive or defensive pleadings in opposition of any motion or other pleadings made by any Person objecting to or otherwise seeking the disallowance of the Liens of the Term Secured Parties on the ABL Priority Collateral, in each case subject to the limitations contained in this Agreement and only if consistent with the terms and the limitations on the Term Agent imposed hereby.

(b) Until the Term Obligations Payment Date has occurred, the ABL Agent agrees on behalf of itself and the other ABL Secured Parties that no ABL Secured Party shall, in or in connection with any Insolvency Proceeding, take any action with respect to the Term Priority Collateral or the validity or enforceability of any of the Term Documents or any of the Term Obligations thereunder, including by filing any pleadings or motions or taking any position at any hearing or proceeding of any nature, that in each case (i) violates, or is prohibited by, this Section 5 (or, in the absence of an Insolvency Proceeding, otherwise would violate or be prohibited by this Agreement), (ii) asserts any right, benefit or privilege that arises in favor of the ABL Agent or ABL Secured Parties, in whole or in part, as a result of their interest in the Term Priority Collateral or in any ABL Lien on the Term Priority Collateral (unless the assertion of such right is expressly permitted by this Agreement) or (iii) relates in any way to the determination of any Liens or claims held by the Term Agent (including the validity and enforceability thereof) or any other Term Secured Party or the value of any claims of such parties under Section 506(a) of the Bankruptcy Code or otherwise; provided that the Term Agent may (A) file a proof of claim in an Insolvency Proceeding and (B) file any necessary responsive or defensive pleadings in opposition of any motion or other pleadings made by any Person objecting to or otherwise seeking the disallowance of the Liens of the ABL Secured Parties on the Term Priority Collateral, in each case subject to the limitations contained in this Agreement and only if consistent with the terms and the limitations on the ABL Agent imposed hereby.

5.2 Financing Matters. (a) If any Loan Party becomes subject to any Insolvency Proceeding at any time prior to the ABL Obligations Payment Date, and if the ABL Agent or the other ABL Secured Parties seek to consent (or not object) to any order under Section 363 of the Bankruptcy Code for the use of collateral that constitutes all or any portion of the Common Collateral, ABL Priority Collateral, and Term Priority Collateral or seek to provide, or consent (or not object) to a third party providing, any Loan Party with financing under Section 364 of the Bankruptcy Code (a "DIP Financing"), with such DIP Financing to be secured by all or any portion of the Common Collateral, ABL Priority Collateral, and Term Priority Collateral, then the Term Agent, on behalf of itself and the other Term Secured Parties, agrees that each Term Secured Party (i) will be deemed to have consented to, and will not raise or support any objection to, the use of such collateral or such DIP Financing on the grounds of a failure to provide adequate protection for the Term Liens securing the Term Obligations or on any other grounds, and (ii) will not request or accept adequate protection or any other relief in connection with the use of such collateral or such DIP Financing except as set forth in paragraph 5.4 below; provided, however, that (1) the Term Agent retains the Term Liens on each of the Common Collateral, ABL Priority Collateral and Term Priority Collateral to secure the Term Obligations (in each case, including proceeds thereof arising after the commencement of any such Insolvency Proceeding) and, as to the Term Priority Collateral only, such Term Liens securing the Term Obligations have the same priority as existed prior to the commencement of the case under the Bankruptcy Code and any Lien securing such DIP Financing is junior and subordinate to the Term Liens on the Term Priority Collateral, (2) all Liens securing any such DIP Financing on ABL Priority Collateral shall be senior to or on a parity with (or shall be in substitution for) the ABL Liens securing the ABL Obligations on ABL Priority Collateral, and (3) if the ABL Agent receives a replacement or adequate protection Lien on post-petition assets of any Loan Party to secure the ABL Obligations, the Term Agent also receives an adequate protection Lien on such post-petition

assets to secure the Term Obligations, provided that such Liens in favor of the ABL Agent and the Term Agent shall be subject to the provisions of Section 5.2(b) hereof.

(b) All Liens granted to the ABL Agent or the Term Agent in any Insolvency Proceeding, whether as adequate protection or otherwise, are intended to be and shall be deemed to be subject to the lien priorities set forth in Section 2.1 and the other terms and conditions of this Agreement.

5.3 Relief From the Automatic Stay. Until the ABL Obligations Payment Date, the Term Agent agrees, on behalf of itself and the other Term Secured Parties, that none of them will seek relief from the automatic stay or from any other stay in any Insolvency Proceeding or take any action in derogation thereof, in each case in respect of any ABL Priority Collateral, without the prior written consent of the ABL Agent. Until the Term Obligations Payment Date, the ABL Agent agrees, on behalf of itself and the other ABL Secured Parties, that none of them will seek relief from the automatic stay or from any other stay in any Insolvency Proceeding or take any action in derogation thereof, in each case in respect of any Term Priority Collateral, without the prior written consent of the Term Agent. In addition, neither the ABL Agent nor the Term Agent shall seek any relief from the automatic stay with respect to any Common Collateral without providing 30 days' prior written notice to the other, unless otherwise agreed by both the ABL Agent and the Term Agent.

5.4 Adequate Protection. (a) The Term Agent, on behalf of itself and the other Term Secured Parties, agrees that, prior to the ABL Obligations Payment Date, so long as the ABL Agent and the other ABL Secured Parties comply with Section 5.4(b), none of them shall object, contest, or support any other Person objecting to or contesting, (i) any request by the ABL Agent or the other ABL Secured Parties for adequate protection of its interest in the Common Collateral or any adequate protection provided to the ABL Agent or the other ABL Secured Parties (including in connection with the use of cash collateral or DIP Financing) or (ii) any objection by the ABL Agent or any other ABL Secured Parties to any motion, relief, action or proceeding based on a claim of a lack of adequate protection in the Common Collateral or (iii) the payment of interest, fees, expenses or other amounts to the ABL Agent or any other ABL Secured Party under Section 506(b) of the Bankruptcy Code or otherwise. The Term Agent, on behalf of itself and the other Term Secured Parties, further agrees that, prior to the ABL Obligations Payment Date, none of them shall assert or enforce any claim under Section 506(c) of the Bankruptcy Code or otherwise that is senior to or on a parity with the ABL Liens for costs or expenses of preserving or disposing of any ABL Priority Collateral. Notwithstanding anything to the contrary set forth in this Section, but subject to all other provisions of this Agreement (including, without limitation, Section 5.3), in any Insolvency Proceeding, if the ABL Secured Parties (or any subset thereof) are granted adequate protection consisting of postpetition Liens on collateral that constitutes ABL Priority Collateral and superpriority claims in connection with any DIP Financing or use of cash collateral, and the ABL Secured Parties do not object to the adequate protection being provided to them, then in connection with any such DIP Financing or use of cash collateral the Term Agent, on behalf of itself and any of the Term Secured Parties, may, as adequate protection of their interests in the ABL Priority Collateral, seek or accept (and the ABL Agent and the ABL Secured Parties shall not object to) adequate protection consisting solely of (x) postpetition Liens on the same collateral, subordinated to the Liens securing the ABL

Obligations and such DIP Financing on the same basis as the other Term Liens on the ABL Priority Collateral are so subordinated to the ABL Obligations under this Agreement and (y) superpriority claims for any diminution in value of the Term Secured Parties' interests in the ABL Priority Collateral junior in all respects to the superpriority claims granted to the ABL Secured Parties with respect to any diminution in value of their interests in the ABL Priority Collateral, provided, however, that the Term Agent shall have irrevocably agreed, pursuant to Section 1129(a)(9) of the Bankruptcy Code, on behalf of itself and the Term Secured Parties, in any stipulation and/or order granting such adequate protection, that such junior superpriority claims may be paid under any plan of reorganization in any combination of cash, debt, equity or other property having a value on the effective date of such plan equal to the allowed amount of such claims.

(b) The ABL Agent, on behalf of itself and the other ABL Secured Parties, agrees that, prior to the Term Obligations Payment Date, so long as the Term Agent and the other Term Secured Parties comply with Section 5.4(a), none of them shall object, contest, or support any other Person objecting to or contesting, (i) any request by the Term Agent or the other Term Secured Parties for adequate protection of its interest in the Common Collateral or any adequate protection provided to the ABL Agent or the other ABL Secured Parties or (ii) any objection by the Term Agent or any other Term Secured Parties to any motion, relief, action or proceeding based on a claim of a lack of adequate protection in the Common Collateral or (iii) the payment of interest, fees, expenses or other amounts to the Term Agent or any other Term Secured Party under Section 506(b) of the Bankruptcy Code or otherwise; provided that any action described in the foregoing clauses (i) and (ii) does not violate Section 5.2. The ABL Agent, on behalf of itself and the other ABL Secured Parties, further agrees that, prior to the Term Obligations Payment Date, none of them shall assert or enforce any claim under Section 506(c) of the Bankruptcy Code or otherwise that is senior to or on a parity with the Term Liens for costs or expenses of preserving or disposing of any Term Priority Collateral. Notwithstanding anything to the contrary set forth in this Section and in Section 5.2(a)(ii), but subject to all other provisions of this Agreement, in any Insolvency Proceeding, if the Term Secured Parties (or any subset thereof) are granted adequate protection consisting of postpetition Liens on collateral that constitutes Term Priority Collateral and superpriority claims in connection with any DIP Financing or use of cash collateral, and the Term Secured Parties do not object to the adequate protection being provided to them, then in connection with any such DIP Financing or use of cash collateral the ABL Agent, on behalf of itself and any of the ABL Secured Parties, may, as adequate protection of their interests in the Term Priority Collateral, seek or accept (and the Term Agent and the Term Secured Parties shall not object to) adequate protection consisting solely of (x) postpetition Liens on the same collateral, subordinated to the Liens securing the Term Obligations and such DIP Financing on the same basis as the other ABL Liens on the Term Priority Collateral are so subordinated to the Term Obligations under this Agreement and (y) superpriority claims for any diminution in value of the ABL Secured Parties' interests in the Term Priority Collateral junior in all respects to the superpriority claims granted to the Term Secured Parties with respect to any diminution in value of their interests in the Term Priority Collateral, provided, however, that the ABL Agent shall have irrevocably agreed, pursuant to Section 1129(a)(9) of the Bankruptcy Code, on behalf of itself and the ABL Secured Parties, in any stipulation and/or order granting such adequate protection, that such junior superpriority claims may be paid under any plan of reorganization in any combination of

cash, debt, equity or other property having a value on the effective date of such plan equal to the allowed amount of such claims.

5.5 Avoidance Issues. (a) If any ABL Secured Party is required in any Insolvency Proceeding or otherwise to disgorge, turn over or otherwise pay to the estate of any Loan Party, because such amount was avoided or ordered to be paid or disgorged for any reason, including without limitation because it was found to be a fraudulent or preferential transfer, any amount (a "Recovery"), whether received as proceeds of security, enforcement of any right of set-off or otherwise, then the ABL Obligations shall be reinstated to the extent of such Recovery and deemed to be outstanding as if such payment had not occurred and the ABL Obligations Payment Date shall be deemed not to have occurred. If this Agreement shall have been terminated prior to such Recovery, this Agreement shall be reinstated in full force and effect, and such prior termination shall not diminish, release, discharge, impair or otherwise affect the obligations of the parties hereto. The Term Secured Parties agree that none of them shall be entitled to benefit from any avoidance action affecting or otherwise relating to any distribution or allocation made in accordance with this Agreement, whether by preference or otherwise, it being understood and agreed that the benefit of such avoidance action otherwise allocable to them shall instead be allocated and turned over for application in accordance with the priorities set forth in this Agreement.

(b) If any Term Secured Party is required in any Insolvency Proceeding or otherwise to disgorge, turn over or otherwise pay to the estate of any Loan Party any Recovery, because such Recovery was avoided or ordered to be paid or disgorged for any reason, including without limitation because it was found to be a fraudulent or preferential transfer, whether received as proceeds of security, enforcement of any right of set-off or otherwise, then the Term Obligations shall be reinstated to the extent of such Recovery and deemed to be outstanding as if such payment had not occurred and the Term Obligations Payment Date shall be deemed not to have occurred. If this Agreement shall have been terminated prior to such Recovery, this Agreement shall be reinstated in full force and effect, and such prior termination shall not diminish, release, discharge, impair or otherwise affect the obligations of the parties hereto. The ABL Secured Parties agree that none of them shall be entitled to benefit from any avoidance action affecting or otherwise relating to any distribution or allocation made in accordance with this Agreement, whether by preference or otherwise, it being understood and agreed that the benefit of such avoidance action otherwise allocable to them shall instead be allocated and turned over for application in accordance with the priorities set forth in this Agreement.

5.6 Asset Dispositions in an Insolvency Proceeding. (a) Neither the Term Agent nor any other Term Secured Party shall, in an Insolvency Proceeding or otherwise, oppose any sale or disposition of any ABL Priority Collateral that is supported by the ABL Secured Parties, and the Term Agent and each other Term Secured Party will be deemed to have consented under Section 363 of the Bankruptcy Code (and otherwise) to any sale supported by the ABL Secured Parties and to have released their Liens on such ABL Priority Collateral; provided that (i) ABL Liens and Term Liens will attach to the proceeds of any such sale or disposition with the same lien priorities set forth in Section 2.1 and (ii) the Term Agent and the other Term Secured Parties shall be entitled to seek and exercise Credit Bid Rights in respect of any such sale or disposition.

(b) Neither the ABL Agent nor any other ABL Secured Party shall, in an Insolvency Proceeding or otherwise, oppose any sale or disposition of any Term Priority Collateral that is supported by the Term Secured Parties, and the ABL Agent and each other ABL Secured Party will be deemed to have consented under Section 363 of the Bankruptcy Code (and otherwise) to any sale supported by the Term Secured Parties and to have released their Liens on such Term Priority Collateral; provided that (i) Term Liens and ABL Liens will attach to the proceeds of any such sale or disposition with the same lien priorities set forth in Section 2.1, (ii) the ABL Agent and the other ABL Secured Parties shall be entitled to seek and exercise Credit Bid Rights in respect of any such sale or disposition, (iii) any of the Intellectual Property constituting Term Priority Collateral that is sold, transferred or otherwise disposed of (whether pursuant to an Enforcement Action or otherwise) prior to the ABL Obligations Payment Date will be subject to the rights of the ABL Agent as set forth in Section 3.4 and (iv) any Term Priority Collateral that is sold is subject to the rights of the ABL Agent as set forth in Section 3.1(b).

5.7 Separate Grants of Security and Separate Classification. Each Term Secured Party and each ABL Secured Party acknowledges and agrees that (a) the grants of Liens pursuant to the ABL Security Documents and the Term Security Documents constitute two separate and distinct grants of Liens and (b) because of, among other things, their differing rights in the Common Collateral, the Term Obligations are fundamentally different from the ABL Obligations and must be separately classified in any plan of reorganization proposed or adopted in an Insolvency Proceeding. To further effectuate the intent of the parties as provided in the immediately preceding sentence, if it is held that the claims of the ABL Secured Parties and Term Secured Parties in respect of the Common Collateral constitute only one secured claim (rather than separate classes of senior and junior secured claims), then the Term Secured Parties and the ABL Secured Parties hereby acknowledge and agree that all distributions shall be made as if there were separate classes of senior and junior secured claims, in accordance with the terms of this Agreement, against the Loan Parties in respect of the Common Collateral with the effect being that (i) to the extent that the aggregate value of the ABL Priority Collateral is sufficient (for this purpose ignoring all claims held by the Term Secured Parties), the ABL Secured Parties shall be entitled to receive, in addition to amounts distributed to them in respect of principal, pre-petition interest and other claims, all amounts owing in respect of Post-Petition Interest that is available from the ABL Priority Collateral before any distribution is made in respect of the claims held by the Term Secured Parties and (ii) to the extent that the aggregate value of the Term Priority Collateral is sufficient (for this purpose ignoring all claims held by the ABL Secured Parties), the Term Secured Parties shall be entitled to receive, in addition to amounts distributed to them in respect of principal, pre-petition interest and other claims, all amounts owing in respect of Post-Petition Interest that is available from the Term Priority Collateral before any distribution is made in respect of the claims held by the ABL Secured Parties, with the Term Secured Parties and the ABL Secured Parties hereby acknowledging and agreeing to turn over to the ABL Secured Parties and the Term Secured Parties, respectively, amounts otherwise received or receivable by them to the extent necessary to effectuate the intent of this sentence, even if such turnover has the effect of reducing the claim or recovery of such Secured Parties.

5.8 Other Matters. (a) To the extent that the Term Agent or any Term Secured Party has or acquires rights under Section 363 or Section 364 of the Bankruptcy Code with

respect to any of the ABL Priority Collateral, the Term Agent agrees, on behalf of itself and the other Term Secured Parties not to assert any of such rights without the prior written consent of the ABL Agent; provided that if requested by the ABL Agent, the Term Agent shall timely exercise such rights in the manner requested by the ABL Agent, including any rights to payments in respect of such rights.

(b) To the extent that the ABL Agent or any ABL Secured Party has or acquires rights under Section 363 or Section 364 of the Bankruptcy Code with respect to any of the Term Priority Collateral, the ABL Agent agrees, on behalf of itself and the other ABL Secured Parties not to assert any of such rights without the prior written consent of the Term Agent; provided that if requested by the Term Agent, the ABL Agent shall timely exercise such rights in the manner requested by the Term Agent, including any rights to payments in respect of such rights.

5.9 Effectiveness in Insolvency Proceedings. This Agreement, which the parties hereto expressly acknowledge is a "subordination agreement" under Section 510(a) of the Bankruptcy Code, shall be effective both before and after the filing of any petition by or against any of the Loan Parties under the Bankruptcy Code or comparable foreign laws and all converted or succeeding cases in respect thereof, and all references herein to any Loan Party shall be deemed to apply to the trustee for such Loan Party and such Loan Party as a debtor-in-possession. The relative rights of (a) the ABL Agent and the other ABL Secured Parties and (b) the Term Agent and the other Term Secured Parties in or to any distributions from or in respect of any Common Collateral or proceeds of Common Collateral, shall continue after the filing thereof on the same basis as prior to the date of the petition, subject to any court order approving the financing of, or use of cash collateral by, any Loan Party as a debtor-in-possession. If, in any Insolvency Proceeding, debt obligations of the reorganized debtor secured by Liens upon any ABL Priority Collateral of the reorganized debtor are distributed both on account of ABL Obligations and on account of Term Obligations, then, to the extent such debt obligations are secured by Liens upon any ABL Priority Collateral, the provisions of this Agreement will survive the distribution of such debt obligations pursuant to any plan effected pursuant to an Insolvency Proceeding and will apply with like effect to the Liens securing such debt obligations.

SECTION 6. *Term Documents and ABL Documents.*

(a) Each Loan Party and the Term Agent, on behalf of itself and the Term Secured Parties, agrees that it shall not at any time execute or deliver any amendment or other modification to any of the Term Documents in violation of this Agreement.

(b) Each Loan Party and the ABL Agent, on behalf of itself and the ABL Secured Parties, agrees that it shall not at any time execute or deliver any amendment or other modification to any of the ABL Documents in violation of this Agreement.

(c) In the event the ABL Agent enters into any amendment, waiver or consent in respect of any of the ABL Security Documents for the purpose of adding to, or deleting from, or waiving or consenting to any departures from any provisions of, any ABL Security Document or changing in any manner the rights of any parties thereunder, in each case solely with respect to any ABL Priority Collateral, then such amendment, waiver or consent shall

apply automatically to any comparable provision of the Comparable Term Security Document without the consent of or action by any Term Secured Party (with all such amendments, waivers and modifications subject to the terms hereof); provided that (other than with respect to amendments, modifications or waivers that secure additional extensions of credit and add additional secured creditors and do not violate the express provisions of the Term Agreements), (i) no such amendment, waiver or consent shall have the effect of removing assets subject to the Lien of any Term Security Document, except to the extent that a release of such Lien is permitted by Section 4.2, (ii) any such amendment, waiver or consent that materially and adversely affects the rights of the Term Secured Parties and does not affect the ABL Secured Parties in a like or similar manner shall not apply to the Term Security Documents without the consent of the Term Agent and (iii) notice of such amendment, waiver or consent shall be given to the Term Agent no later than 30 days after its effectiveness, provided that the failure to give such notice shall not affect the effectiveness and validity thereof.

(d) In the event the Term Agent enters into any amendment, waiver or consent in respect of any of the Term Security Documents for the purpose of adding to, or deleting from, or waiving or consenting to any departures from any provisions of, any Term Security Document or changing in any manner the rights of any parties thereunder, in each case solely with respect to any Term Priority Collateral, then such amendment, waiver or consent shall apply automatically to any comparable provision of the Comparable ABL Security Document without the consent of or action by any ABL Secured Party (with all such amendments, waivers and modifications subject to the terms hereof); provided that (other than with respect to amendments, modifications or waivers that secure additional extensions of credit and add additional secured creditors and do not violate the express provisions of the ABL Agreements), (i) no such amendment, waiver or consent shall have the effect of removing assets subject to the Lien of any ABL Security Document, except to the extent that a release of such Lien is permitted by Section 4.2, (ii) any such amendment, waiver or consent that materially and adversely affects the rights of the ABL Secured Parties and does not affect the Term Secured Parties in a like or similar manner shall not apply to the ABL Security Documents without the consent of the ABL Agent and (iii) notice of such amendment, waiver or consent shall be given to the ABL Agent no later than 30 days after its effectiveness, provided that the failure to give such notice shall not affect the effectiveness and validity thereof.

SECTION 7. *Reliance; Waivers; etc.*

7.1 Reliance. The ABL Documents are deemed to have been executed and delivered, and all extensions of credit thereunder are deemed to have been made or incurred, in reliance upon this Agreement. The Term Agent, on behalf of itself and the Term Secured Parties, expressly waives all notice of the acceptance of and reliance on this Agreement by the ABL Agent and the ABL Secured Parties. The Term Documents are deemed to have been executed and delivered, and all extensions of credit thereunder are deemed to have been made or incurred, in reliance upon this Agreement. The ABL Agent, on behalf of itself and the ABL Secured Parties, expressly waives all notice of the acceptance of and reliance on this Agreement by the Term Agent and the Term Secured Parties.

7.2 No Warranties or Liability. The Term Agent and the ABL Agent acknowledge and agree that neither has made any representation or warranty with respect to the execution, validity, legality, completeness, collectibility or enforceability of any other ABL Document or any Term Document. Except as otherwise provided in this Agreement, the Term Agent and the ABL Agent will be entitled to manage and supervise their respective extensions of credit to any Loan Party in accordance with law and their usual practices, modified from time to time as they deem appropriate.

7.3 No Waivers. No right or benefit of any party hereunder shall at any time in any way be prejudiced or impaired by any act or failure to act on the part of such party or any other party hereto or by any noncompliance by any Loan Party with the terms and conditions of any of the ABL Documents or the Term Documents.

SECTION 8. *Obligations Unconditional.*

8.1 ABL Obligations Unconditional. All rights and interests of the ABL Secured Parties hereunder, and all agreements and obligations of the Term Secured Parties (and, to the extent applicable, the Loan Parties) hereunder, shall remain in full force and effect irrespective of:

(a) any lack of validity or enforceability of any ABL Document;

(b) any change in the time, place or manner of payment of, or in any other term of, all or any portion of the ABL Obligations, or any amendment, waiver or other modification, whether by course of conduct or otherwise, or any refinancing, replacement, refunding or restatement of any ABL Document;

(c) prior to the ABL Obligations Payment Date, any exchange, release, voiding, avoidance or non-perfection of any security interest in any Common Collateral or any other collateral, or any release, amendment, waiver or other modification, whether by course of conduct or otherwise, or any refinancing, replacement, refunding or restatement of all or any portion of the ABL Obligations or any guarantee or guaranty thereof; or

(d) any other circumstances that otherwise might constitute a defense available to, or a discharge of, any Loan Party in respect of the ABL Obligations, or of any of the Term Agent, or any Loan Party, to the extent applicable, in respect of this Agreement (other than the occurrence of the ABL Obligations Payment Date).

8.2 Term Obligations Unconditional. All rights and interests of the Term Secured Parties hereunder, and all agreements and obligations of the ABL Secured Parties (and, to the extent applicable, the Loan Parties) hereunder, shall remain in full force and effect irrespective of:

(a) any lack of validity or enforceability of any Term Document;

(b) any change in the time, place or manner of payment of, or in any other term of, all or any portion of the Term Obligations, or any amendment, waiver or

other modification, whether by course of conduct or otherwise, or any refinancing, replacement, refunding or restatement of any Term Document;

(c) prior to the Term Obligations Payment Date, any exchange, release, voiding, avoidance or non-perfection of any security interest in any Common Collateral or any other collateral, or any release, amendment, waiver or other modification, whether by course of conduct or otherwise, or any refinancing, replacement, refunding or restatement of all or any portion of the Term Obligations or any guarantee or guaranty thereof; or

(d) any other circumstances that otherwise might constitute a defense available to, or a discharge of, any Loan Party in respect of the Term Obligations or any of the ABL Agent, or any Loan Party, to the extent applicable, in respect of this Agreement (other than the occurrence of the Term Obligations Payment Date).

SECTION 9. Miscellaneous.

9.1 Conflicts. In the event of any conflict between the provisions of this Agreement and the provisions of any ABL Document or any Term Document, the provisions of this Agreement shall govern. Any provision in the ABL Documents or Term Documents notwithstanding, (a) no Loan Party shall be required to act or refrain from acting in a manner that is inconsistent with the terms and conditions of this Agreement, (b) prior to the Term Obligations Payment Date, no Loan Party shall be required to act or refrain from acting with respect to the Term Priority Collateral if compliance by such Loan Party with such requirement would result in a breach of or constitute a default under the Term Documents and (c) prior to the ABL Obligations Payment Date, no Loan Party shall be required to act or refrain from acting with respect to the ABL Priority Collateral if compliance by such Loan Party with such requirement would result in a breach of or constitute a default under the ABL Documents. Notwithstanding the foregoing, the parties hereto acknowledge that the terms of this Agreement are not intended to, and shall not, negate, impair, waive or cancel any rights granted to the Loan Parties in the ABL Documents and the Term Documents or impose any obligations on the Loan Parties other than as expressly set forth herein.

9.2 Continuing Nature of Provisions. This Agreement shall continue to be effective, and shall not be revocable by any party hereto, until the earlier to occur of the ABL Obligations Payment Date and the Term Obligations Payment Date. This is a continuing agreement and the ABL Secured Parties and the Term Secured Parties may continue, at any time and without notice to the other parties hereto, to extend credit and other financial accommodations, lend monies and provide indebtedness to, or for the benefit of, the Parent Borrower or any other Loan Party on the faith hereof.

9.3 Amendments; Waivers. (a) No amendment or modification of any of the provisions of this Agreement shall be effective unless the same shall be in writing and signed by the ABL Agent and the Term Agent, and, in the case of amendments or modifications of Sections 3.5, 3.6, 4.2, 5.2, 5.4, 6(c) or (d), 9.3, 9.5 or 9.6, the Loan Parties, and each waiver, if any, shall be a waiver only with respect to the specific instance involved and shall in no way impair the rights of the parties making such waiver or the obligations of the other parties to such party in any other respect or at any other time. In addition, anything herein to the

contrary notwithstanding, no consent of any Loan Party shall be required for amendments, modifications or waivers of any other provisions of this Agreement other than those that (i) affect any obligation or right of the Loan Parties hereunder or under the ABL Documents or the Term Documents or that would impose any additional obligations on the Loan Parties, (ii) change the ability of the ABL Agent or the Term Agent to release Collateral (or to subordinate the Liens on the ABL Priority Collateral or the Term Priority Collateral) or (iii) change the rights of the Loan Parties to refinance the ABL Obligations or the Term Obligations.

(b) It is understood that the ABL Agent and the Term Agent, without the consent of any other ABL Secured Party or Term Secured Party, may in their discretion determine that a supplemental agreement (which make take the form of an amendment and restatement of this Agreement) is necessary or appropriate to facilitate having additional indebtedness or other obligations ("Additional Debt") of any of the Loan Parties become ABL Obligations or Term Obligations, as the case may be, under this Agreement, which supplemental agreement shall specify whether such Additional Debt constitutes ABL Obligations or Term Obligations, provided, that such Additional Debt is permitted to be incurred by the ABL Agreement and Term Agreement then existing, and is permitted by said Agreements to be subject to the provisions of this Agreement as ABL Obligations or Term Obligations, as applicable.

9.4 Information Concerning Financial Condition of the Parent Borrower and the other Loan Parties. Each of the Term Agent and the ABL Agent hereby assumes responsibility for keeping itself informed of the financial condition of the Parent Borrower and each of the other Loan Parties and all other circumstances bearing upon the risk of nonpayment of the ABL Obligations or the Term Obligations. The Term Agent and the ABL Agent hereby agree (as between the Term Agent on the one hand and the ABL Agent on the other hand, in their capacities as such) that no party shall have any duty to advise any other party of information known to it regarding such condition or any such circumstances. In the event the Term Agent or the ABL Agent, in each case in its sole discretion, undertakes at any time or from time to time to provide any information to any other party to this Agreement, it shall be under no obligation (a) to provide any such information to such other party or any other party on any subsequent occasion, (b) to undertake any investigation not a part of its regular business routine, or (c) to disclose any other information.

9.5 Governing Law. This Agreement shall be governed by, and construed and interpreted in accordance with, the laws of the State of New York, except as otherwise required by mandatory provisions of law and except to the extent that remedies provided by the laws of any jurisdiction other than the State of New York are governed by the laws of such jurisdiction.

9.6 Submission to Jurisdiction; Waivers. (a) Each ABL Secured Party, each Term Secured Party and each Loan Party hereby irrevocably and unconditionally submits, for itself and its property, to the nonexclusive jurisdiction of the Supreme Court of the State of New York sitting in New York County and of the United States District Court of the Southern District of New York, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement, or for recognition or enforcement of any judgment, and each such party hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such

New York State or, to the extent permitted by law, such Federal court. Each such party agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement shall affect any right that any ABL Secured Party or Term Secured Party may otherwise have to bring any action or proceeding relating to this Agreement against any Loan Party or its properties in the courts of any jurisdiction.

(b) Each ABL Secured Party, each Term Secured Party and each Loan Party hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so (i) any objection it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement in any court referred to in paragraph (a) of this Section and (ii) the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(c) Each party to this Agreement irrevocably consents to service of process in the manner provided for notices in Section 9.7. Nothing in this Agreement will affect the right of any party to this Agreement to serve process in any other manner permitted by law.

(d) WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 9.6(D).

9.7 Notices. Unless otherwise specifically provided herein, any notice or other communication herein required or permitted to be given shall be in writing and may be personally served, telecopied, or sent by overnight express courier service or United States mail and shall be deemed to have been given when delivered in person or by courier service, upon receipt of a telecopy or five days after deposit in the United States mail (certified, with postage prepaid and properly addressed). For the purposes hereof, the addresses of the parties hereto (until notice of a change thereof is delivered as provided in this Section) shall be as set forth below each party's name on the signature pages hereof, or, as to each party, at such other address as may be designated by such party in a written notice to all of the other parties.

9.8 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of each of the parties hereto and each of the ABL Secured Parties and Term Secured Parties and their respective successors and permitted assigns, and nothing herein is intended, or shall be construed to give, any other Person any right, remedy or claim under, to or in respect of this Agreement or any Common Collateral.

9.9 Headings. Section headings used herein are for convenience of reference only, are not part of this Agreement and shall not affect the construction of, or be taken into consideration in interpreting, this Agreement.

9.10 Severability. Any provision of this Agreement held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions hereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

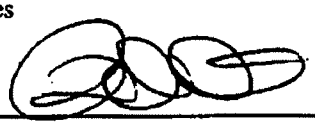
9.11 Other Remedies. For avoidance of doubt, it is understood that nothing in this Agreement shall prevent any ABL Secured Party or any Term Secured Party from exercising any available remedy to accelerate the maturity of any indebtedness or other obligations owing under the ABL Documents or the Term Documents, as applicable, or to demand payment under any guarantee in respect thereof.

9.12 Counterparts; Integration; Effectiveness. This Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. Delivery of an executed counterpart of a signature page of this Agreement by telecopy shall be effective as delivery of a manually executed counterpart of this Agreement. This Agreement shall become effective when it shall have been executed by each party hereto.

9.13 Additional Loan Parties. Each Person that becomes a Loan Party after the date hereof shall become a party to this Agreement upon execution and delivery by such Person of a supplement to each of the Guarantee Agreement, the Indemnity, Subrogation and Contribution Agreement, the Pledge Agreement and the Security Agreement (or similar documents) referred to in the ABL Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

JPMORGAN CHASE BANK, N. A., as Term Agent for and on behalf of the Term Secured Parties

By: 

Name:

Title: RICHARD W. DUKER
MANAGING DIRECTOR

Address for Notices:

1111 Fannin Street, 10th Floor
Houston, Texas 77002

Attention: Alice Tellers
Telecopy No.: 713-750-2938

Address for Notices:

270 Park Avenue
New York, New York 10017

Attention: Richard Duker
Telecopy No.: 212-270-5127

DEUTSCHE BANK AG NEW YORK BRANCH,
as ABL Agent for and on behalf of the ABL Secured Parties

By: _____
Name:
Title: MARGUERITE SUTTON
DIRECTOR

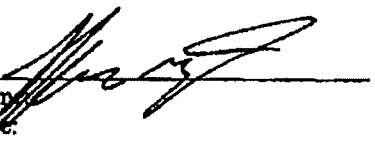
By: _____
Name:
Title:

Address for Notices:

60 Wall Street
New York, New York 10005

Attention: Marguerite Sutton
Telecopy No.: (212) 797-4655

METALDYNE COMPANY LLC

By: 
Name:
Title:

Address for Notices:

Attention:
Telecopy No.:

EXHIBIT J

INTERIM ORDER

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:	:	
	:	Chapter 11
	:	
Metaldyne Corporation, et al.,[1]	:	Case No. 09-13412 (__)
	:	
	:	Jointly Administered
Debtors.	:	
	:	

INTERIM ORDER PURSUANT TO SECTIONS 361, 362, 363, 364 AND 510 OF THE BANKRUPTCY CODE AND RULE 4001 OF THE FEDERAL RULES OF BANKRUPTCY PROCEDURE (A) AUTHORIZING THE DEBTORS TO (I) USE CASH COLLATERAL OF THE PREPETITION SECURED LENDERS, (II) OBTAIN POSTPETITION FINANCING AND (III) PROVIDE ADEQUATE PROTECTION TO THE PREPETITION SECURED LENDERS, (B) AUTHORIZING DEBTORS TO ENTER INTO, AND APPROVING, AN ACCOMMODATION AGREEMENT WITH CERTAIN CUSTOMERS AND (C)PROVIDING NOTICE AND SCHEDULING FINAL HEARING

Upon the motion, dated May 28, 2009 (the "Motion"),[2] of Metaldyne Corporation ("Corp.") and its affiliated debtors and debtors-in-possession (collectively, the "Debtors") in the above-captioned chapter 11 cases, for entry of an order (A) authorizing the Debtors to (I) use cash collateral, pursuant to Section 363 of title 11 of the United States Code (as amended, the "Bankruptcy Code"), (II) obtain postpetition financing pursuant to Sections 361, 362 and 364 of the Bankruptcy Code and (III) provide adequate protection to the Prepetition Secured Parties (as

[1] The other Debtors are Metaldyne Company LLC; Metaldyne Intermediate Holdco Inc.; MascoTech Saturn Holdings, Inc., MD Products Corp., ER Acquisition Corp.; Metaldyne Tubular Products, Inc.; W.C. McCurdy Co.; Halyard Aviation Services, Inc.; Metaldyne Europe, Inc.; NC-M Chassis System, LLC; MASG Disposition, Inc.; Metaldyne Services, Inc.; Metaldyne Machining and Assembly Company, Inc.; Precision Headed Products, Inc.; Windfall Products, Inc.; Metaldyne Asia, Inc.; Punchcraft Company; Metaldyne Sintered Components, LLC; Metaldyne Sintered Components of Indiana, Inc.; Metaldyne Sintered Components St. Marys, Inc., GMTI Holding Company; Metaldyne Precision Forming-Fort Wayne, Inc.; MASX Energy Services Group, Inc.; Metaldyne Light Metals Company, Inc.; Stahl International, Inc.; Metaldyne U.S. Holding Co.; Metaldyne DuPage Die Casting Corporation; Metaldyne Lester Precision Die Casting, Inc.; Windfall Specialty Powders, Inc.; Metaldyne Driveline Co. LLC; and Metaldyne Engine Co. LLC.

[2] Capitalized terms not otherwise defined herein have the meanings ascribed to them in the Motion.

defined below) pursuant to Sections 361, 362 and 363 of the Bankruptcy Code, (B) authorizing Debtors to enter into, and approving, an Accommodation Agreement in the form of Exhibit A hereto (the "Accommodation Agreement"), with Ford Motor Company ("Ford"), General Motors Corporation ("GM") and Chrysler LLC ("Chrysler" and, together with Ford and GM, the "Customers") and (C) scheduling interim and final hearings pursuant to rule 4001(b) and (c) of the Federal Rules of Bankruptcy Procedure (as amended, the "Bankruptcy Rules"), the Debtors sought the following relief:

(i) The Court's authorization to obtain credit and incur debt pursuant to Sections 363 and 364(c)(1), (2), (3) and (d)(1) of the Bankruptcy Code, in the form of a secured, superpriority credit facility (the "DIP Facility", and any loans or other extensions of credit thereunder, the "DIP Loans") provided by Deutsche Bank AG, New York Branch ("DBNY"), as agent (in such capacity, the "DIP Agent") and as lender (in such capacity, the "DIP Lender")[3]: (a) on an interim basis, during the period (the "Interim Period") from the date hereof through and including the date of entry of a Final Order (as defined below), up to a maximum principal amount of $11,700,000, and (b) upon entry of the Final Order, DIP Loans up to a maximum principal amount of $18,508,789. The DIP Facility will be available to Metaldyne Company LLC ("Metaldyne Company"), as borrower (the "Borrower") and will be guaranteed by the other Debtors. The terms of the DIP Facility are set forth herein and on Exhibit C hereto (the "DIP Facility Terms").

[3] The Customers will purchase upon entry of this Interim Order a one hundred percent (100%) fully subordinated, last-out participation in the DIP Facility pursuant to a Subordinated Participation Agreement in the form attached hereto as Exhibit B (the "Participation Agreement"). Notwithstanding anything to the contrary set forth herein, neither the DIP Agent nor the DIP Lender shall have any obligation to fund DIP Loans unless and until the Customers' participation in such DIP Loans has been fully funded by the Customers and made immediately available to the DIP Agent.

(ii) The Court's authorization to use proceeds of the DIP Facility in accordance with the 13-week consolidated cash flow forecast prepared by the Debtors and annexed hereto as Exhibit D (as updated from time to time, subject to the approval of the Prepetition ABL Agent (as defined below), the DIP Agent and the Customers, the "Budget"), and as otherwise provided herein and in the Final Order, including to repay the Prepetition ABL Obligations (as defined below) to the extent set forth herein.

(iii) The Court's authorization to grant to the DIP Agent for the benefit of the DIP Lender (collectively, the "DIP Secured Parties"), as security for repayment of the DIP Obligations (as defined below), in accordance with the relative priorities among the liens securing the DIP Facility, the liens securing the Prepetition Credit Facilities (as defined below) and the Adequate Protection Replacement Liens (as defined below), in each case as set forth more fully below and in each case subject to the Carve-Out (as defined below):

(a) pursuant to Section 364(c)(1) of the Bankruptcy Code, an allowed superpriority administrative claim having recourse to all prepetition and postpetition assets and property of the Debtors' estates and proceeds thereof, including for the avoidance of doubt all Unencumbered Foreign Stock (as defined below) and the real property and other collateral subject to the Specified Mortgages (as defined below) to the extent the Specified Mortgages are avoided, but excluding the Debtors' claims and causes of action under Sections 502(d), 544, 545, 547, 548, 549, 550 and 553 of the Bankruptcy Code, and any other avoidance or similar action under the Bankruptcy Code or similar state law, and

the proceeds thereof, whether received by judgment, settlement or otherwise (the "Avoidance Actions");

(b) pursuant to Section 364(c)(2) of the Bankruptcy Code, a valid, enforceable, perfected and non-avoidable lien on all assets and property of the Debtors (now owned or hereafter acquired) that were not encumbered by valid, enforceable, perfected and non-avoidable liens as of the Petition Date (as defined below), other than (i) Avoidance Actions and (ii) thirty-five percent (35%) of the equity interests (collectively, the "Unencumbered Foreign Stock") of the Debtors in their wholly-owned direct foreign subsidiaries, and proceeds thereof (collectively, all such unencumbered assets and property, other than the Unencumbered Foreign Stock and Avoidance Actions, the "Unencumbered Collateral"), *pari passu* with the Adequate Protection Replacement Liens thereon in favor of the Prepetition ABL Secured Parties (as defined below);

(c) pursuant to Section 364(c)(3) of the Bankruptcy Code, a valid, enforceable, perfected and non-avoidable lien on all assets and property of the Debtors (now owned or hereafter acquired) and proceeds thereof which, in the case of liens on assets or property (x) comprising Prepetition Term Priority Collateral (as defined below), shall be (A) junior and subject to (1) the Prepetition Liens (as defined below) and the Adequate Protection Replacement Liens thereon in favor of, in each case, the Prepetition Term Secured Parties (as defined below) and (2) Third Party Liens (as defined below) that were, as of the Petition Date, senior and prior to the Prepetition Liens on the Prepetition Term Priority Collateral of the Prepetition Term Secured Parties, and (B) *pari passu* with the

Prepetition Liens and the Adequate Protection Replacement Liens thereon in favor of, in each case, the Prepetition ABL Secured Parties, and (y) that were, as of the Petition Date, encumbered only by Third Party Liens, shall be junior and subject to such Third Party Liens. As used herein, "Third Party Liens" means all liens on the Debtors' assets or property of any parties (the "Third Party Lienholders") other than the Prepetition Secured Parties (as defined below) that were valid, enforceable, perfected and non-avoidable as of the Petition Date (or perfected subsequent to the Petition Date as permitted by Section 546(b) of the Bankruptcy Code); and

(d) pursuant to Sections 364(d)(1) and 510(a) of the Bankruptcy Code, a valid, enforceable, perfected and non-avoidable priming lien on all assets and property of the Debtors (now owned or hereafter acquired) other than Unencumbered Collateral and proceeds thereof which, in the case of liens on such assets and property (x) other than Prepetition Term Priority Collateral, shall be (A) *pari passu* with the Prepetition Liens and the Adequate Protection Replacement Liens thereon in favor of, in each case, the Prepetition ABL Secured Parties and (B) senior and prior to the Prepetition Liens thereon of the Prepetition Term Secured Parties and all Third Party Liens thereon which were junior and subject to the Prepetition Liens of the Prepetition ABL Secured Parties as of the Petition Date, and (y) comprising Prepetition Term Priority Collateral, shall be (A) junior and subject to the Prepetition Liens and the Adequate Protection Replacement Liens thereon in favor of, in each case, the Prepetition Term Secured Parties and all Third Party Liens thereon which were senior and prior to the

Prepetition Liens thereon of the Prepetition Term Secured Parties as of the Petition Date, (B) *pari passu* with the Prepetition Liens and the Adequate Protection Replacement Liens thereon in favor of, in each case, the Prepetition ABL Secured Parties and (C) senior and prior to all Third Party Liens thereon which were junior and subject to the Prepetition Liens thereon of the Prepetition ABL Secured Parties as of the Petition Date.

(iv) The Court's enforcement of the terms of the Prepetition Intercreditor Agreement (as defined below) pursuant to Section 510(a) of the Bankruptcy Code.

(v) The Court's authorization to use, during the Interim Period, "cash collateral" as such term is defined in Section 363 of the Bankruptcy Code (the "Cash Collateral") in which the Prepetition Secured Parties have an interest including, in the case of the proceeds of Prepetition ABL Priority Collateral (as defined below), to permanently and indefeasibly repay Prepetition ABL Obligations as and to the fullest extent set forth herein.

(vi) The Court's authorization to grant, as of the Petition Date, Adequate Protection Superpriority Claims (as defined below) and Adequate Protection Replacement Liens, to the extent of and as compensation for any Diminution in Value (as defined below), to the Prepetition Agents (as defined below) for the benefit of the Prepetition Secured Parties, in each case in accordance with the relative priorities among the claims for and liens securing repayment of the DIP Facility and the Prepetition Credit Facilities, as set forth more fully below, and subject to the Carve-Out.

(vii) Modification by the Court of the automatic stay imposed by Section 362 of the Bankruptcy Code to the extent necessary to implement and effectuate the terms and provisions of this Interim Order.

(viii) Approval by the Court of the Accommodation Agreement.

(ix) Scheduling by the Court of a final hearing (the "Final Hearing") to consider entry of an order (the "Final Order") granting the relief requested in the Motion on a final basis and approving the form of notice with respect to the Final Hearing and the transactions contemplated by the Motion.

(x) The Court's waiving of any applicable stay (including under Rule 6004 of the Federal Rules of Bankruptcy Procedure) and providing for immediate effectiveness of this Interim Order.

The Bankruptcy Court having considered the Motion, the DIP Facility, the Affidavit of Thomas A. Amato, sworn to on May 28, 2009 in Support of the First Day Motions and Pursuant to Local Bankruptcy Rule 1007-2, the Affidavit of Linda Theisen, sworn to on May 28, 2009, in Support of Certain First Day Relief Related to Suppliers, the Declaration of Eric Mendelsohn and the Affidavit of Terry Iwasaki, both sworn to on May 28, 2009, in Support of the Motion, and the evidence submitted at the hearing on this Interim Order (the "Interim Hearing"); and in accordance with Rules 2002, 4001(b), (c), and (d), and 9014 of the Bankruptcy Rules and the local rules of the Bankruptcy Court, due and proper notice of the Motion and the Interim Hearing having been given; and an Interim Hearing having been held before the Court and concluded on May [__], 2009; and it appearing that approval of the interim relief requested in the Motion is necessary to avoid immediate and irreparable harm to the Debtors pending the Final Hearing and otherwise is fair and reasonable and in the best interests of the Debtors, their creditors and their

estates, and is essential for the continued operation of the Debtors' businesses; and, subject to the terms hereof, the Court having determined that there is adequate protection of the interests of holders of liens on the property of the estates on which liens are granted; and all objections, if any, to the entry of this Interim Order having been withdrawn, resolved or overruled by the Court; and after due deliberation and consideration, and for good and sufficient cause appearing therefor:

BASED UPON THE RECORD ESTABLISHED AT THE INTERIM HEARING, THE COURT HEREBY MAKES THE FOLLOWING FINDINGS OF FACT AND CONCLUSIONS OF LAW:

A. **Petition Date.** On May 27, 2009 (the "Petition Date"), the Debtors filed voluntary petitions under chapter 11 of the Bankruptcy Code (the "Cases") with the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court" or "Court"). The Debtors have continued in the management and operation of their businesses and properties as debtors-in-possession pursuant to Sections 1107(a) and 1108 of the Bankruptcy Code. No trustee or examiner has been appointed in the Cases.

B. **Jurisdiction and Venue.** This Court has jurisdiction over these proceedings, pursuant to 28 U.S.C. § 1334. Consideration of the Motion constitutes a core proceeding under 28 U.S.C. § 157(b)(2). Venue for these cases and proceedings on the Motion is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409.

C. **Committee Formation.** No official committee of unsecured creditors has yet been appointed in the Cases.

D. **Notice.** Notice of the Interim Hearing and the relief requested in the Motion has been provided by the Debtors to (a) the United States Trustee for the Southern District of New York; (b) counsel to the Prepetition Term Agent (as defined below); (c) counsel to the DIP Agent

and the Prepetition ABL Agent; (d) counsel to the Trustee (as defined below); (e) counsel to the Customers; (f) counsel to Asahi Tec; (g) counsel to RHJI; and (h) those creditors holding the 50 largest unsecured claims against the Debtors' estates (the "Notice Parties"), by telecopy, email, overnight courier and/or hand delivery. Under the circumstances, such notice of the Interim Hearing and the relief requested in the Motion constitutes due, sufficient and appropriate notice and complies with Section 102(1) of the Bankruptcy Code, Rules 2002 and 4001(b) and (c) of the Bankruptcy Rules and the local rules of the Bankruptcy Court.

E. **Prepetition Secured Indebtedness.**[4] Subject to paragraph 6 below, the Debtors admit, stipulate and agree that:

(i) **Prepetition ABL Facility.** Metaldyne Intermediate Holdco, Inc., ("Holdings"), Metaldyne Company, as borrower, certain lenders (the "Prepetition ABL Lenders"), DBNY, as administrative agent (in such capacity, the "Prepetition ABL Administrative Agent") and collateral agent (in such capacity, the "Prepetition ABL Collateral Agent", and together with the Prepetition ABL Administrative Agent, the "Prepetition ABL Agent"), JPMorgan Chase Bank, N.A. ("JPMorgan Chase"), as syndication agent, and Citicorp North America, Inc. ("Citicorp") and Wachovia Capital Finance Corporation (Central), as

[4] As of the Petition Date, Corp., the other loan parties party thereto, and The Bank of New York Mellon Trust Company, N.A., as trustee (in such capacity, the "Trustee"), were party to (i) that certain Indenture, dated as of October 27, 2003 (as amended, restated, supplemented or otherwise modified, the "2013 Agreement"), pursuant to which Corp. issued to the holders thereof (the "2013 Holders") certain 10% Senior Notes due 2013 (the "2013 Notes") and (ii) that certain Indenture dated as of June 22, 2002 (as amended, restated, supplemented or otherwise modified, the "2012 Agreement", and together with the 2013 Agreement, the "Agreements"), pursuant to which Corp. issued to the holders thereof (the "2012 Holders", and together with the 2013 Holders, the "Holders") certain Senior Subordinated Notes due 2012 (the "2012 Notes", and together with the 2013 Notes, the "Prepetition Notes"). Prior to the Petition Date, in connection with the transactions contemplated by that certain Offer to Purchase, Consent Solicitation and Acceptance Solicitation Statement, dated October 29, 2008, Corp. purchased in excess of 90% of the Prepetition Notes, and all of the liens and security interests in favor of the Trustee and the Holders securing repayment thereof were terminated. In addition, pursuant to that certain Debt Cancellation Agreement, dated as of September 26, 2008, between Corp., the guarantors party thereto and Chrysler, LLC, prior to the Petition Date, Chrysler LLC, the holder of all of Corp.'s 10% senior subordinated notes due January 15, 2014 (the "2014 Notes") terminated, cancelled and discharged all of the Corp.'s obligations under the 2014 Notes and the related Indentures.

co-documentation agents, are party to that certain Credit Agreement dated as of January 11, 2007 (as amended, restated, supplemented or otherwise modified, the "Prepetition ABL Credit Agreement", and the credit facility thereunder, the "Prepetition ABL Facility"). The Prepetition ABL Obligations are jointly and severally guaranteed by the Debtors (other than Corp., Metaldyne Company, MascoTech Saturn Holdings, Inc., MD Products Corp., Metaldyne Driveline Co. LLC and Metaldyne Engine Co. LLC) (collectively, the "Debtor Guarantors"), pursuant to that certain Guarantee Agreement dated as of January 11, 2007 (the "Prepetition ABL Guarantee"; the Debtor Guarantors, together with Metaldyne Company, the "Prepetition Loan Party Debtors"), in favor of the Prepetition ABL Collateral Agent for the benefit of the Prepetition ABL Secured Parties. The Prepetition ABL Obligations are secured by liens on and security interests in substantially all of the Prepetition Loan Party Debtors' assets and property pursuant to, among other documents, (i) that certain Security Agreement, dated as of January 11, 2007 (as amended, restated, supplemented or otherwise modified, the "Prepetition ABL Security Agreement"), among the Prepetition Loan Party Debtors and the Prepetition ABL Collateral Agent for the benefit of the Secured Parties (as defined in the Prepetition ABL Security Agreement, the "Prepetition ABL Secured Parties"), (ii) that certain Pledge Agreement, dated as of January 11, 2007 (as amended, restated, supplemented or otherwise modified, the "Prepetition ABL Pledge Agreement"), among Holdings, Metaldyne Company, certain of the other Prepetition Loan Party Debtors and the Prepetition ABL Collateral Agent for the benefit of the Prepetition ABL Secured Parties, and (iii) the other Security Documents (as defined in the Prepetition ABL Credit Agreement, and together with the Prepetition ABL Security Agreement and the Prepetition ABL Pledge Agreement, collectively, the "Prepetition ABL Security Documents").

(ii) **Prepetition Term Facility.** Holdings, Metaldyne Company, as borrower, certain lenders (the "Prepetition Term Lenders", and together with the Prepetition ABL Lenders, the "Prepetition Lenders"), JPMorgan Chase, as administrative agent (in such capacity, the "Prepetition Term Administrative Agent", and together with the Prepetition ABL Administrative Agent, the "Prepetition Administrative Agents") and collateral agent (in such capacity, the "Prepetition Term Collateral Agent", and together with the Prepetition Term Administrative Agent, the "Prepetition Term Agent"; further, the Prepetition Term Collateral Agent together with the Prepetition ABL Collateral Agent, the "Prepetition Collateral Agents"; and the Prepetition Term Agent together with the Prepetition ABL Agent, collectively, the "Prepetition Agents"), Citicorp, as syndication agent, and Deutsche Bank Securities, Inc., as documentation agent, are party to that certain Credit Agreement dated as of January 11, 2007 (as amended, restated, supplemented or otherwise modified, the "Prepetition Term Credit Agreement" and the credit facility thereunder, the "Prepetition Term Facility", and together with the Prepetition ABL Facility, collectively, the "Prepetition Credit Facilities"). The Prepetition Term Obligations (as defined below) are jointly and severally guaranteed by Holdings and each of the other Prepetition Loan Party Debtors (other than Metaldyne Company) pursuant to that certain Guarantee Agreement dated as of January 11, 2007 (the "Prepetition Term Guarantee"), in favor of the Prepetition Term Collateral Agent for the benefit of the Prepetition Term Secured Parties. The Prepetition Term Obligations are secured by liens on and security interests in substantially all of the Prepetition Loan Party Debtors' assets and property pursuant to, among other documents, (i) that certain Security Agreement, dated as of January 11, 2007 (as amended, restated, supplemented or otherwise modified, the "Prepetition Term Security Agreement"), among the Prepetition Loan Party Debtors and the Prepetition Term Collateral Agent for the benefit of the

Secured Parties (as defined in the Prepetition Term Security Agreement, the "Prepetition Term Secured Parties", and together with the Prepetition ABL Secured Parties, collectively, the "Prepetition Secured Parties"), (ii) that certain Pledge Agreement, dated as of January 11, 2007 (as amended, restated, supplemented or otherwise modified, the "Prepetition Term Pledge Agreement"), among Holdings, Metaldyne Company, certain of the other Prepetition Loan Party Debtors and the Prepetition Term Collateral Agent for the benefit of the Prepetition Term Secured Parties, and (iii) the other Security Documents (as defined in the Prepetition Term Credit Agreement, and collectively with the Prepetition Term Security Agreement and the Prepetition Term Pledge Agreement, the "Prepetition Term Security Documents", and together with the Prepetition ABL Security Documents, collectively, the "Prepetition Security Documents").

(iii) **Security Interests, Liens, Collateral, etc.** The liens and security interests (collectively, the "Prepetition Liens") granted by the Prepetition Loan Party Debtors on their assets and property (all such assets and property, as the same existed on or at any time prior to the Petition Date, together with all cash and non-cash proceeds thereof, collectively, the "Prepetition Collateral"), under the Prepetition Security Documents to the Prepetition Collateral Agents for the benefit of the Prepetition Secured Parties, as security for, as the case may be, the Prepetition ABL Obligations and the Prepetition Term Obligations (collectively, the "Prepetition Obligations"), are (other than in respect of mortgages on certain Prepetition Term Priority Collateral consisting of real property granted within ninety days prior to the Petition Date, which may be avoidable (the "Specified Mortgages")) valid, enforceable and non-avoidable, and have been properly recorded and perfected under state law.

(iv) **Prepetition Intercreditor Agreement.** Holdings, Metaldyne Company, the Prepetition ABL Collateral Agent and the Prepetition Term Collateral Agent are party to that certain Intercreditor Agreement, dated as of January 11, 2007 (the "Prepetition Intercreditor Agreement"), pursuant to which the parties thereto agreed, among other things, that (a) the Prepetition Liens granted under the Prepetition ABL Security Documents to the Prepetition ABL Collateral Agent for the benefit of the Prepetition ABL Secured Parties, on the Prepetition Collateral comprising, among other things, all of the Prepetition Loan Party Debtors' accounts, chattel paper representing accounts, deposit accounts (including all cash and other funds in such accounts), securities, securities entitlements and securities accounts, inventory, and all documents, general intangibles, instruments, supporting obligations, books and records relating to the foregoing (collectively, to the extent identified as "ABL Priority Collateral" in the Prepetition Intercreditor Agreement and all other property identified as such therein, the "Prepetition ABL Priority Collateral"), are senior and prior to the Prepetition Liens thereon granted under the Prepetition Term Security Documents to the Prepetition Term Collateral Agent for the benefit of the Prepetition Term Secured Parties, and (b) the Prepetition Liens granted under the Prepetition Term Security Documents to the Prepetition Term Collateral Agent for the benefit of the Prepetition Term Secured Parties on the other Prepetition Collateral (to the extent identified as "Term Priority Collateral" in the Prepetition Intercreditor Agreement, the "Prepetition Term Priority Collateral") are senior and prior to the Prepetition Liens thereon granted under the Prepetition ABL Security Documents to the Prepetition ABL Collateral Agent for the benefit of the Prepetition ABL Secured Parties. The Prepetition Term Collateral Agent for the Prepetition Term Secured Parties has consented pursuant to Section 5.2 of the Prepetition Intercreditor Agreement to the use of Cash Collateral and the DIP Facility as set forth herein,

which is valid and enforceable in these Cases. The Debtors admit, stipulate and agree (for themselves only) that the Prepetition Intercreditor Agreement was entered into in good faith and is fair and reasonable to the parties thereto.

(v) **Amendment to Prepetition ABL Credit Agreement.** The Second Amendment to the Forbearance Agreement, and the Third Amendment to the Prepetition ABL Credit Agreement, dated as of May 21, 2009 and the Fourth Amendment and Consent to Credit Agreement, dated as of May 27, 2009 (collectively, the "Amendments"), including, without limitation, the Incremental Loan Facility thereunder, the participations of the Customers therein, and all related transactions, were entered into in contemplation of these Cases as a necessary condition to the DIP Facility and use of Cash Collateral, and the applicable Prepetition ABL Lenders have consented to the terms of the DIP Facility and use of Cash Collateral in reliance on the validity and enforceability of the Amendments. Without the Amendments, the Debtors' respective businesses, property and assets, and those of their non-Debtor affiliates, would have dramatically deteriorated in value causing irreparable harm to the Debtors and their estates. The Amendments are (x) legal, valid, binding, and enforceable against each applicable Debtor and (y) not subject to any challenge or action of any kind or nature under the Bankruptcy Code, under applicable non-bankruptcy law or otherwise.

F. **Stipulations as to Prepetition Credit Facilities.** Subject to paragraph 6 below, the Debtors admit, stipulate and agree that:

(i) **Prepetition ABL Obligations.** As of the Petition Date, the Prepetition Loan Party Debtors were indebted and liable to the Prepetition ABL Agent and the Prepetition ABL Lenders (and any other counterparty in respect of any outstanding Cash Management Obligations or Hedging Obligations (each as defined in the Prepetition ABL Guarantee)),

without objection, defense, counterclaim or offset of any kind under the Loan Documents (as defined in the Prepetition ABL Credit Agreement, the "Prepetition ABL Loan Documents"), (i) with respect to Loans (as defined and to the extent provided in the Prepetition ABL Credit Agreement), in the aggregate principal amount of not less than $29,011,420.33, plus $6,491,000 with respect to the aggregate principal amount of the Incremental Loans (as defined in the Prepetition ABL Credit Agreement, and collectively, the "Prepetition ABL Loans"), plus, in each case, accrued (both before and after the Petition Date) and unpaid interest thereon, and (ii) for fees, expenses and other Obligations (as defined in the Prepetition ABL Credit Agreement, including any Cash Management Obligations, Hedging Obligations and any attorneys', accountants', consultants', appraisers' and financial advisors' fees that are chargeable or reimbursable under the Prepetition ABL Loan Documents) incurred under the Prepetition ABL Loan Documents (items (i) and (ii), collectively, the "Prepetition ABL Obligations"). As of the Petition Date, the value of the Prepetition ABL Priority Collateral exceeds the amount of the Prepetition ABL Obligations.

(ii) **Prepetition Term Obligations.** As of the Petition Date, the Prepetition Loan Party Debtors were indebted and liable to the Prepetition Term Agent and the Prepetition Term Lenders (and any other counterparty in respect of any outstanding Cash Management Obligations or Hedging Obligations (each as defined in the Prepetition Term Guarantee)), without objection, defense, counterclaim or offset of any kind under the Loan Documents (as defined and to the extent provided in the Prepetition Term Credit Agreement, the "Prepetition Term Loan Documents"), (i) in the aggregate principal amount of not less than $408,000,000 with respect to the Loans and $58,334,112 with respect to DF LC Exposure (comprised of DF Loans totaling $10,000,000, other unreimbursed DF LC Disbursements totaling $9,718,055, and

undrawn DF Letters of Credit totaling $38,616,057 in the aggregate) (each as defined in the Prepetition Term Credit Agreement), plus accrued (before the Petition Date) and unpaid interest thereon, and (ii) for fees, expenses and other Obligations (as defined in the Prepetition Term Credit Agreement, including any Cash Management Obligations, Hedging Obligations and any attorneys', accountants', consultants', appraisers' and financial advisors' fees that are chargeable or reimbursable under the Prepetition Term Loan Documents) incurred under the Prepetition Term Loan Documents (items (i) and (ii), collectively, the "Prepetition Term Obligations").

(iii) **Enforceability, etc. of Prepetition Obligations.** The Prepetition Obligations are (a) legal, valid, binding, and enforceable against each applicable Prepetition Loan Party Debtor and (b) not subject to any contest, attack, objection, recoupment, defense, counterclaim, offset, subordination, re-characterization, avoidance or other claim, cause of action or other challenge of any kind or nature under the Bankruptcy Code, under applicable non-bankruptcy law or otherwise (except for the lien subordination contemplated herein and in the Prepetition Intercreditor Agreement). The Debtors, for the avoidance of doubt subject to the reservation of rights in paragraph 6, do not have, hereby forever release, and are forever barred from bringing, any claims, counterclaims, causes of action, defenses or setoff rights, of any kind or nature, whether arising under contract, law or equity, relating in any way to the Prepetition Obligations or the Prepetition Loan Documents, or any transactions related in any way thereto, whether arising under the Bankruptcy Code, under applicable non-bankruptcy law or otherwise, against any of the Prepetition Secured Parties and their respective affiliates, subsidiaries, agents, officers, directors, employees and attorneys.

(iv) **Enforceability, etc. of Prepetition Liens.** The Prepetition Liens on the Prepetition Collateral granted in favor of the Prepetition Collateral Agents for the respective

Prepetition Secured Parties under the applicable Prepetition Security Documents are (other than in respect of the Specified Mortgages) legal, valid, enforceable, non-avoidable, and duly perfected and are not subject to challenge, avoidance, attack, offset, re-characterization or subordination under the Bankruptcy Code, under applicable non-bankruptcy law or otherwise (except for the lien subordination contemplated herein and in the Prepetition Intercreditor Agreement and the Specified Mortgages), and, as of the Petition Date, and without giving effect to this Interim Order, the Debtors are not aware of any liens or security interests having priority over the Prepetition Liens, except, as the case may be, certain "Permitted Encumbrances" (as defined in the Prepetition ABL Loan Documents and in the Prepetition Term Loan Documents, as the case may be). The Prepetition Liens were granted to the applicable Prepetition Collateral Agents for the respective Prepetition Secured Parties for fair consideration and reasonably equivalent value, and were granted contemporaneously with the making of the loans and/or commitments secured thereby.

(v) **Indemnity.** The Prepetition ABL Agent and the DIP Agent and the DIP Lender have acted in good faith, and without negligence or violation of public policy or law, in respect of all actions taken by them in connection with or related to negotiating and implementing the DIP Facility and the use of Cash Collateral, including the granting of the DIP Liens, the Adequate Protection Replacement Liens, and any challenges or objections to the DIP Facility or the use of Cash Collateral. Accordingly, the Prepetition ABL Agent and the DIP Agent shall be and hereby are indemnified and held harmless by the Debtors in respect of any claim or liability incurred in respect thereof or in any way related thereto. No exception or defense in contract, law or equity to the Debtors' obligations to indemnify and hold the

Prepetition ABL Agent, the DIP Agent and the DIP Lender harmless as set forth in this paragraph F(v) exists, and Debtors waive any such defenses.

G. **Need for Postpetition Financing, Use of Cash Collateral and Approval of the Accommodation Agreement.** The Debtors have requested immediate entry of this Interim Order pursuant to Bankruptcy Rule 4001(b)(2) and (c)(2). Good cause has been shown for entry of this Interim Order. An immediate need exists for the Debtors to obtain funds in order to continue operations and to administer and preserve the value of their estates. The ability of the Debtors to finance their operations, to preserve and maintain the value of the Debtors' assets and maximize a return for all creditors requires the availability of working capital from the DIP Facility, the use of Cash Collateral and the approval of the Accommodation Agreement. In the absence of the availability of such funds in accordance with the terms hereof, and without the approval of the Accommodation Agreement, the continued operation of the Debtors' businesses would not be possible, and serious and irreparable harm to the Debtors, their estates, their creditors and equity holders would occur. Further, the possibility for a successful reorganization and/or sale of all or any material portion of the Debtors' assets, as a going concern or otherwise, would be jeopardized in the absence of the availability of funds in accordance with the terms of this Interim Order. It is essential that the Debtors obtain and maintain the Customers' support and cooperation. The Customers are Metaldyne Company's largest customers, and each has agreed to pay any unpaid prepetition amounts it owes to the Debtors within fifteen (15) days after the Petition Date (or, in the case of GM, by May 29, 2009), to accelerate payment on new invoices and to make other financial accommodations to Metaldyne Company pursuant to the Accommodation Agreement. Thus, the ability of the Debtors to preserve and maintain the value of their assets and maximize a return for all creditors requires the availability of working capital

from the DIP Facility, the use of Cash Collateral and the approval of the Accommodation Agreement.

H. **No Credit Available on More Favorable Terms.** The Debtors have been unable to obtain on more favorable terms and conditions than those provided in this Interim Order, (a) adequate unsecured credit allowable under Bankruptcy Code Section 503(b)(1) as an administrative expense, (b) credit for money borrowed with priority over any or all administrative expenses of the kind specified in Sections 503(b) or 507(b) of the Bankruptcy Code, (c) credit for money borrowed secured by a lien on property of the estate that is not otherwise subject to a lien, or (d) credit for money borrowed secured by a junior lien on property of the estate which is subject to a lien. The Debtors are unable to obtain credit for borrowed money without granting the DIP Liens (as defined below) and the DIP Superpriority Claims (as defined below) to the DIP Secured Parties and without also entering into the Accommodation Agreement.

I. **Use of Proceeds of the DIP Facility.** Proceeds of the DIP Facility (net of any amounts used to pay fees, costs and expenses payable under this Interim Order or the Final Order) shall be used in accordance with the terms and conditions of this Interim Order and the Budget; provided, that no more than $75,000 in the aggregate of the proceeds of the DIP Facility, DIP Loans, DIP Collateral (as defined below) or Cash Collateral, may be used by any Committee (as defined below) to investigate the Prepetition Liens and the claims of the Prepetition Agents and the Prepetition Lenders.

J. **Application of Proceeds of DIP Collateral.** All proceeds of the DIP Collateral, including proceeds realized from a sale or disposition thereof, or from payment thereon, shall be applied in accordance with and subject to the terms and conditions hereof. As a condition to the

effectiveness of and extensions of credit under the DIP Facility, and to the authorization to use Cash Collateral and the other Prepetition Collateral, each Debtor has agreed that as of and commencing on the date of the entry of this Interim Order, the Debtors shall use all Cash Collateral and the proceeds of DIP Collateral as set forth herein and in accordance with the Budget (subject to Permitted Variances (as defined below)), including, as the case may be, to indefeasibly and permanently repay the Prepetition ABL Obligations (other than the Incremental Loans) with Cash Collateral comprising proceeds of the Prepetition ABL Priority Collateral to the fullest extent provided for herein. Repayment of the Prepetition ABL Obligations in accordance with this Interim Order is necessary to adequately protect the Prepetition ABL Secured Parties and because the Prepetition ABL Secured Parties will not otherwise consent to the DIP Facility, the extensions of credit to the Debtors thereunder, the use of the Prepetition Collateral, the granting of the DIP Liens or the terms of the Carve-Out. Such payment will not prejudice the Debtors or their estates, because the Debtors will otherwise have sufficient liquidity under the DIP Facility and the payment of such amounts is subject to the rights of parties in interest under paragraph 6 herein.

K. **Adequate Protection for Secured Parties.** The Prepetition ABL Agents have negotiated in good faith regarding the Debtors' use of the Prepetition Collateral (including the Cash Collateral) to fund the administration of the Debtors' estates and continued operation of their businesses, and to permanently repay the Prepetition ABL Obligations (other than the Incremental Loans), in accordance with the terms hereof. The Prepetition ABL Agents for the Prepetition ABL Secured Parties have agreed, and the Prepetition Term Secured Parties by virtue of the operation of Section 5.2 of the Prepetition Intercreditor Agreement are deemed to have agreed, to permit the Debtors to use the respective Prepetition Collateral, including the Cash

Collateral in accordance with the terms hereof and the Budget, during the Interim Period until the earlier of (i) the sixtieth day following the Effective Date (as defined in the Accommodation Agreement), as such date is extended pursuant to the proviso to clause (iii) of Section 2 of the Accommodation Agreement (the "Final Termination Date"), and (ii) the date of occurrence of an Event of Default, subject to the terms and conditions set forth herein, including the protections afforded a party acting in "good faith" under Section 363(m) of the Bankruptcy Code. All of the Prepetition Secured Parties are entitled to the adequate protection as set forth herein pursuant to Sections 361, 362 and 363 of the Bankruptcy Code for any Diminution in Value. Based on the Motion and on the record presented to the Court at the Interim Hearing, the terms of the proposed adequate protection arrangements and use of the Cash Collateral are fair and reasonable, reflect the Debtors' prudent exercise of business judgment and constitute reasonably equivalent value and fair consideration for the Prepetition Agents' consent thereto; provided, that nothing herein shall limit the rights of the Prepetition ABL Secured Parties to seek new or different adequate protection if circumstances change materially from those that existed on the Petition Date. Subject to the rights of the Prepetition ABL Agent under paragraph 3(b) and on Exhibit E, a bankruptcy filing of GM or any of its affiliates will not in and of itself constitute "materially changed circumstances" for purposes of the immediately preceding sentence.

L. **Section 552.** In light of, as applicable, the subordination of their liens and superpriority claims to the Carve-Out and the granting of the DIP Liens on the Prepetition Collateral, the DIP Secured Parties and the Prepetition Secured Parties are each entitled to all of the rights and benefits of Section 552(b) of the Bankruptcy Code, and the "equities of the case" exception shall not apply.

M. **Extension of Financing.** The DIP Secured Parties have indicated a willingness to provide financing to the Debtors in accordance with the terms hereof. The DIP Secured Parties are good faith financiers. The DIP Secured Parties' claims, superpriority claims, security interests and liens and other protections granted pursuant to this Interim Order (and the Final Order) and the DIP Facility will not be affected by any subsequent reversal, modification, vacatur or amendment of this Interim Order or the Final Order or any other order, as provided in Section 364(e) of the Bankruptcy Code.

N. **Business Judgment and Good Faith Pursuant to Section 364(e).**

(i) The terms and conditions of the DIP Facility, and the fees paid and to be paid thereunder, and the terms and conditions of the Accommodation Agreement, are fair, reasonable, and the best available under the circumstances, reflect the Debtors' exercise of prudent business judgment consistent with their fiduciary duties, and are supported by reasonably equivalent value and consideration;

(ii) the DIP Facility was negotiated in good faith and at arm's length between the Debtors and the DIP Secured Parties;

(iii) the terms of the Accommodation Agreement are fair, just and reasonable under the circumstances, reflect the Debtors' exercise of their prudent business judgment consistent with their fiduciary duties, are supported by reasonably equivalent value and fair consideration, and have been negotiated in good faith and at arm's length by and among the parties, with all parties represented by counsel; and

(iv) use of the proceeds to be extended under the DIP Facility will be so extended in good faith, and for valid business purposes and uses, as a consequence of which the

DIP Secured Parties are entitled to the protection and benefits of Section 364(e) of the Bankruptcy Code.

O. **Relief Essential; Best Interest.** The relief requested in the Motion (and as provided in this Interim Order) is necessary, essential, and appropriate for the continued operation of the Debtors' businesses and the management and preservation of the Debtors' assets and property. It is in the best interest of Debtors' estates that the Debtors be allowed to enter into the DIP Facility, enter into the Accommodation Agreement and use the Cash Collateral as contemplated herein.

P. **Entry of Interim Order.** For the reasons stated above, the Debtors have requested immediate entry of this Interim Order pursuant to Bankruptcy Rule 4001(b)(2) and (c)(2).

NOW, THEREFORE, on the Motion of the Debtors and the record before this Court with respect to the Motion, including the record made during the Interim Hearing, and with the consent of the Debtors, the Prepetition Secured Parties and the DIP Secured Parties, and good and sufficient cause appearing therefor,

IT IS ORDERED that:

1. **Motion Granted.** The Motion is granted in accordance with the terms and conditions set forth in this Interim Order. Any objections to the Motion with respect to entry of this Interim Order to the extent not withdrawn, waived or otherwise resolved, and all reservation of rights included therein, are hereby denied and overruled.

2. **DIP Facility.**

(a) **DIP Obligations, etc.** The Debtors are expressly and immediately authorized, empowered and directed to enter into the DIP Facility and to incur and to perform the

DIP Obligations in accordance with and subject to the terms hereof, including the DIP Facility Terms, and to execute and deliver all instruments, certificates, agreements and documents which may be reasonably required or otherwise necessary for the performance by the Debtors under the DIP Facility and the creation and perfection of the DIP Liens described and provided for herein. The term (the "Term") of the DIP Facility shall commence on the date of entry of this Interim Order and end on the earlier of the Final Termination Date and the occurrence of an Event of Default. The Debtors are hereby authorized and directed to do and perform all acts, and to pay all principal, interest, reasonable fees and expenses, indemnities and other amounts described herein and as such become due, including, without limitation the reasonable fees and expenses of the attorneys and financial advisors of the Customers as provided for herein (collectively, all advances and other obligations (including indemnities) under the DIP Facility, the "DIP Obligations"). The DIP Obligations shall not otherwise be subject to further approval of this Court. All DIP Obligations shall represent valid and binding obligations of the Debtors, enforceable against the Debtors in accordance with their terms and shall be paid at the end of the Term. The reasonable fees and expenses of the Customers' Advisors (as defined below) shall be included in the maximum setoff permitted to be taken by the Customers under the Accommodation Agreement in accordance with the terms thereof. Interest on the DIP Loans shall accrue (but not be paid currently) at a floating rate per annum equal to two percent (2%) in excess of the "prime rate" established from time to time by JPMorgan Chase, and shall be added to the DIP Obligations. The Participation Agreement is a valid and binding contract among the DIP Agent, the DIP Lender and the Customers, and is enforceable in accordance with its terms.

(b) **Authorization to Borrow, etc.** In order to enable them to continue to operate their businesses, during the Interim Period and subject to the terms and conditions of this

Interim Order (including the DIP Facility Terms) and the Budget, the Borrower is hereby authorized under the DIP Facility to borrow (and the other Debtors to guarantee repayment of) during the Interim Period up to an aggregate principal amount of $11,700,000, and upon and after entry of the Final Order, in such amounts as may be permitted by the Final Order (and the Budget).

(c) **DIP Liens.** Effective immediately upon the entry of this Interim Order, and subject to the Carve-Out and the relative priorities among the liens securing the DIP Facility, the Adequate Protection Replacement Liens and the liens securing the Prepetition Credit Facilities, in each case as set forth more fully in this Interim Order, the DIP Agent for the ratable benefit of the DIP Secured Parties is hereby granted the following security interests and liens (which shall immediately be valid, binding, perfected, continuing, enforceable and non-avoidable), on all now owned or hereafter acquired assets and property, whether real or personal, of the Debtors including, without limitation, all Prepetition Collateral and all cash, any investment of such cash, inventory, accounts receivable, other rights to payment whether arising before or after the Petition Date, contracts, chattel paper, goods, investment property, deposit accounts, equity interests, securities accounts, securities entitlements, commercial tort claims, books, records, plants, equipment, general intangibles, documents, instruments, interests in leaseholds, real properties, patents, copyrights, trademarks, tradenames, other intellectual property, equity interests, and all proceeds of the foregoing (collectively referred to as the "DIP Collateral", provided, that the DIP Collateral shall (i) include (x) only sixty-five percent (65%) of the equity interests directly owned by the Debtors in their foreign subsidiaries and proceeds (it being understood, for the avoidance of doubt, that such equity interests also comprise Prepetition Term Priority Collateral), and (y) the real property and other collateral subject to the Specified

Mortgages to the extent the Specified Mortgages are avoided, and proceeds, and (ii) not include the Unencumbered Foreign Stock or the Avoidance Actions); and all such liens and security interests granted to the DIP Agent for the benefit of the DIP Secured Parties pursuant to this Interim Order and any Final Order, the "DIP Liens"):

(I) pursuant to Section 364(c)(2) of the Bankruptcy Code, a valid, perfected, enforceable and non-avoidable lien on all DIP Collateral which comprises Unencumbered Collateral, which lien shall be *pari passu* with the Adequate Protection Replacement Liens thereon granted to the Prepetition ABL Secured Parties;

(II) pursuant to Section 364(c)(3) of the Bankruptcy Code, a valid, perfected, enforceable and non-avoidable lien upon all DIP Collateral which, in the case of liens on assets or property (x) comprising Prepetition Term Priority Collateral, shall be junior and subject to (A) the Prepetition Liens and the Adequate Protection Replacement Liens thereon of, in each case, the Prepetition Term Secured Parties and (B) any Third Party Liens which as of the Petition Date were senior and prior to the Prepetition Liens on the Prepetition Term Priority Collateral of the Prepetition Term Secured Parties; and (y) that were encumbered as of the Petition Date only by Third Party Liens, shall be junior and subject to such Third Party Liens (collectively, the prepetition liens which are senior and prior to the DIP Liens as and to the extent set forth in this subparagraph (II) are hereafter referred to as the "Senior Prepetition Liens"); and

(III) pursuant to Sections 364(d)(l) and 510(a) of the Bankruptcy Code, a valid, perfected, enforceable and non-avoidable priming lien on all DIP Collateral (x) which, in the case of liens on all DIP Collateral other than Prepetition Term Priority Collateral and the Unencumbered Collateral, shall be (A) *pari passu* with the Prepetition Liens and the Adequate Protection Replacement Liens thereon in favor of, in each case, the Prepetition ABL Secured Parties, and (B) senior and prior to the Prepetition Liens and the Adequate Protection Replacement Liens thereon in favor of, in each case, the Prepetition Term Secured Parties and all Third Party Liens thereon which were junior and subject to the Prepetition Liens of the Prepetition Term Secured Parties as of the Petition Date, and (y) comprising Prepetition Term Priority Collateral, which liens shall be (A) junior and subject to the Prepetition Liens and the Adequate Protection Replacement Liens thereon in favor of, in each case, the Prepetition Term Secured Parties, and all Third Party Liens thereon which were, as of the Petition Date, senior and prior to the Prepetition Liens of the Prepetition Term Secured Parties, (B) *pari passu* with the Prepetition Liens and the Adequate Protection Replacement Liens thereon in favor of, in each case, the Prepetition ABL Secured Parties and (C) senior and prior to all Third Party Liens thereon which, as of the Petition Date, were junior and subject to the Prepetition Liens thereon of the Prepetition ABL Secured Parties.

(d) **Other Provisions Relating to the DIP Collateral.** The DIP Liens shall secure all of the DIP Obligations. The DIP Liens shall not without the consent of the DIP Agent and the Customers be made subject to, or *pari passu* with, any lien or security interest, other than to the extent expressly provided herein and to the Carve-Out, by any court order heretofore or hereafter entered in the Cases and shall be valid and enforceable against any trustee appointed in the Cases, upon the conversion of any of the Cases to a case under Chapter 7 of the Bankruptcy Code or in any other proceedings related to any of the foregoing (any "Successor Cases"), and/or upon the dismissal of any of the Cases. It is understood and agreed, and hereby ordered, that, notwithstanding anything to the contrary set forth in this Interim Order (including any exhibit hereto) or in any other order of this Court entered in the Cases, any amounts advanced or expended by the Prepetition ABL Secured Parties (in their sole and absolute discretion), including after the occurrence and during the continuance of an Event of Default, directly or indirectly, to protect, preserve, maintain, market, sell or liquidate the Prepetition ABL Priority Collateral or any DIP Collateral subject to the Adequate Protection Replacement Liens in favor of the Prepetition ABL Secured Parties, including any reasonable professional or advisory fees and expenses of White & Case LLP, Capstone Advisory Services, Hilco Appraisal Services ("Hilco") and FTI Consulting, Inc. ("FTI") (collectively, the "ABL Advisors"), shall be added to the Prepetition ABL Obligations and also (but without duplication) to the Adequate Protection Superpriority Claims of the Prepetition ABL Secured Parties, including in each case for all purposes hereunder. The DIP Liens and the Adequate Protection Replacement Liens shall not be subject to Sections 510, 549, 550 or 551 of the Bankruptcy Code or the "equities of the case" exception of Section 552 of the Bankruptcy Code or, upon entry of a Final Order, in respect of

the DIP Liens and the Adequate Protection Replacement Liens in favor of the Prepetition ABL Secured Parties, Section 506(c) of the Bankruptcy Code.

(e) **Enforceable Obligations.** This Interim Order shall constitute and evidence the valid and binding obligations of the Debtors, which obligations shall be enforceable against the Debtors, their estates and any successors thereto and their creditors, in accordance with their terms.

(f) **Protection of DIP Secured Parties and Other Rights.** From and after the Petition Date, the Debtors shall use the proceeds of the extensions of credit under the DIP Facility only for the purposes specifically set forth in this Interim Order and in compliance with the Budget (subject to Permitted Variances).

(g) **Superpriority Administrative Claim Status.**

(I) The DIP Obligations shall, pursuant to Section 364(c)(1) of the Bankruptcy Code, at all times constitute an allowed superpriority claim (the "DIP Superpriority Claims") of the DIP Lender, and be payable from and have recourse to all DIP Collateral and the Unencumbered Foreign Stock. All DIP Superpriority Claims shall be subject to the Carve-Out.

(II) Other than as expressly provided herein, including with respect to the Adequate Protection Superpriority Claims in favor of the Prepetition ABL Secured Parties and the Carve-Out, no costs or expenses of administration, including, without limitation, professional fees allowed and payable under Bankruptcy Code Sections 328, 330, and 331, or otherwise, that have been or may be incurred in these proceedings, or in any Successor Cases, and no priority claims are, or will be, senior to, prior

to or on a parity with the DIP Liens and the DIP Superpriority Claims or the DIP Obligations, or with any other claims of the DIP Secured Parties arising hereunder or under or in connection with the DIP Facility.

3. **Authorizations and Approvals.**

(a) **Use Cash Collateral and Proceeds of DIP Facility.** Pursuant to the terms and conditions of this Interim Order, and subject to the adequate protection granted to the Prepetition Secured Parties as hereinafter set forth, each Debtor is authorized during the Term (and, subject to paragraph 15(b), not beyond) to use (a) the advances under the DIP Facility, and (b) Cash Collateral of the Prepetition Secured Parties, in each case in the amounts and for the line item expenditures set forth in the Budget; provided, that (x) in the second and third weeks of the Budget, actual cumulative total disbursements before any repayment of the Prepetition ABL Obligations (the "Cumulative Disbursements") may exceed budgeted Cumulative Disbursements by up to 20%; (y) in the fourth and fifth weeks of the Budget, actual Cumulative Disbursements may exceed budgeted Cumulative Disbursements by up to 12.5%; and (z) in each subsequent week of the Budget, actual Cumulative Disbursements may exceed budgeted Cumulative Disbursements by up to 7.5% ((x) through (z) collectively, the "Permitted Variances"). The Budget may be modified only with the prior written consent of the Debtors, the Prepetition ABL Agent and the Customers. Notwithstanding anything herein to the contrary, subject only to the Debtors' rights under paragraph 15(b), the Debtors' right to use the extensions of credit under the DIP Facility and Cash Collateral shall terminate at the end of the Term, including upon written notice being provided by the DIP Agent or the Prepetition ABL Agent, as the case may be, to the Debtors that an Event of Default has occurred and is continuing. Nothing in this Interim Order shall authorize the disposition of any assets of the Debtors or their estates outside the ordinary

course of business or other proceeds resulting therefrom, except as permitted herein (subject to any required Court approval).

(b) **Borrowing Base and Applicable Availability Block; Reserves; Mandatory Prepayments.** The Borrowing Base and the Applicable Availability Block (as defined in the Prepetition ABL Credit Agreement) shall continue in effect in accordance with the terms of the Prepetition ABL Credit Agreement subject to the terms set forth on Exhibit E hereto and, notwithstanding anything to the contrary herein, shall constitute a further limitation on the Debtors' use of Cash Collateral hereunder. Without limiting any other provision hereof, the Debtors shall make mandatory prepayments of the Prepetition ABL Obligations (other than the Incremental Loans) as set forth on Exhibit E, which shall be indefeasible and shall permanently reduce the Prepetition ABL Obligations (other than the Incremental Loans).

(c) **Approval of Accommodation Agreement.** The Accommodation Agreement is hereby approved, and the Debtors are hereby authorized and directed to enter into, execute, deliver, perform and comply with all of the terms, conditions and covenants of, and to take all actions necessary and appropriate to implement, the Accommodation Agreement.

4. **Adequate Protection for Prepetition Secured Parties.** As adequate protection for the respective interests of the Prepetition Secured Parties in the respective Prepetition Collateral (including Cash Collateral) for, and in an aggregate amount equal to, the diminution in value of such interest, and also including, in the case of the Prepetition ABL Secured Parties, on a dollar-for-dollar basis, the aggregate amount of any Cash Collateral (other than proceeds of Prepetition Term Priority Collateral) not used to permanently repay the Prepetition ABL Obligations (collectively, "Diminution in Value"), from and after the Petition Date, calculated in accordance with Section 506(a) of the Bankruptcy Code, whether or not resulting from the use,

sale or lease by the Debtors of the Prepetition Collateral (including Cash Collateral), the granting of the DIP Liens, the subordination of the Prepetition Liens thereto and to the Carve-Out, or the imposition or enforcement of the automatic stay of Section 362(a), the Prepetition Secured Parties shall receive adequate protection as follows:

(a) **Adequate Protection Replacement Liens.** To the extent of the aggregate Diminution in Value, the Prepetition Secured Parties shall have pursuant to Sections 361, 363(e) and 364(d) of the Bankruptcy Code, replacement security interests in and liens upon (the "Adequate Protection Replacement Liens") all of the DIP Collateral, in accordance with the following priorities:

(I) The Adequate Protection Replacement Liens of the Prepetition ABL Secured Parties shall be (x) in the case of all DIP Collateral other than Prepetition Term Priority Collateral (i) *pari passu* with the DIP Liens and the Prepetition Liens in favor of the Prepetition ABL Secured Parties, in each case thereon, and (ii) senior and prior to all other liens thereon other than Third Party Liens which, as of the Petition Date, were senior and prior to the Prepetition Liens thereon of the Prepetition ABL Secured Parties; and (y) in the case of Prepetition Term Priority Collateral, (i) *pari passu* with the DIP Liens and the Prepetition Liens in favor of the Prepetition ABL Secured Parties, in each case thereon, and (ii) senior and prior to all other liens thereon other than the Prepetition Liens and the Adequate Protection Replacement Liens of the Prepetition Term Secured Parties, and any Third Party Liens, which as of the Petition Date, were

senior and prior to the Prepetition Liens thereon of the Prepetition Term Secured Parties.

(II) The Adequate Protection Replacement Liens of the Prepetition Term Secured Parties shall be senior and prior to (x) in the case of all DIP Collateral other than Prepetition Term Priority Collateral, all liens thereon other than the DIP Liens, the Prepetition Liens and the Adequate Protection Replacement Liens of the Prepetition ABL Secured Parties and any Senior Prepetition Liens thereon in favor of Third Party Lienholders, and (y) in the case of Prepetition Term Priority Collateral, all liens thereon other than any Senior Prepetition Liens thereon in favor of Third Party Lienholders.

(III) The Adequate Protection Replacement Liens shall in all cases be subject to the Carve-Out.

(b) **Adequate Protection Superpriority Claims.** To the extent of the aggregate Diminution in Value, the Prepetition Secured Parties shall have, subject to the payment of the Carve-Out, allowed superpriority administrative expense claims (the "Adequate Protection Superpriority Claims") as provided for in Section 507(b) of the Bankruptcy Code and payable from and having recourse to all DIP Collateral (and to the proceeds of Unencumbered Foreign Stock), subject to any existing security interests therein and liens thereon. The Adequate Protection Superpriority Claims of the Prepetition ABL Secured Parties shall have priority over the Adequate Protection Superpriority Claims of the Prepetition Term Secured Parties in respect of recourse to proceeds of all DIP Collateral other than Prepetition Term Priority Collateral, while the Adequate Protection Superpriority Claims of the Prepetition Term Secured Parties shall

have priority over the Adequate Protection Superpriority Claims of the Prepetition ABL Secured Parties in respect of recourse to proceeds of Prepetition Term Priority Collateral. The Prepetition Term Secured Parties shall not receive or retain any payments, property, distribution or other amounts in respect of their Adequate Protection Superpriority Claims, and the DIP Secured Parties shall not receive or retain any payments, property, distribution or other amounts in respect of their DIP Superpriority Claims, in each case unless and until the Prepetition ABL Obligations and (without duplication) the Adequate Protection Superpriority Claims of the Prepetition ABL Secured Parties have indefeasibly been paid in full in cash. The Adequate Protection Superpriority Claims granted to the Prepetition Term Secured Parties under the Prepetition Term Facility may be impaired pursuant to a Plan (as defined below) with the vote of the applicable class of the holders of such claims that satisfies the requirements of Section 1126 of the Bankruptcy Code.

(c) **Adequate Protection Payments, etc.**

(I) The Prepetition ABL Administrative Agent shall receive from the Debtors (x) upon the entry of this Interim Order, immediate cash payment of all accrued and unpaid interest on the Prepetition ABL Loans at the default rate and fees provided for in the Prepetition ABL Facility, and all other accrued and unpaid fees and disbursements owing to any of the agents or lenders under the Prepetition ABL Facility, in each case to the extent incurred prior to the Petition Date, (y) when due, all accrued but unpaid interest on the Prepetition ABL Loans and fees at the non-default contract rate provided for in the Prepetition ABL Facility; provided, that (1) the Prepetition ABL Administrative Agent reserves the right to assert

claims for the payment of additional interest calculated at any other applicable rate of interest (including, without limitation, default rates), or on any other basis, provided for in the Prepetition ABL Facility, and for the payment of any other amounts provided for in the Prepetition ABL Facility, and (2) if, in accordance with applicable law, the Bankruptcy Court allows any claim by the Prepetition ABL Administrative Agent under the Prepetition ABL Facility for the payment of additional interest calculated at any other applicable rate of interest (including, without limitation, default rates), or on any other basis, provided for in the Prepetition ABL Facility, or for the payment of any other amounts provided for in the Prepetition ABL Facility, such claim shall be added to and comprise part of the Adequate Protection Superpriority Claims of the Prepetition ABL Secured Parties for all purposes herein, and (z) as and to the fullest extent set forth herein, permanent repayments of the Prepetition ABL Obligations (other than the Incremental Loans).

(II) Promptly upon receipt of invoices therefor, the Prepetition ABL Administrative Agent shall receive from the Debtors current cash payments of all reasonable professional fees and expenses of the ABL Advisors. The invoices shall be sufficiently detailed to enable a determination as to the reasonableness of such fees and expenses (without limiting the right of the various professionals to redact privileged, confidential or sensitive information).

(d) **Monitoring of Prepetition Collateral.** Without limiting the foregoing, the Prepetition ABL Agent shall be permitted to continue to retain and utilize the ABL Advisors, and each Customer shall be entitled to retain legal counsel and advisors (the "Customers' Advisors"), in each case at the Debtors' sole cost and expense (but in the case of the Customers subject to the maximum setoff permitted by the Accommodation Agreement), and such consultants and advisors shall be given reasonable access to the Debtors' books, records, assets and properties for purposes of monitoring the Debtors' business, and value of the DIP Collateral. Hilco and FTI shall be permitted to conduct for the Prepetition ABL Secured Parties at the discretion of the Prepetition ABL Agent field audits and inventory appraisals in respect of the DIP Collateral.

(e) **Reports, etc.** Subject to the terms and conditions set forth in this Interim Order, the Debtors shall provide to the Prepetition ABL Agent on Thursday of each week a report for the prior week (ending at the close of business on Friday of such prior week) setting forth the receipts and expenditures for such prior week (including detailed schedules supporting the cash flow forecast in excel format), and the amount of variance, if any, on a line-item basis from the corresponding projected amounts as set forth in the Budget for such week (the "Variance Report"). The weekly Variance Report shall contain information relating to the immediately prior week, as well as cumulative information from and after the Petition Date, and shall be delivered to the Prepetition ABL Agent and the Customers, along with a statement of the account balances for all of the Debtors' bank accounts.

(f) **Financial Reporting, etc.**. The Debtors shall continue to provide the Prepetition Agents with all financial and other reporting, other than weekly cash flow reporting, financial covenant testing and monthly financials, set forth in the Prepetition Credit Facilities,

including weekly Borrowing Base Certificates (as defined in the Prepetition ABL Credit Agreement) and all supporting and/or related schedules, documentation and information at the times and as otherwise required under the Prepetition ABL Facility. The Debtors shall provide the Prepetition ABL Agent and the Customers with the monthly financial reporting given to the U.S. Trustee and shall continue to conduct weekly conference calls with the Prepetition ABL Agent in respect of their businesses, results of operations (including Budget variances), prospective asset sales and sale process, and other restructuring and bankruptcy related matters. The Debtors shall provide the Prepetition ABL Agent and the Prepetition Term Agent copies of all reports prepared for the Customers, and shall provide the Customers with copies of all reports prepared for the Prepetition ABL Agent and the Prepetition Term Agent.

5. **DIP and Adequate Protection Replacement Lien Perfection.** This Interim Order shall be sufficient and conclusive evidence of the validity, perfection, and priority of the DIP Liens and the Adequate Protection Replacement Liens without the necessity of filing or recording any financing statement, deed of trust, mortgage, or other instrument or document which may otherwise be required under the law of any jurisdiction or the taking of any other action to validate or perfect the DIP Liens and the Adequate Protection Replacement Liens or to entitle the DIP Liens and the Adequate Protection Replacement Liens to the priorities granted herein. Notwithstanding the foregoing, the DIP Secured Parties and the Prepetition Secured Parties (with respect to the Adequate Protection Replacement Liens) may, each in their sole discretion, file such financing statements, mortgages, security agreements, notices of liens and other similar documents, and is hereby granted relief from the automatic stay of Section 362 of the Bankruptcy Code in order to do so, and all such financing statements, mortgages, security agreements, notices and other agreements or documents shall be deemed to have been filed or

recorded at the time and on the date of the commencement of the Cases. The Debtors shall execute and deliver to the DIP Secured Parties and the Prepetition Secured Parties all such financing statements, mortgages, security agreements, notices and other documents as the DIP Secured Parties and the Prepetition Secured Parties may reasonably request to evidence, confirm, validate or perfect, or to insure the contemplated priority of, the DIP Liens and the Adequate Protection Replacement Liens. The DIP Agent, in its discretion, may file a photocopy of this Interim Order as a financing statement with any recording officer designated to file financing statements or with any registry of deeds or similar office in any jurisdiction in which any Debtor has real or personal property, and in such event, the subject filing or recording officer shall be authorized to file or record such copy of this Interim Order.

6. **Reservation of Certain Third Party Rights and Bar of Challenges and Claims.** Nothing in this Interim Order shall prejudice whatever rights any Committee or any other party in interest (other than the Debtors or any of their affiliates) may have (a) to object to or challenge the findings herein, including, but not limited to, those in relation to (i) the validity, extent, perfection or priority of the Prepetition Liens on the Prepetition Collateral, or (ii) the validity, allowability, priority, status or amount of the Prepetition Obligations, or (b) to bring suit against any of the Prepetition Secured Parties in connection with or related to the respective Prepetition Obligations, or the actions or inactions of any of the Prepetition Secured Parties arising out of or related to the Prepetition Obligations or otherwise; provided, that unless any Committee or any other party in interest obtains the requisite standing to commence, and commences, an adversary proceeding raising such objection or challenge, including without limitation any claim against the Prepetition Secured Parties in the nature of a setoff, counterclaim or defense to the Prepetition Obligations (including but not limited to, those under Sections 506

(subject to the waiver of Bankruptcy Code Section 506(c) claims as provided herein), 544, 547, 548, 549, 550 and/or 552 of the Bankruptcy Code or by way of suit against any of the Prepetition Secured Parties), by the date that is (a) forty-five (45) days following the appointment of the first Committee of unsecured creditors, or (b) if no Committee of unsecured creditors is appointed, sixty (60) days following entry of the Final Order (collectively, the periods described in the immediately preceding clauses (a) and (b) shall be referred to as the "Challenge Period", and the date that is the next calendar day after the termination of the Challenge Period, in the event that no objection or challenge is validly raised during the Challenge Period, shall be referred to as the "Challenge Period Termination Date"), upon the Challenge Period Termination Date, any and all such challenges and objections by any party (including, without limitation, any Committee, any Chapter 11 or Chapter 7 trustee appointed herein or in any Successor Case, and any other party in interest) shall be deemed to be forever waived and barred, and the Prepetition Obligations shall be deemed to be an allowed secured claim within the meaning of Sections 502 and 506 of the Bankruptcy Code for all purposes in connection with the Cases and the findings herein, including, without limitation, in paragraphs E and F, in respect to the Prepetition Liens, the Prepetition Collateral and the Prepetition Obligations shall be binding on all creditors, interest holders and parties in interest. To the extent any such objection or complaint is filed, such findings herein shall nonetheless remain binding and preclusive on any Committee and on any other person or entity, except to the extent that such assertions were expressly challenged in such objection or complaint.

7. **Carve-Out.**[5] Subject to the terms and conditions contained in this paragraph 7, the DIP Liens, DIP Superpriority Claims, the Prepetition Liens, the Adequate Protection

[5] For the avoidance of doubt, the Carve-Out will not be reduced by the payment of any transaction or similar fee payable to Lazard Fréres & Co. ("Lazard"), which shall instead be paid from the proceeds of sale of the Debtors'

Replacement Liens and the Adequate Protection Superpriority Claims, which have the relative priorities as set forth herein, shall, in any event, in all cases be subordinate upon the occurrence and during the continuance of an Event of Default to (i) all fees required to be paid to the Clerk of the Bankruptcy Court and to the Office of the United States Trustee pursuant to 28 U.S.C. § 1930(a), and (ii) $6,000,000 in the aggregate, which amount may be used subject to the terms of this Interim Order to pay any allowed (after proper application therefor and Court order) fees or expenses incurred by the Debtors and any statutory committee appointed in the Cases (each, a "Committee") to the extent provided for in the then current Budget and that remain unpaid in respect of (A) allowances of compensation for services rendered or reimbursement of reasonable expenses awarded (after proper application) by the Bankruptcy Court to the Debtors' or any Committee's professionals and (B) the reimbursement of reasonable expenses allowed (after proper application) by the Bankruptcy Court incurred by the Committee members in the performance of their duties (but excluding fees and expenses of third party professionals employed by such members) (items (i) and (ii), collectively, the "Carve-Out"; in addition, the Carve-out shall also include, for the benefit of any Chapter 7 trustee appointed in the Cases, $100,000 for "burial" type expenses if the Cases are converted to Chapter 7); provided, that (x) the dollar limitation in clause (ii) above on fees and expenses shall be reduced by the amount of any compensation or reimbursement of expenses paid prior to the occurrence of an Event of Default in respect of which the Carve-Out is invoked and by any fees, expenses, indemnities or other amounts paid to any agent or lender (or any of their respective attorneys or agents under the Prepetition Credit Facilities, the DIP Facility or otherwise), and (y) nothing herein shall be construed to impair the ability of any party to object to the fees, expenses, reimbursement or

chassis or powertrain businesses to the extent Lazard's retention as the Debtors' investment bank, and its compensation, are approved by order of the Court upon proper application after notice and an opportunity for parties in interest to object on any basis.

compensation described in clauses (A) and (B) above. No portion of the Carve-Out, any Cash Collateral or proceeds of the DIP Facility or any other amounts may be used for the payment of the fees and expenses of any person incurred in (i) challenging, or in relation to the challenge of, any of the Prepetition Secured Parties' or the DIP Secured Parties' liens or claims (or the value of their respective Prepetition Collateral or DIP Collateral), or the initiation or prosecution of any claim or action against any of the Prepetition Secured Parties or the DIP Secured Parties, including any claim under Chapter 5 of the Bankruptcy Code, and state law or any foreign law, in respect of any of the Prepetition Credit Facilities or the DIP Facility, or in preventing, hindering or delaying the realization by the Prepetition Secured Parties or the DIP Secured Parties upon any Prepetition Collateral or DIP Collateral, or the enforcement of their respective rights under the Prepetition ABL Loan Documents, the Prepetition Term Loan Documents or this Interim Order (including the DIP Facility Terms), as the case may be, and (ii) connection with any claims or causes of actions against the Prepetition Secured Parties or the DIP Secured Parties under the Prepetition Credit Facilities or the DIP Facility (as the case may be), their respective advisors, agents and sub-agents, including formal discovery proceedings in anticipation thereof, and/or challenging any Prepetition Lien or DIP Lien. No more than $75,000 in the aggregate of the Carve-Out, any Cash Collateral or proceeds of the DIP Facility or DIP Collateral may be used by any Committee or any representative of the estates (other than the Debtors) to investigate claims and/or liens of the Prepetition Agents, Prepetition Lenders, DIP Agent or DIP Lender under, as the case may be, the Prepetition Credit Facilities or the DIP Facility. Upon the written request of the Debtors delivered to the Customers and the Prepetition ABL Agent, (i) eighty percent (80%) of the Carve-Out will be funded directly by the Customers through their purchase and funding of participations in the DIP Facility under the Participation Agreement

(notwithstanding the occurrence or continuance of an Event of Default, and whether or not the Term has expired) and, promptly thereafter, advanced by the DIP Agent as DIP Loans, (provided, that in no event will the DIP Loans referred to in this sentence, together with all other DIP Loans, exceed the maximum principal amount of the DIP Facility), and (ii) twenty percent (20%) will be funded from proceeds of the DIP Collateral (other than Prepetition Term Priority Collateral).

8. **Payment of Compensation.** Nothing herein shall be construed as consent to the allowance of any professional fees or expenses of any of the Debtors or any Committee or shall affect the right of the DIP Secured Parties or the Prepetition Agents to object to the allowance and payment of such fees and expenses.

9. **Section 506(c) Claims.** Upon entry of the Final Order, as a further condition of the DIP Facility and any obligation of the DIP Secured Parties to make credit extensions thereunder, and to the use of the Cash Collateral, the Debtors (and any successors thereto or any representatives thereof, including any trustees appointed in the Cases or any Successor Cases) shall be deemed to have waived any rights, benefits, or causes of action under Section 506(c) of the Bankruptcy Code as they may relate to or be asserted against the DIP Secured Parties, the DIP Liens, the Prepetition ABL Secured Parties and the Adequate Protection Replacement Liens and the Prepetition Liens, in each case, in favor of the Prepetition ABL Secured Parties. Nothing contained in this Interim Order or in the Final Order shall be deemed a consent by the Prepetition Secured Parties or the DIP Secured Parties to any charge, lien, assessment or claim against the DIP Collateral or the Prepetition Collateral under Section 506(c) of the Bankruptcy Code or otherwise.

10. **Collateral Rights; Limitations in Respect of Subsequent Court Orders.** Without limiting any other provisions of this Interim Order, unless the DIP Agent, the Prepetition ABL Agent and the Customers, as the case may be, have provided their respective written consent, there shall not be entered in these proceedings, or in any Successor Case, any order which authorizes (i) the obtaining of credit or the incurring of indebtedness that is secured by a security, mortgage, or collateral interest or other lien on all or any portion of the DIP Collateral and/or entitled to priority administrative status which is superior to or *pari passu* with those granted pursuant to this Interim Order to the DIP Secured Parties or the Prepetition ABL Secured Parties, or (ii) the use of Cash Collateral (other than proceeds of Prepetition Term Priority Collateral) for any purpose other than as set forth in the Budget or to indefeasibly pay in full in cash the Prepetition ABL Obligations (other than the Incremental Loans).

11. **Proceeds of Subsequent Financing.** Without limiting the provisions and protections of paragraph 10 above, if at any time prior to the indefeasible repayment in full in cash of all Prepetition ABL Obligations and all DIP Obligations, and the termination of the DIP Secured Parties' obligations to make loans and advances or other extensions of credit under the DIP Facility, including subsequent to the confirmation of any Chapter 11 plan or plans (the "Plan") with respect to the Debtors, the Debtors' estates, any trustee, any examiner with enlarged powers or any responsible officer subsequently appointed, shall obtain credit or incur debt pursuant to Bankruptcy Code Sections 364(b), 364(c) or 364(d) in violation of this Interim Order, then all of the cash proceeds derived from such credit or debt and all Cash Collateral (other than the proceeds of Prepetition Term Priority Collateral) shall immediately be turned over, first, to the Prepetition ABL Agent in permanent and indefeasible repayment and reduction of the Prepetition ABL Obligations, and then, to the DIP Agent in payment of the DIP

Obligations, in each case in accordance with the relative rights, claims, and priorities specified herein (including paragraph 16 below).

12. **Cash Management.** Cash collections (including, but not limited to, payments from customers with respect to accounts receivable but, for the avoidance of doubt, not the proceeds of DIP Loans prior to expenditure by the Debtors) constituting proceeds of assets which constitute Prepetition ABL Priority Collateral shall be directed to lock-box and/or deposit accounts ("cash collection accounts") under the sole dominion and control of the Prepetition ABL Collateral Agent pursuant to the structure in effect immediately prior to the Petition Date or otherwise satisfactory to the Prepetition ABL Agent. The Debtors and the financial institutions where the Debtors' cash collection accounts are maintained are authorized and directed to implement and/or continue in accordance with the Prepetition ABL Facility daily cash sweeps from the cash collection accounts to an account or accounts maintained at DBNY. The Debtors will at all times maintain all Cash Collateral of the Prepetition ABL Secured Parties (other than proceeds of Prepetition Term Priority Collateral) in a segregated account (which is and shall hereby be subject to the Prepetition ABL Agent's perfected first priority lien granted hereunder) and not commingle such Cash Collateral with any proceeds of DIP Loans (prior to expenditure by the Debtors) or any other funds. Until the occurrence of an Event of Default, all amounts collected in the cash collection accounts may be used in accordance with the Budget; after the occurrence and during the continuance of an Event of Default, all such amounts shall, subject only to the Debtors' rights under paragraph 15(b), be applied in the accordance with paragraph 16 herein.

13. **Disposition of DIP Collateral.** The Debtors shall not sell, transfer, lease, encumber or otherwise dispose of any portion of the DIP Collateral, except for sales of inventory

and collection of accounts receivable in the ordinary course of business or as approved by the Bankruptcy Court to the extent required under applicable bankruptcy law.

14. **Survival of Certain Provisions.** In the event of the entry of any order converting these Cases into a Successor Case, the DIP Liens, the DIP Superpriority Claims, the Adequate Protection Replacement Liens and the Adequate Protection Superpriority Claims shall continue in these proceedings and in any Successor Case, and such DIP Liens, DIP Superpriority Claims, Adequate Protection Replacement Liens and Adequate Protection Superpriority Claims shall maintain their respective priority as provided by this Interim Order.

15. **Events of Default; Rights and Remedies Upon Event of Default.**

(a) The occurrence of any of the following shall constitute an event of default hereunder (each, an "Event of Default"):

(i) the failure by any Debtor to comply with, or perform, any of the terms, provisions, conditions, covenants, or obligations under this Interim Order, including the failure by any Debtor to make any payment to the Prepetition ABL Secured Parties required under this Interim Order;

(ii) any Debtor shall file any motion seeking to incur indebtedness or to obtain credit (other than under the DIP Facility, as expressly permitted herein or unsecured credit incurred in the ordinary course of the Debtors' businesses and consistent with the Debtors' past business practices) unless, in connection therewith, all of the Prepetition ABL Obligations and the DIP Obligations, and the Adequate Protection Superpriority Claims granted to the Prepetition ABL Secured Parties shall first be paid indefeasibly in full in cash and satisfied;

(iii) any of the Debtors shall make any payment on or in respect of the DIP Facility, on account of the DIP Obligations, the DIP Superpriority Claims or otherwise, or the DIP Secured Parties shall seek enforcement of any rights in respect thereof, before the Prepetition ABL Obligations and the Adequate Protection Superpriority Claims in favor of the Prepetition ABL Secured Parties shall first be paid indefeasibly in full in cash and satisfied;

(iv) the entry of an order of the Court not expressly permitted hereunder granting any lien on or security interest in any property of the estate of any Debtor in favor of any party other than in favor of the Prepetition Secured Parties or the DIP Secured Parties, as expressly set forth herein, without the express prior written consent of the Prepetition ABL Agent and the Customers;

(v) the entry of an order by the Court or any other court having jurisdiction to do so granting relief from or modifying the automatic stay of Section 362 of the Bankruptcy Code to allow (x) a holder or holders of any security interest (other than the liens and security interests of the Prepetition ABL Secured Parties) in the assets or property of any Debtor to foreclose or otherwise realize upon any such security interests which assets or property have an aggregate value in excess of $100,000 in any instance or $250,000 in the aggregate or (y) a third party to proceed against any asset or assets of any of the Debtors in respect of a claim in excess of $100,000 in any instance or $250,000 in the aggregate;

(vi) the entry of an order of the Court or any other court having jurisdiction to do so amending, supplementing, staying, vacating, reversing,

revoking, rescinding, reconsidering or otherwise modifying this Interim Order without the consent of the Prepetition ABL Agent;

(vii) dismissal of any of the Cases or conversion of any of the Cases to chapter 7 cases, the appointment of a chapter 11 trustee or examiner with enlarged powers in respect of any Debtor, or unless and until the Prepetition ABL Obligations have been indefeasibly paid in full in cash, the filing of a motion or pleading by any Debtor seeking the dismissal of its Case under Section 1112 of the Bankruptcy Code or otherwise;

(viii) the entry of an order by the Court, or any other court having jurisdiction to do so (x) authorizing the sale of all or substantially all of any Debtor's assets and property unless such order provides for the application of sufficient net cash proceeds from such sale to repay the Prepetition ABL Obligations (other than the Incremental Loans) in full or (y) authorizing any other sale or disposition of any DIP Collateral (other than Prepetition Term Priority Collateral) unless such order provides for the indefeasible application to the Prepetition ABL Obligations (other than the Incremental Loans), in accordance with the terms and conditions hereof and of the Prepetition ABL Loan Documents, of all net cash proceeds from such sale or disposition which are attributable (at an amount equal to the greater of net book value and the value attributed to such assets in the most recently delivered Borrowing Base Certificate) to the DIP Collateral;

(ix) the entry of an order of the Court approving any claims for recovery of amounts under Section 506(c) of the Bankruptcy Code or otherwise

arising from the preservation or disposition of any Prepetition ABL Priority Collateral;

(x) any Debtor shall file any plan of reorganization which fails to provide for payment in full in cash of all Prepetition ABL Obligations (other than the Incremental Loans) upon the effective date thereof, or the Debtors shall state their support for (in writing or on the record in a judicial proceeding), or take any action in support of, such a plan;

(xi) the Adequate Protection Replacement Liens and the Adequate Protection Superpriority Claims granted to the Prepetition ABL Agent and the Prepetition ABL Lenders shall cease to be valid, perfected and enforceable in all respects, or any Debtor shall assert (or support any assertion by a third party) the invalidity or unenforceability of any of the Adequate Protection Replacement Liens or Adequate Protection Superpriority Claims granted to the Prepetition ABL Secured Parties;

(xii) any Debtor shall make any payment (including "adequate protection" payments) on or in respect of any prepetition indebtedness or prepetition obligations other than (i) to the Prepetition ABL Secured Parties on account of the Prepetition ABL Obligations (other than the Incremental Loans), (ii) to the Prepetition Term Secured Parties on account of the proceeds of Prepetition Term Priority Collateral or (iii) for "First Day Motion Payments" up to the amounts set forth in such line item in the Budget;

(xiii) the Debtors' cash expenditures exceed those permitted by the Budget (subject to the Permitted Variances);

(xiv) any Debtor shall seek to, or shall support (in any such case by way of, *inter alia*, any motion or other pleading filed with the Court) any other person's motion to disallow or subordinate in whole or in part the Prepetition ABL Secured Parties' claims in respect of the Prepetition ABL Obligations, or to challenge the validity, enforceability, perfection or priority of the liens in favor of the Prepetition ABL Secured Parties (including, without limitation, any of their Prepetition Liens), but, without limiting any other provision of this Interim Order, excluding any challenge to the Specified Mortgages;

(xv) there is an order entered by a court with respect to a motion, pleading or proceeding brought by another party which results in a material impairment of the rights or interests of the Prepetition ABL Secured Parties;

(xvi) this Interim Order shall cease to be in full force and effect and the Final Order shall not have been entered, be in full force and effect and not subject to any stay on or before the 30th day subsequent to the Petition Date, or the Final Order shall cease to be in full force and effect and unstayed;

(xvii) the expiration of the period provided by Section 1121 of the Bankruptcy Code for the Debtors' exclusive right to file a plan, as such period may be extended pursuant to Section 1121 of the Bankruptcy Code, without the Debtors having filed and continuing to pursue confirmation of a plan, or the granting of any motion providing for the termination of the Debtors' exclusivity period;

(xviii) the filing of a motion or pleading by any Debtor, or the failure of the Debtors to file an objection to or to otherwise contest (or otherwise consenting

to, supporting or acquiescing in) any motion or pleading filed by any other party in interest, seeking any of the matters set forth in paragraphs (iii) through (xiv) above; or

(xix) the Accommodation Agreement shall, subject to any applicable cure period, cease to be in full force and effect or an event or occurrence shall have occurred or exists which enables or entitles the Customers to declare the Debtors in breach thereof, or to otherwise allow the Customers to exercise any of their rights or remedies thereunder.

(b) Any automatic stay otherwise applicable to the Prepetition ABL Secured Parties is hereby modified so that (i) after the occurrence of any Event of Default and (ii) at any time thereafter during the continuance of such Event of Default, upon five (5) business days' prior written notice of such occurrence, in each case given to each of the Debtors, counsel to the Debtors, counsel to the DIP Agent, counsel to each of the Customers, counsel for any Committee appointed in the Cases, and the U.S. Trustee, the Prepetition ABL Secured Parties shall be entitled to exercise their rights and remedies in respect of the DIP Collateral (other than Prepetition Term Priority Collateral), in accordance with this Interim Order and the Prepetition ABL Loan Documents. Notwithstanding the immediately preceding sentence, immediately following the giving of notice by the Prepetition ABL Agent or the DIP Agent of the occurrence of an Event of Default: (i) the Debtors shall continue to deliver and cause the delivery of the proceeds of Prepetition ABL Priority Collateral and the DIP Collateral (other than proceeds of Prepetition Term Priority Collateral) to the Prepetition ABL Agent for application in accordance with paragraph 16 herein; (ii) the Prepetition ABL Agent shall continue to be permitted to apply such proceeds in accordance with paragraph 16 herein; (iii) the Debtors shall have no right to use

any of such proceeds, nor any other Cash Collateral, other than (x) up to $1,500,000 of Cash Collateral (subject to paragraph 3(b) and Exhibit E) and up to $1,500,000 of DIP Loans, which may be used for line item expenditures in accordance with the Budget, and (y) towards the satisfaction of the Prepetition ABL Obligations (in the case of Cash Collateral other than proceeds of Prepetition Term Priority Collateral), and the Carve-Out, as provided in paragraph 16 herein; and (iv) any obligation otherwise imposed on the DIP Secured Parties to provide any loan or advance to the Debtors pursuant to the DIP Facility shall immediately be suspended. Following the giving of written notice by the Prepetition ABL Agent or the DIP Agent of the occurrence of an Event of Default, the Debtors and any Committee shall be entitled to an emergency hearing before this Court solely for the purpose of contesting whether an Event of Default has occurred. If the Debtors or any Committee do not contest such occurrence within such five (5) business-day day period, or if the Debtors or any Committee do timely contest the occurrence of an Event of Default and the Bankruptcy Court after notice and hearing declines to stay the enforcement thereof, the automatic stay, as to the DIP Secured Parties, shall automatically terminate at the end of such notice period. Nothing herein shall preclude the Prepetition ABL Secured Parties from seeking an order from the Bankruptcy Court upon written notice (electronically (including via facsimile) in a manner that generates a receipt for delivery, or via overnight mail) to the U.S. Trustee, counsel to the Debtors, counsel to the DIP Agent and counsel to the Committee, if any, authorizing the Prepetition ABL Secured Parties to exercise any enforcement rights or remedies with respect to the Prepetition ABL Priority Collateral on less than five (5) business days' notice.

(c) Subject only to the provisions of paragraph 15(b), upon the occurrence of an Event of Default, the Prepetition ABL Agent is authorized to exercise all remedies and

proceed under or pursuant to this Interim Order and the Prepetition ABL Loan Documents. All proceeds realized in connection with the exercise of the rights and remedies of the Prepetition ABL Secured Parties (other than proceeds of Prepetition Term Priority Collateral) shall be turned over to the Prepetition ABL Agent for application to the Prepetition ABL Obligations under paragraph 16 herein and otherwise in accordance with the provisions of the Prepetition ABL Loan Documents; provided, that in the event of the liquidation of the Debtors' estates after an Event of Default and the termination of the commitments to extend credit hereunder, the amount of the Carve-Out shall be funded into a segregated account.

(d) The automatic stay imposed under Bankruptcy Code Section 362(a) is hereby modified pursuant to the terms of this Interim Order as necessary to (i) permit the Debtors to grant the Adequate Protection Replacement Liens and the DIP Liens and to incur all liabilities and obligations to the Prepetition Secured Parties and the DIP Secured Parties hereunder, (ii) authorize and allow the Prepetition ABL Agent, subject to the terms set forth in the Prepetition ABL Credit Agreement, herein and on Exhibit E, to adjust the Borrowing Base and the Applicable Availability Block, and to take any reserves in respect of the Borrowing Base, and (iii) authorize the Prepetition ABL Secured Parties to receive, retain and apply payments and proceeds of Prepetition Collateral (including Cash Collateral) and DIP Collateral (other than Prepetition Term Priority Collateral) as provided herein (including as set forth on Exhibit E).

(e) Nothing included herein shall prejudice, impair, or otherwise affect the Prepetition ABL Secured Parties' or DIP Secured Parties' rights to seek any other or supplemental relief in respect of the Debtors (including, but subject to the limitations set forth in paragraph K above and on Exhibit E, other or additional adequate protection).

16. **Applications of Proceeds of Collateral, Payments and Collections.**

(a) As a condition to the extension of credit under the DIP Facility and the authorization to use Cash Collateral, each Debtor has agreed that proceeds of DIP Collateral and Prepetition Collateral (but not Prepetition Term Priority Collateral), any amounts held on account of the DIP Collateral or Prepetition Collateral (but not Prepetition Term Priority Collateral), and all payments and collections received by the Debtors with respect to all proceeds other than proceeds of Prepetition Term Priority Collateral shall be used and applied in accordance with the Budget (subject to the Permitted Variances). Subject to the Debtors' rights under paragraph 15(b), after the occurrence and during the continuance of an Event of Default, all proceeds of DIP Collateral and Prepetition Collateral (but not Prepetition Term Priority Collateral), whenever received, shall be applied as follows: (i) *first*, to permanently and indefeasibly repay and reduce the Prepetition ABL Obligations in accordance with the Prepetition ABL Loan Documents, subject to paragraph 6 herein, until indefeasibly paid in full in cash; (ii) *second*, to reduce the DIP Obligations then due and owing; and (iii) *third*, to the estates. Additionally, if, at any time, the amount of the Prepetition ABL Obligations (other than the Incremental Loans) exceeds the Borrowing Base, including after taking into account any reserves taken or the Applicable Availability Block implemented by the Prepetition ABL Secured Parties in their sole discretion, the Debtors shall immediately, without notice or demand, permanently repay the Prepetition ABL Obligations (other than the Incremental Loans) in an aggregate amount equal to such excess. Notwithstanding any of the foregoing to the contrary, all proceeds of Prepetition Term Priority Collateral shall be applied in accordance with the terms of the Prepetition Intercreditor Agreement.

(b) Following the occurrence and during the continuation of an Event of Default, prior to application of proceeds as specified in paragraph 16(a), funds sufficient to fund the Carve-Out shall first be wired to the Debtors in accordance with paragraphs 7 and 15(c). The Debtors shall hold these funds in an interest-bearing account in trust for the benefit of parties claiming under the Carve-Out, and upon satisfaction of all such claims any remaining funds shall be returned to the Prepetition ABL Agent and the DIP Agent, as the case may be, for application in accordance with this paragraph 16.

17. **Proofs of Claim, etc.** The Prepetition Secured Parties and the DIP Secured Parties will not be required to file proofs of claim in the Cases or in any Successor Case.

18. **Other Rights and Obligations.**

(a) **Good Faith Under Section 364(e) of the Bankruptcy Code; No Modification or Stay of this Interim Order.** Based on the findings set forth in this Interim Order and in accordance with Section 364(e) of the Bankruptcy Code, which is applicable to the DIP Facility as approved by this Interim Order, in the event any or all of the provisions of this Interim Order are hereafter modified, amended or vacated by a subsequent order of this Court or any other court, the DIP Secured Parties are entitled to the protections provided in Section 364(e) of the Bankruptcy Code, and, no such appeal, modification, amendment or vacation shall affect the validity and enforceability of any advances made hereunder or the liens or priority authorized or created hereby. Notwithstanding any such modification, amendment or vacation, any claim granted to the DIP Secured Parties hereunder arising prior to the effective date of such modification, amendment or vacation of any DIP Liens and DIP Superpriority Claims granted to the DIP Secured Parties shall be governed in all respects by the original provisions of this Interim Order, and the DIP Secured Parties shall be entitled to all of the rights, remedies,

privileges and benefits, including the DIP Liens and DIP Superpriority Claims granted herein, with respect to any such claim. Because the DIP Loans are made in reliance on this Interim Order, the obligations owed the DIP Secured Parties prior to the effective date of any stay, modification or vacation of this Interim Order shall not, as a result of any subsequent order in the Cases or in any Successor Cases, be subordinated, lose their lien priority or superpriority administrative expense claim status, or be deprived of the benefit of the status of the liens and claims granted to the DIP Secured Parties under this Interim Order.

(b) **Expenses.** Subject to the other terms and provisions of this Interim Order, the Debtors will pay all reasonable expenses incurred by the Prepetition ABL Agent and the Customers (including, without limitation, the reasonable fees and disbursements of the Customers' permitted attorneys and financial advisors and any of the ABL Advisors) in connection with the preparation, execution, delivery and administration of the DIP Facility and this Interim Order. Payment of such fees shall not be subject to allowance by the Bankruptcy Court. Professionals for the DIP Secured Parties or Prepetition Secured Parties shall not be required to comply with the U.S. Trustee fee guidelines. Copies of invoices submitted to the Debtors by the professionals for the DIP Secured Parties or the Prepetition Secured Parties shall be forwarded by the Debtors to the U.S. Trustee, counsel for any Committee, and such other parties as the Court may direct. The invoices shall be sufficiently detailed to enable a determination as to the reasonableness of such fees and expenses (without limiting the right of the various professionals to redact privileged, confidential or sensitive information).

(c) **Binding Effect.** The provisions of this Interim Order shall be binding upon and inure to the benefit of the DIP Secured Parties and the Prepetition Secured Parties, the Debtors, and their respective successors and assigns (including any trustee or other fiduciary

hereinafter appointed as a legal representative of the Debtors or with respect to the property of the estates of the Debtors) whether in the Cases, in any Successor Cases, or upon dismissal of any such Chapter 11 or Chapter 7 case.

(d) **No Waiver.** The failure of the Prepetition Secured Parties or the DIP Secured Parties to seek relief or otherwise exercise their rights and remedies under this Interim Order, the Prepetition Credit Facilities or otherwise, as applicable, shall not constitute a waiver of any of the Prepetition Secured Parties' and the DIP Secured Parties' rights hereunder, thereunder, or otherwise. Notwithstanding anything herein, the entry of this Interim Order is without prejudice to, and does not constitute a waiver of, expressly or implicitly, or otherwise impair any of the rights, claims, privileges, objections, defenses or remedies of the Prepetition Secured Parties or the DIP Secured Parties under the Bankruptcy Code or under non-bankruptcy law against any person or entity in any court, including without limitation, the rights of the Prepetition Secured Parties and the DIP Secured Parties (i) to request conversion of the Cases to cases under Chapter 7, dismissal of the Cases, or the appointment of a trustee in the Cases, or (ii) to propose, subject to the provisions of Section 1121 of the Bankruptcy Code, a Plan, or (iii) to exercise any of the rights, claims or privileges (whether legal, equitable or otherwise) of the DIP Secured Parties or the Prepetition Secured Parties.

(e) **No Third Party Rights.** Except as explicitly provided for herein, this Interim Order does not create any rights for the benefit of any third party, creditor, equity holder or any direct, indirect, third party or incidental beneficiary.

(f) **No Marshaling.** Neither the DIP Secured Parties nor the Prepetition Secured Parties shall be subject to the equitable doctrine of "marshaling" or any other similar doctrine with respect to any of the DIP Collateral or the Prepetition Collateral, as applicable.

(g) **Section 552(b).** The DIP Secured Parties and the Prepetition Secured Parties shall each be entitled to all of the rights and benefits of Section 552(b) of the Bankruptcy Code and the "equities of the case" exception under Section 552(b) of the Bankruptcy Code shall not apply to the DIP Secured Parties or the Prepetition Secured Parties with respect to proceeds, product, offspring or profits of any of the Prepetition Collateral or the DIP Collateral.

(h) **Amendment.** No waiver, modification, or amendment of any of the provisions hereof or the Budget shall be effective unless set forth in writing, signed by, or on behalf of, all the Debtors, the DIP Agent and the Prepetition ABL Agent and approved by the Bankruptcy Court.

(i) **Survival of Interim Order.** The provisions of this Interim Order and any actions taken pursuant hereto shall survive entry of any order which may be entered (i) confirming any Plan in the Cases, (ii) converting any of the Cases to a case under Chapter 7 of the Bankruptcy Code, (iii) to the extent authorized by applicable law, dismissing any of the Cases, (iv) withdrawing of the reference of any of the Cases from this Court or (v) providing for abstention from handling or retaining of jurisdiction of any of the Cases in this Court. The terms and provisions of this Interim Order, including the DIP Liens and DIP Superpriority Claims granted pursuant to this Interim Order, and any protections granted the Prepetition Secured Parties (including the Adequate Protection Replacement Liens and the Adequate Protection Superpriority Claims), shall continue in full force and effect notwithstanding the entry of such order, and such DIP Liens and DIP Superpriority Claims and protections for the Prepetition Secured Parties (including the Adequate Protection Replacement Liens and the Adequate Protection Superpriority Claims) shall maintain their priority as provided by this Interim Order until all the obligations of the Debtors to the DIP Lender and the Prepetition Obligations have

been indefeasibly paid in full in cash and discharged. The Prepetition ABL Obligations shall not be discharged by the entry of an order confirming a Plan, the Debtors having waived such discharge pursuant to Section 1141(d)(4) of the Bankruptcy Code.

(j) **Enforceability.** This Interim Order shall constitute findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052 and shall take effect and be fully enforceable *nunc pro tunc* to the Petition Date immediately upon execution hereof.

(k) **No Waivers or Modification of Interim Order.** The Debtors irrevocably waive any right to seek any modification or extension of this Interim Order without the prior written consent of the DIP Agent, the Prepetition ABL Agent and the Customers and no such consent shall be implied by any other action, inaction or acquiescence of the DIP Agent and the Prepetition ABL Agent or the Customers.

(l) **Waiver of any Applicable Stay.** Any applicable stay (including, without limitation, under Interim Bankruptcy Rule 6004(h)) is hereby waived and shall not apply to this Interim Order.

19. **Final Hearing.**

(a) The Final Hearing to consider entry of the Final Order and final approval of the DIP Facility is scheduled for [_____ __], 2009, at _____ (EST) at the United States Bankruptcy Court for the Southern District of New York. If no objections to the relief sought in the Final Hearing are filed and served in accordance with this Interim Order, no Final Hearing may be held, and a separate Final Order may be presented by the Debtors and entered by this Court.

(b) On or before [_____ __], 2009 the Debtors shall serve, by United States mail, first-class postage prepaid, notice of the entry of this Interim Order and of the Final

Hearing (the "Final Hearing Notice"), together with copies of this Interim Order and the Motion, on the Notice Parties and to any other party that has filed a request for notices with this Court prior thereto and to any Committee after the same has been appointed, or Committee counsel, if the same shall have been appointed. The Final Hearing Notice shall state that any party in interest objecting to the entry of the proposed Final Order shall file written objections with the Clerk of the Bankruptcy Court no later than [_____ __], 2009 at 4:00 pm (New York time), which objections shall be served so that the same are received on or before such date by: (a) counsel for the Debtors, Jones Day, Attn: Heather Lennox, North Point 901 Lakeside Avenue, Cleveland, Ohio 44114-1190; (b) counsel for Ford, Miller, Canfield, Paddock and Stone, P.L.C., Attn: Jonathan S. Green and Timothy A. Fusco, 150 West Jefferson, Suite 2500, Detroit, Michigan 48226; (c) counsel for GM, Honigman, Miller, Schwartz and Cohn LLP, Attn: Donald F. Baty, Jr., 2290 First National Building, 660 Woodward, Detroit, MI 48226; (d) counsel for Chrysler, Dickinson Wright PLLC, Attn: James A. Plemmons, Esq., 500 Woodward Avenue, Suite 4000, Detroit, Michigan 48226; (e) counsel for the Prepetition ABL Agent and the DIP Agent, White & Case LLP, Attn: Eric Leicht and Scott Greissman, 1155 Avenue of the Americas, New York, NY 10036-2787; (f) counsel for the Prepetition Term Lenders, Fried, Frank, Harris, Shriver & Jacobson LLP, Attn: Gary Kaplan, One New York Plaza, New York, 10004; (g) counsel to any Committee; and (h) the U.S. Trustee.

(c) **Retention of Jurisdiction.** The Bankruptcy Court has and will retain jurisdiction to enforce this Interim Order according to its terms.

SO ORDERED by the Bankruptcy Court this ____ day of May ____, 2009.

_____

UNITED STATES BANKRUPTCY JUDGE

Entered on Docket:

ACCOMMODATION AGREEMENT

Metaldyne Corporation, on behalf of itself and its domestic and Canadian controlled affiliates and subsidiaries (collectively, "Supplier"), Deutsche Bank AG New York Branch in its capacity as DIP lender and DIP agent ("Lender"), Ford Motor Company ("Ford"), General Motors Corporation ("GM"), Chrysler LLC, on behalf of itself and Chrysler Motors LLC ("Chrysler US") and Chrysler de Mexico S.A. de C.V. ("Chrysler Mexico", and together with Chrysler US, "Chrysler"), as debtor-in-possession under Case No. 09-50002 pending in the United States Bankruptcy Court for the Southern District of New York, ("Chrysler", and together with Ford and GM the "Customers" or each individually, "Customer") enter into this accommodation agreement ("Agreement") on May __, 2009.

BACKGROUND

A. Pursuant to various supply agreements and/or releases issued by the Customers and accepted by Supplier ("Purchase Orders" or individually, a "Purchase Order"), Supplier is obligated to manufacture the Customers' requirements of certain component parts, service parts and assembled goods, as modified to reflect any approved engineering changes (collectively, "Component Parts" or individually, a "Component Part"). Notwithstanding anything herein to the contrary, component parts produced at the New Castle facility shall not be included in the definition of Component Parts or be governed by this Agreement.

B. Supplier has determined that it must file petitions under chapter 11 of title 11 of the United States Code (the "Chapter 11 Cases") to effect a sale (the "Sale Process") of all or substantially all of their assets used in connection with their powertrain, balance shaft module and chassis businesses (the "Sale Assets"). To continue its operations during the Chapter 11 Cases, Supplier must obtain debtor-in-possession financing ("DIP Financing") in accordance with, among other things, financing orders to be entered in the Chapter 11 Cases (the interim and final of such orders, the "Financing Orders").

C. Metaldyne Company LLC ("Metaldyne Company") is a borrower under a revolving credit facility (as amended and with all related loan and security documents, the "Prepetition ABL Loan Documents") pursuant to the ABL Credit Agreement, dated as of January 11, 2007, among Metaldyne Company, Metaldyne Intermediate Holdco, Inc. ("Metaldyne Intermediate"), Deutsche Bank AG New York Branch (the "Prepetition ABL Agent") (as administrative agent and collateral agent), JPMorgan Chase Bank, N.A. (as syndication agent) and Citicorp North America, Inc. and Wachovia Capital Finance Corporation (Central) (as co-documentation agents) and the other lender parties thereto (the "Prepetition ABL Lenders" and, together with the Prepetition ABL Agent, the "ABL Secured Parties"). In addition, Metaldyne Company is a borrower under a senior secured credit facility (as amended and with all related loan and security documents, the "Prepetition Term Loan Documents" and, together with the Prepetition

ABL Loan Documents, the "Prepetition Loan Documents") pursuant to the Credit Agreement, dated as of January 11, 2007, among Metaldyne Company, Metaldyne Intermediate, The Bank of New York Mellon (the "Prepetition Term Agent" and, together with the Prepetition ABL Agent, the "Prepetition Agents") (as administrative agent and collateral agent), Citicorp North America, Inc. (as syndication agent), Deutsche Bank Securities Inc. (as documentation agent) and the other lender parties thereto (collectively, the "Prepetition Term Lenders" and, together with the Prepetition Term Agent, the "Term Secured Parties"). The ABL Secured Parties and the Term Secured Parties are collectively referred to herein as the "Prepetition Lenders." To secure the indebtedness outstanding under the Prepetition Loan Documents, the Prepetition Lenders have prepetition liens on substantially all of Supplier's assets.

D. The Lender has agreed to make the DIP Financing available to the Supplier subject to, among other things, receiving funded Participations (as defined below) and the financial accommodations from the Customers set forth herein (collectively, the "Customer Accommodations"). The DIP Financing will be structured as a Replacement ABL Agreement (as such term is defined in the Intercreditor Agreement, dated as of January 11, 2007, among Deutsche Bank AG, New York Branch, as collateral agent, JPMorgan Chase Bank, N.A., as collateral agent, Metaldyne Intermediate and Metaldyne Company) (the "Intercreditor Agreement").

E. In consideration for the Customers agreeing to provide such financial and other accommodations, the Customers have requested that Supplier provide them with certain assurances and acknowledgments in connection with the protection of the supply of Component Parts.

F. Subject to the terms of this Agreement, the Customers have agreed to provide certain financial and other accommodations to Supplier, and Supplier has agreed to provide the Customers with certain supply protection.

Based on the foregoing recitals and other good and valuable consideration, the receipt and adequacy of which are acknowledged, the parties agree as follows:

TERMS AND CONDITIONS

1. Conditions to Effectiveness

The effectiveness of this Agreement is expressly conditional upon occurrence of the following conditions precedent ("Effective Date"):

a. All parties to this Agreement have executed this Agreement;

b. Supplier has commenced the Chapter 11 Cases;

c. The entry of an interim Financing Order or other orders acceptable to the Customers that, among other things, approve this Agreement and the NCM Production Agreement (as defined infra.) as postpetition contracts in the Chapter 11 Cases.

2. **Term of the Agreement**

For purposes of this Agreement, the "Term" shall mean the period from the Effective Date through the earlier of (the "Termination Date") (i) the Sale Date (defined below); (ii) the occurrence of an Event of Default (as defined below); and (iii) sixty (60) days following the Effective Date; provided that Supplier may extend the Term for up two consecutive fifteen (15) day periods (the "Extended Termination Date") if Sale Orders have been entered and if the Supplier would still have funding availability under the terms of the Financing Orders. If sufficient funding is not available for any such fifteen (15) day period, without an obligation to provide any additional funding, the Customer agree to consider, in good faith, a request for additional funding.

3. **Sale Process**

A. Sale Process. Upon commencement of the Chapter 11 Cases, Supplier will continue the sale processes that were commenced prepetition to effect one or more transactions for the sale of Supplier's assets (each, a "Sale") with the intent to close such Sales within 60 days of the Effective Date of this Agreement (the closing date of the latest of such sales, the "Sale Date").

B. Milestones. The following milestones will apply to the Sale Process (each a "Milestone" or collectively, the "Milestones"):

(i) Letter(s) of Intent. Obtain, by June 5, 2009 a letter or letters of intent for the sale of some or all of the Sale Assets.

(ii) Definitive Agreement(s). Execute by June 15, 2009 one or more definitive purchase agreements and file motions to approve the Sales on the terms outlined in the definitive purchase agreements with the Bankruptcy Court; provided however that such dates shall be extended by the Customers, in the event Supplier has made good faith progress toward finalizing definitive purchase agreements, such that an extension will not jeopardize a closing by the date set forth below.

(iii) Sale Process Approval(s). Obtain by June 24, 2009 an order approving procedures for the approval of one or more Sales and any applicable bidding protections and procedures;

(iv) Sale Approval Order(s). Obtain, by July 27, 2009, an order from the Bankruptcy Court approving one or more Sales.

(v) Closing Date(s). Close one or more Sales by the later of 60 days after the Effective Date or the Extended Termination Date (the "Closing Deadline").

Supplier further agrees to provide the Customers updates, as frequently as is requested by the Customers, on the status of the Sale Process. Subject to (i) the execution of confidentiality agreements in form and substance mutually agreeable to Supplier and Customers and (ii) any other confidentiality agreements that Supplier may have with

third parties, Supplier will promptly provide Customers copies of all nonprivileged documents and information relating to the Sale Processes including, but not limited to, offering memoranda, letters of interest or intent and executed copies of asset purchase agreements.

C. RemainCo. It is Supplier's current intent that the assets of Supplier that are not sold pursuant to the Sale Processes, together with the remaining liabilities of the estates (collectively, "Remainco"), unless previously liquidated, sold, will either be transferred to a creditors' trust through a plan of reorganization or otherwise wound down, any such particular course of action depending entirely upon the available resources to fund such particular course of action. The DIP Financing will not fund the costs to operate the non-US plants in Remainco that are identified in a nonexclusive list on Exhibit A (the "Remainco Plants"), as may be supplemented by written notice by Supplier to the Customers. The cash management order entered in the Chapter 11 Cases will permit the prepetition cash management system related to Supplier's Canadian affiliate to continue postpetition. If, after expiration of the Term, any Customer desires production of Component Parts from any of the Remainco Plants, the applicable Customer and Supplier will work in good faith to determine the cost of such production, which cost Customer shall bear. The Customers and the Supplier will work together to transfer the Component Part production of each of the Customers from the Remainco Plants prior to the expiration of the Term, with the costs of transfer to be funded by the applicable Customer. The costs of transfer may, at the option of the applicable Customer, be funded as additional advances under the DIP Financing by the purchase of additional Participations (as defined, infra.). In the event that the Sale Process is not concluded by Termination Date or, if applicable the Extended Termination Date, the DIP Financing will terminate. For clarity, the DIP Financing will not fund extraordinary costs associated with the Remainco facilities after the Term expires.

4. Funding

A. As a condition to the Lender's provision of the DIP Financing, the Customers will each purchase their respective percentages (55.9% Ford; 24.3% Chrysler; and 19.8% GM) of subordinated, last-out participations in loans made under the Replacement ABL Agreement, as and when required, in accordance with a Budget (as defined below) and pursuant to the terms of a Subordinated Participation Agreement reasonably acceptable to Lender and the Customers (each, a "Participation"). The aggregate amount of the Participations will be $18,508,789 (the "Maximum DIP Participations") plus the amounts of any participations acquired pursuant to Section 6.J. herein,

B. Supplier, Lender and the Customers will agree on the terms of a budget (the "Budget") pursuant to which Supplier will conduct its operations during the Term. The Budget will contain an agreed-upon funding for Supplier's incentive and severance costs, Supplier's professional fees and the fees of the UST.

C. Subject to the Customers providing the Customer Accommodations, Lender will provide Supplier with the DIP Financing pursuant and subject to the terms and conditions of the Financing Orders during the Term in accordance with the Financing Orders.

D. During the Term, no Customer will impose pricedowns or price reductions on Supplier with respect to the Component Parts.

E. Within 10 days of the Effective Date, each Customer will acknowledge to Supplier its account payable balance and its tooling payable balance. Each Customer will use its commercial best efforts to resolve any disputed tooling invoices within 10 days of the Effective Date.

5. **Customers' Accommodations**

A. Limitation on Setoffs. As to all accounts payable owing by each Customer to Supplier generated or existing prior to the expiration of the Term, including prepetition payables ("Customer Accounts"), each Customer agrees, solely for the benefit of Lender and the Prepetition Lenders, or any assignee or successor of Lender, not to exercise its respective rights of setoff and/or recoupment, including, without limitation, in connection with any prior, existing or future defaults under any Purchase Orders, or any defenses, rights and claims (including without limitation claims for any incidental, special or consequential damages), other than to the extent of the Allowed Setoffs, Tooling Setoffs and Material Setoffs, (each defined below); provided, however, (i) under no circumstances may Allowed Setoffs exceed 3% percent ("Cap") of the face amount of any invoices or accounts payable; (ii) once an Allowed Setoff is deducted from a particular invoice or account payable, no further Allowed Setoffs may be taken against such invoice or account payable, and (iii) if an invoice or account payable is paid, a Customer will have no right after that payment to assert an Allowed Setoff in respect of that payment. Any Allowed Setoffs in excess of the Cap will be rolled over and available for deduction against any subsequent payment of any invoices or accounts payable; provided, however, under no circumstances will an Allowed Setoff against any invoice or account payable exceed the Cap.

(i) For purposes of this Agreement:

(a) "Allowed Setoffs" means any setoff, recoupment or deductions, whether for defective or nonconforming products, quality problems, unordered or unreleased parts (other than for parts produced for an Inventory Bank pursuant to this Agreement) returned to Supplier, short shipments, hostage payments made to material vendors that are not Material Setoffs and for which Supplier has requested in writing (or, if relating to a period prior to the Effective Date, that Customer has identified to Supplier in writing) that such Customer make such payments, misshipments, premium freight charges (not caused by a Customer), improper invoices, mispricing, duplicate payments or billing errors, and

professional fees and costs incurred by one law firm and one financial advisory firm per Customer and related to Supplier incurred by each Customer individually (the "Professional Fees") but excluding any incidental, special or consequential damages arising from or relating to such items.

(b) "Material Setoffs" means any setoff or recoupment for (A) direct payments to vendors by a Customer for the cost of materials, services or components purchased by a Customer pursuant to Supplier's written request and used by Supplier in connection with the production of Component Parts, if such material, services or components could have been purchased by Supplier but for the vendor's refusal to sell to Supplier on a COD basis, or (B) materials, services or components supplied to Supplier by a Customer in the ordinary course of business to be used in production of Component Parts for which in either instance written notice of the amount paid to vendors or Supplier, or the invoice amount of such items provided in the ordinary course, as applicable, for those materials, services or components ("Direct Payment Notice") has been received by Lender and the Prepetition ABL Agent in advance of the next reporting date for the borrowing base under the Prepetition ABL Loan Documents. Material Setoffs may be taken only against accounts that arise from shipments made by Supplier to Customer from and after the one business day following receipt by Lender and the Prepetition ABL Agent of the Direct Payment Notice.

(c) "Tooling Setoffs" means any payments to tooling vendors, including progress payments, necessary to receive possession of tooling (i) over which Lender or the Prepetition Lenders do not possess a priority lien with respect to such tooling; or (ii) which payments are necessary to secure the release of tooling where the affected Customer(s), acting in good faith, determine(s) insufficient time exists to exercise judicial remedies to obtain possession or control of such tooling. Tooling Setoffs may be taken only (1) against amounts owed by Customer to Supplier under the applicable tooling purchase order, and (2) only as to which a written notice of the amount paid to the tooling vendor(s) has been provided to the Lender and the Prepetition Agents in advance of such intended setoff. If the amount due to the Supplier under the tooling purchase order for particular tooling, less any amounts paid to the tooling vendor by a Customer, exceeds, as a result of a prior partial payment by the Supplier to the tooling vendor, the amount owed to the tooling vendor, the applicable Customer shall pay the excess (less the cost to complete if applicable) to the Prepetition Term Lenders on account of Supplier, or to Supplier in the event

that Lender's and the Prepetition Lenders' claims have been satisfied in full.

(ii) Customers reserve and do not waive any rights and interests they respectively may or would have against the Supplier but for this Agreement, including the right to assert affirmative claims against Supplier and setoffs asserted for defense purposes. Customers further agree that they will not assert any such rights and interest against any purchaser in a Sale, including any assignee of a purchase order if the Customers, or a Customer, consent(s) to such assignment.

B. Inventory Purchase Agreement.

(i) Upon the occurrence of an Inventory Trigger Event (defined below), each Customer will purchase and pay for, within 30 days of the Inventory Trigger Event, all of (collectively, "Customer Inventory"): Supplier's raw materials (including purchased components),and finished goods inventory related to that Customer's Component Parts that are usable (defined below) by the Customer or the Customer's new supplier and merchantable (defined below) and any Component Parts that are the subject of unsatisfied releases that are or were provided to Supplier and under which Supplier actually produced Component Parts ("Releases") from (i) Lender or the Prepetition ABL Agent, as applicable, (if Lender or the Prepetition ABL Agent obtains possession of and the right to sell such inventory by way of repossession, voluntary surrender, judicial intervention or otherwise), (ii) a trustee, receiver or interim receiver lawfully acting for the benefit of the Lender ("Trustee") or (iii) Supplier, if Lender and the Prepetition ABL Agent so elect.

(ii) Notwithstanding anything contained in this Agreement to the contrary, Customers will be required to purchase Customer Inventory pursuant to this Agreement only upon the occurrence of an Inventory Trigger Event, provided that Lender, the Prepetition ABL Agent, Supplier or a Trustee, as the case may be, can make the Customer Inventory available for pick up by the applicable Customer free and clear of all liens and security interests within 30 days after the occurrence of an Inventory Trigger Event; provided, however, that the determination of whether the Customer Inventory is usable and merchantable shall be made on the date of the Customer Inventory is available for pick up by the applicable Customer ("Determination Date").

(iii) For purposes of this Agreement, the following definitions shall apply:

(a) "merchantable" means merchantable as that term is defined in U.C.C. § 2-314 and in conformance with applicable Purchase Order or supply contract specifications, reasonably applied.

(b) "Inventory Trigger Event" means the first to occur of the following events without payment of all of the obligations of the

Supplier to the Lender and the Prepetition ABL Agent: (i) as to each Customer separately, such Customer resources some or all of its Component Part production from Supplier (provided that resourcing by a Customer of less than all of its business shall be deemed to be a Trigger Event only as to Customer Inventory related to the resourced Component Parts); (ii) expiration of the Term; (iii) conversion of any of the Supplier's chapter 11 cases to a chapter 7 case under the Bankruptcy Code; and (iv) an Event of Default by Supplier that is continuing and is not waived by the applicable Customer.

(c) "usable" means finished goods and raw materials, as the case may be, relating to the Component Parts or tooling which are usable by Customer (or the Customer's alternative supplier(s) of the Component Parts) in connection with manufacturing the Component Parts for which a Customer has unsatisfied requirements as of the Determination Date but in all cases in quantities not less than those called for by any Releases (including so-called fabrication or similar Releases relating to the procurement of raw materials and any inventory bank builds requested by a Customer) existing as of the Determination Date less any portion of such releases that are satisfied by the delivery of Component Parts or Customer Inventory prior to the Determination Date, it being understood that Customer Inventory in amounts called for by unsatisfied Releases (including any requested inventory bank builds) shall be deemed usable for purposes of this Agreement.

C. Purchase Price. The price for Customer Inventory to be purchased under this Agreement ("Purchase Price") will be calculated as follows:

(i) for raw materials – 100% of Supplier's actual and documented cost of the raw materials excluding premium freight charges not requested by the Customer; and

(ii) for finished Component Parts – 100% of the existing Purchase Order price (in effect on the date of purchase of the Inventory) to Customer.

All prices are F.O.B. Supplier. Upon a Customer's request made within two business days after an Inventory Trigger Event, and subject to the Customer's agreement to purchase the resulting finished goods, Lender and the Prepetition ABL Agent will permit, Supplier will complete, work-in-process inventory after an Inventory Trigger Event subject to agreement by Lender, the Prepetition ABL Agent, Supplier, and Customer on a budget to cover the costs incurred for such production and the price to Customer of the resulting finished goods, and payment in advance by the applicable Customer or Customers of all costs associated with completing the work in process pursuant to such budget; provided, further, that such production shall be completed no later than five business days after the Inventory Trigger Event.

In the event merchantable and usable raw material is used in the production of Component Parts for more than one Customer ("Common Materials"), the Common Materials will be allocated to each Customer, without regard to any portion allocated to any other customer, on a pro-rata basis based upon each party's respective sales percentage at the applicable plant over the 4 month period ending April 30, 2009.

Customers agree to pay directly to the Prepetition ABL Agent or, if the claims of the Prepetition ABL Secured Parties have been paid in full in cash, Lender (for Supplier's account) the Purchase Price of their respective Customer Inventory purchased pursuant to this Agreement without setoff, recoupment or deduction for any claims or rights Customers may otherwise have against Supplier or the Prepetition Lenders, which rights and claims Customers otherwise reserve and do not waive, except as otherwise provided under this Agreement.

D. Change of Account Payable Terms. For those shipments of the Component Parts invoiced or shipped on and after the Effective Date by the Supplier, including its Canadian affiliate, through the expiration or termination of the Term, all Customers except Chrysler Mexico will make payments on net immediate terms. Chrysler Mexico will continue its current payment terms of 10/25 prox. For purposes of this Agreement "net immediate" shall mean payments on average within 8 days after receipt by the Customer. Ford agrees that all pre-Effective Date accounts payable will be paid no later than 15 days after the Bankruptcy Filing, provided that an interim Financing Order has been entered before that time. GM agrees that it shall on May 29, 2009 pay all accounts payable for all goods received by GM and reflected in GM's disbursement system as of the close of business on May 28, 2009. Chrysler agrees that Chrysler Mexico shall pay its reconciled pre-Effective Date payable of approximately $1.61 million on or before two business days of the Effective Date and shall use its best efforts to reconcile its disputed Component Parts accounts within fourteen days of the Effective Date with such reconciled amounts paid within the next payment cycle. Chrysler agrees that Chrysler Mexico shall pay its reconciled pre-Effective Date payable of approximately $1.61 Million on or before two business days of the Effective Date and shall use its best efforts to reconcile its disputed Component Part accounts within fourteen days of the Effective Date with such reconciled amounts paid within the next payment cycle. Chrysler US shall pay its reconciled accounts as set forth in the NCM Production Agreement

E. Exclusion of New Castle Facility. Nothing in this Agreement shall pertain to the New Castle Component Parts, which shall be governed by the terms of the NCM Production Agreement dated May , 2009, which agreement shall be approved by the Bankruptcy Court. Chrysler shall have no rights under this Agreement unless it enters into a mutually acceptable NCM Production Agreement on or before the Effective Date. Chrysler US asserts that Supplier supplies goods or services critical to the going concern value of Chrysler US' businesses or the consummation of a sale transaction among Chrysler LLC and certain subsidiaries and New Carco Acquisition LLC and an indirect wholly owned subsidiary of Fiat S.p.A.

F. Bankruptcy. In the event a Customer files a petition for relief under chapter 11 of Title 11 of the United States Code in the United States Bankruptcy Court during the Term, that Customer will file a motion on its petition date to seek Court approval and direction to assume and continue performance of its obligations under this Agreement, including timely payment of all prepetition amounts owed Supplier, and will diligently prosecute such motion to obtain expedited approval thereof. No rights of any Customer hereunder and no obligations of Supplier to any Customer shall be of any force and effect unless such Customer is in full compliance with all of its obligations under this Agreement, including the funding of Subordinated Participations as set forth above.

G. Resourcing. Until the first to occur of (i) the expiration or termination of the Term or; and (ii) an Event of Default occurs, the Customers will not resource and will not further dual source the Component Parts, other than Component Parts manufactured at the Remainco Plants or the Component Parts that the Supplier and the Customer mutually agree in writing may be (the "Remainco Component Parts"). The foregoing limitation shall not prohibit the Customers from taking action during the Term to prepare for resourcing such as entering into discussions and sending requests for proposals to alternative suppliers regarding the production of the Component Parts Supplier will fully cooperate and assist the Customers in their respective resourcing preparations, provided, however, that (i) reasonable steps will be taken to protect confidential or trade-secret information and the Excluded Technology from competitors, and (ii) the costs for such preparations are contained within the Budget or are paid for directly by the Customer seeking such preparations. For clarity, this Section is not intended to constitute a commitment under this Agreement for the Customers to retain any of their business with Supplier after the expiration or termination of the Term or to consent to assignment of any of their respective purchase orders, and (b) the Customers may immediately begin to resource Component Parts manufactured at the Remainco Plants.

For clarity, the foregoing limitation does not include or prohibit (i) changes in releases due to normal business fluctuations, (ii) cessation of production due to product or program changes.

H. Survival. The obligations of the Customers described in Clauses A, B, C and D above are continuing obligations that survive the expiration of the Term.

6. **Supplier's Obligations**

A. Continued Production. Supplier will continue to manufacture the Component Parts for the Customers in accordance with the terms of their respective Purchase Orders and related releases; provided that, in the case of the Remainco Plants, Supplier has sufficient liquidity or financing to do so. Supplier agrees to notify Customers' respective line purchasing agent of any threat or threats to shipment of Component Parts on a timely basis, promptly upon learning of that threat or threats. Except as specifically provided in this Agreement, this Agreement is not intended to

modify the terms and conditions of the Customers' respective Purchase Orders, which terms and conditions otherwise remain in full force and effect. In the event of any inconsistency between the terms of this Agreement and the terms of the Customers' respective Purchase Orders, the terms of this Agreement will control.

B. Bankruptcy Filing. Supplier will immediately file a Voluntary Petition for relief under chapter 11 of title 11 of the United States Code in the United States Bankruptcy Court for the Southern District of New York ("Bankruptcy Court"). As promptly as possible upon the filing of its Chapter 11 Cases, Metaldyne will file such necessary motions to approve and effectuate the DIP Order.

C. Purchase Order Assignment. No Purchase Order of any Customer may be assigned to any proposed purchaser or assignee of the purchase order without the express prior written consent of the Customer party to the Purchase Order.

D. Inventory Banks. Supplier will build for each Customer an inventory bank of Component Parts in accordance with a schedule to be provided to Supplier by each Customer. Supplier will immediately begin producing inventory banks on the later of the Effective Date or the date on which the schedule is received by the Supplier and ship inventory-bank parts as they are produced. The Customers will pay for the Component Parts in accordance with the payment terms set forth in this Agreement. Supplier's obligation to build the inventory bank parts will be subject to: (i) receipt of a schedule by each Customer, (ii) the procurement of parts by Supplier, provided, Supplier shall immediately notify any Customer of an inability to procure parts that will impair the ability of the Supplier to produce that Customer's inventory bank; (iii) the Budget, provided, however, that if the Debtor asserts it is unable to produce the inventory bank for any customer due to budgetary limitation, such Customer may advance the amounts necessary to commence or continue the inventory bank directly to the Supplier and the Supplier shall thereupon immediately commence or continue its production, (iv) reasonably applied internal capacity limitations (*e.g.*, machine capacity and manpower limitations); and (v) Customer's payment of verifiable, incremental out-of-pocket costs incurred by Supplier in connection with building the Inventory Bank including, but not limited to, all special packaging and handling costs (*e.g.*, disposable dunnage, wrapping, coating, etc.) ("Incremental Bank Costs"). Supplier's production of an inventory bank for a Customer cannot disrupt normal production for other Customers of Supplier. Supplier will fulfill releases for "all time buys" of past-model service Component Parts if requested to do so by a Customer, which shall be part of the inventory bank. Upon a Customer's request for an inventory bank, Supplier shall promptly provide a schedule to the Customer setting forth the Incremental Bank Costs Supplier anticipates that it will incur in connection with building the inventory bank ("Bank Build Budget"). The Customers are not obligated to reimburse Supplier for any Incremental Bank Costs that have not been disclosed to the Customer and approved in writing before being incurred and Supplier is not obligated to commence production of an inventory bank before such approval. Supplier will ship the Inventory Bank to the locations designated in writing by each Customer, as produced, and each Customer will pay for its inventory bank according to the terms of this Agreement. The Customers agree that, to the extent that the inventory banks consist of Component

Parts other than Remainco Component Parts and a Sale occurs, the Customer will negotiate in good faith with the successful purchaser with respect to the manner in which the Component Parts will be utilized by the Customer.

Supplier will not produce inventory banks for Supplier's other customers ("Other Customers") unless (x) such Other Customer agrees to provide all of the accommodations provided by the Customers or other accommodations which have a reasonably equivalent economic impact, or (y) producing inventory banks for the Other Customer does not utilize available capacity that could be used to build inventory banks requested by Customers and such Other Customers agree in writing to piece price increases that reasonably compensate Supplier for all incremental costs incurred in producing the inventory bank, including premium labor costs.

E. Cooperation in Resourcing Business. If it becomes necessary to do so and is otherwise permitted under this Agreement, and, (for clarity, as to Remainco Component Parts, immediately upon the Effective Date), Supplier will cooperate and use its best efforts assisting Customers in moving the production of Component Parts to one or more replacement suppliers; provided that the costs of such cooperation are paid directly by the applicable Customer outside the Budget. Supplier's assistance will include, without limitation, providing, among other things, Customers and its agents and consultants copies of tool lineups, tool processing sheets, bills of materials, PPAP packages, source schedules of materials, parts purchases from sub-suppliers, part prints, tool drawings and such other data and materials as may be reasonably necessary for resourcing, and by providing Customers and their agents, consultants, employees and potential successor suppliers reasonable access to Supplier's manufacturing facilities for the purpose of inspecting Tooling (defined below) and the manufacture of the Component Parts and to remove Customer Tooling and other Customer-owned property, if requested; provided however, that (i) in no event shall potential successor suppliers or competitors of Supplier have access to (I) Supplier plants for which there is a non-resourcing commitment in effect, or (II) as to plants for Remainco Component Parts which contain the Excluded Technology (defined below); have access without Supplier's prior written consent, which consent shall not be unreasonably withheld, and notwithstanding anything herein to the contrary, in no event shall such assistance or access include any information or access involving processing technologies or formulas pertaining to the Excluded Technology, as defined below..

F. Access. Supplier agrees that Customers and their designees, agents and representatives shall have reasonable access to Supplier's operations, books and records at any time during regular business hours, or outside of regular business hours upon reasonable request and prior notice, for the purposes of meeting with Supplier's representatives and monitoring Supplier's compliance with the terms of this Agreement and any other agreements and contracts between Supplier and Customers including, but not limited to, the Purchase Orders; monitoring production of the Component Parts and providing assistance with production of Component Parts if Customers deem it to be necessary; provided however, that (i) in no event shall potential successor suppliers or competitors of Supplier have access to Supplier plants for which there is a

non-resourcing commitment in effect, or (II) as to Remainco plants which contain the Excluded Technology (defined below) have access without Supplier's prior written consent, which consent shall not be unreasonably withheld; and (ii) notwithstanding anything herein to the contrary, in no event shall such access include any access to information, including books or records involving processing technologies or formulas pertaining to the Excluded Technology, as defined below.

G. Confidentiality. Supplier further acknowledges and agrees that it will preserve and protect each customer's confidential or proprietary information, including any intellectual property, from unauthorized use and disclosure.

H. Information. Supplier will provide to Customers any financial reporting a Customer may reasonably request. Supplier further agrees to meet, as reasonably requested by a Customer, to provide updates (in form, content and presentation as reasonably requested by Customer) of its financial condition, and any material changes to its operations, financial condition, lending relationship, and supplier relationships.

I. Access and Security Agreement. With respect to each Customer, Supplier will enter into an access and security agreement with respect to the Supplier's Canadian facility.

J. Other Customers. For all Other Customers identified in Exhibit B for which Supplier produces Component Parts during the Term, Supplier shall, no later than 14 days after the Effective Date: (i) charge, retroactive to the Effective Date, a surcharge above the applicable purchase order price in an amount designed to sufficiently cover costs incurred by Supplier for all Component Parts shipped to the Other Customers and to fund such Other Customers' equitable portion of the operating losses incurred by Supplier during the Term, which surcharge shall be reasonably acceptable to the Customers, (ii) require that the Other Customers pay their share of any required material and/or Hostage Payments (their share will be calculated based upon their respective portion of shipments or outside process services from that particular third party vendor making up any required Hostage Payments) and (iii) cause such Other Customer to pay all outstanding accounts receivable and obtain an agreement from such Other Customers to pay for Component Parts on net immediate terms as that term is defined in Section 5(D) above. To the extent an Other Customer refuses to pay the surcharge, or otherwise comply with the terms of this section, after the expiration of such 10 day period, Supplier agrees that it will not use any Customer Funding and other accommodations provided by the Customers pursuant to this Agreement to fund that Other Customer's production. Notwithstanding anything herein to the contrary, an Other Customer shall not include Honda or Nissan, to the extent that, on or before 10 days after the Effective Date, either of them agrees to purchase participations in the DIP funding, which participations shall increase in the Maximum DIP Participations. Contemporaneously with the purchase of a participation interest, Honda and/or Nissan, as the case may be, shall confirm in writing its agreement to the terms and conditions of this Agreement and such parties shall thereupon be deemed to be "Customers" for all purposes of this Agreement.

K. License on Intellectual Property. Notwithstanding anything in this Agreement to the contrary and subject to the liens of the Prepetition Lenders, and in consideration for the accommodations granted by Customers to Supplier under this Agreement, Supplier grants, effective upon an Event of Default, or as to a Remainco Component Part effective upon completion of resourcing such Remainco Component Part, to each Customer and their assignee(s) or designee(s) that are not competitors of Supplier (i) an irrevocable, fully paid, worldwide non-exclusive license to the Intellectual Property (defined below) owned by Supplier, and (ii) an irrevocable sublicense to the Intellectual Property licensed to Supplier (to the extent that Supplier has the right to grant sublicenses therein) to the extent necessary to make, have made, use, have used, modify, improve, prepare derivative works of, distribute, display, offer to sell, sell, import and do all other things and exercise all other rights in the licensed or sublicensed Intellectual Property, ("License"). This section is not intended to limit or otherwise restrict any rights granted to Customers in their Purchase Orders or any other agreement, but is intended to expand those rights. Moreover, nothing in this Agreement may be construed as an admission by any Customer of the validity of Supplier's claimed rights to Intellectual Property, including an admission that a license is required by Customers to make, have made, sell, offer for sale and/or import its Component Parts. Customers will handle the Intellectual Property in accordance with the same confidentiality and other practices employed by Customers to safeguard their own most valuable intellectual property against unauthorized use and disclosure.

The term "Intellectual Property" means (x) all currently existing registered and applied-for intellectual property owned by Supplier (including, but not limited to, all patents, patent applications, trademark registrations, trademark applications, copyright registrations, and copyright applications), (y) all agreements for intellectual property licensed to Supplier and (z) any other intellectual property used to produce Component Parts (whether or not the intellectual property is identified, including, but not limited to, unregistered copyrights, inventions, discoveries, trade secrets and designs, drawings and data, regardless of whether such items are registerable or patentable in the future, and all related documents and software), that are used in or to produce any Component Parts that Supplier directly sells to Customers including, without limitation, everything defined as "intellectual property" under 11 U.S.C. §101, as amended from time to time. Notwithstanding anything herein to the contrary, "Intellectual Property" shall not include the: (i) metal forming or forging technology relating to Supplier's Sintered businesses located in the North Vernon, PA, Ridgway, PA and St. Mary's, PA plants, or (ii) die casting or tooling technology relating to Supplier's Die Casting and Valve Body businesses located in the Niles, IL or Twinsburg, OH plants, (iii) tooling technology relating to Supplier's Punchcraft business located in Warren, MI. or (iv) technology related to the damper business in Thamesville, Ontario or (v) any Intellectual Property utilized by Suppliers' non-US and non-Canadian affiliates (individually and collectively, the "Excluded Technology"), for which no license is granted, but Intellectual Property shall include any tool CAD models and mathematical data used for the creation of Customer owned tooling, tooling and engineering drawings and CMM programs and fixtures, all of which Supplier acknowledges are owned by the respective Customer.

7. **Tooling Acknowledgment.**

A. The term "Tooling" means, collectively, all tooling, dies, test and assembly fixtures, gauges, jigs, patterns, casting patterns, cavities, molds, and documentation, including engineering specifications and test reports, used in connection with the manufacture of Component Parts for Customers. The term "Unpaid Tooling" means Tooling manufactured for Customers for which Customers have not made full payment under the applicable purchase order with Supplier. The term "Supplier Owned Tooling" means Tooling which Supplier asserts is not owned by Customers and which is not subject to a purchase order issued by Customers. The term "Customer Tooling" means all Tooling other than Unpaid Tooling and Supplier Owned Tooling which is currently being used to manufacture Customers' Component Parts, whether under direct agreements between Supplier and Customers or agreements between Supplier and third parties.

B. Supplier acknowledges and agrees that Customer Tooling is (i) subject to the terms of this Agreement, (ii) owned by Customers, and (iii) held by Supplier (and, to the extent that Supplier has transferred the Customer Tooling to any third parties, by those third parties) as bailees-at-will.

C. Supplier will use commercially reasonable efforts to provide to Customers, within 30 days after the Effective Date, a list of Supplier Owned Tooling and Unpaid Tooling relating to Customers' Component Parts ("Tooling Lists"). Customers will provide assistance to Supplier in preparing the Tooling Lists as reasonably requested by Supplier. Customers reserve the right to dispute any Tooling List provided by Supplier. If Customers disagree with a Tooling List, Supplier and Customers will meet and attempt, in good faith, to resolve the dispute. If the dispute cannot be resolved by Supplier and Customers within 30 days after Customers' receipt of the Tooling List, the matter will be jointly submitted to a third party to be selected by Supplier and Customers or the Bankruptcy Court for expedited resolution. Any Tooling used to manufacture Customers' Component Parts not included in the Tooling List will be deemed Customer Tooling. If Supplier fails to timely provide a Tooling List, all Tooling will be deemed Customer Tooling.

D. If there is a dispute between Supplier and Customers over whether any Tooling is Customer Tooling, Supplier Owned Tooling or Unpaid Tooling, the disputed Tooling will be presumed to be Customer Tooling, pending resolution of the dispute, and Customers will have the right to immediate possession of the Tooling (and Supplier may not withhold delivery of possession of the Tooling to Customers pending resolution of the dispute), but the Tooling will remain subject to any valid lien of Supplier or any claim or right to payment of Supplier for the disputed amount (despite Supplier's relinquishment of possession).

E. Once the purchase order price of an item of Unpaid Tooling has been paid, it will be included in the definition of Customer Tooling.

F. Supplier has no right or title to, or interest in, Customer Tooling, but has only the obligation to hold as bailee-at-will and use Customer Tooling solely to manufacture Customers' Component Parts.

G. The acknowledgements, rights and obligations contained in this Section 4 (i) are in addition to the rights of Supplier and Customers under the Purchase Orders or any other agreement between Supplier and Customers currently in effect, and (ii) will continue in effect after the expiration of the Term or the termination of this Agreement.

H. Supplier grants to Customers permission to record, on Supplier's behalf, any notice and/or financing statements concerning Customer Tooling if Customers determine that it is reasonably necessary to do so to reflect its interests in its Customer Tooling. Supplier also authorizes Customers to affix any plate, stamp, or other evidence of Customers' ownership upon each item of its Customer Tooling.

8. **Options.**

A. Supplier grants to Customers an irrevocable and exclusive option ("Option") to purchase, free and clear of the lien of the Lender and the Prepetition ABL Lenders, but subject to the lien of the Prepetition Term Lenders, exercisable on the expiration of the Term, any Supplier Owned Tooling, any returnable containers or dunnage, and any machinery or equipment and related or ancillary items which are owned by Supplier and dedicated exclusively to the manufacture, assembly or transport of Component Parts for Customers (collectively, "Dedicated Equipment"), for a price, subject to the Prepetition Term Agent's consent, (i) equal to the orderly liquidation value of any Dedicated Equipment as determined by the Stout Resius Ross appraisal of January 2007; or (ii) agreed to by Supplier, the Prepetition Term Agent and Customers. The Option may be exercised ("Exercise Period") immediately upon an Event of Default (defined below), the expiration of the Term or the earlier termination of this Agreement, or as to Remainco Component Parts, for each Customer, upon completion of resourcing the applicable Remainco Component Parts. The parties agree to cooperate in good faith to develop a list of the Dedicated Equipment within 30 days after the Effective Date.

B. Any Dedicated Equipment purchased under this Section 8 will be free and clear of all liens, claims, and encumbrances (other than the lien of the Prepetition Term Lenders), and Customers will also be granted (for no additional consideration) a License as necessary to use and maintain the Designated Equipment. This Section 8 is not intended to limit any rights granted to Customers under their respective Purchase Orders, including rights concerning licensing and other Intellectual Property, but is intended to expand those rights.

C. Supplier acknowledges that the prices above constitute commercially reasonable prices for the Dedicated Equipment (including the related License) and the License and that any sale under this Section 8 will be deemed to be commercially reasonable in all respects, including method, time, place, and terms. Upon exercise of the Option and payment of the applicable purchase price, Customers will have the right

to take immediate possession of the Dedicated Equipment purchased, to use the License without further payment of any kind, and to own, operate, use, enjoy, sell, assign, transfer or convey the Dedicated Equipment (and related License), and Supplier agrees to cooperate with Customers in its taking possession and control of the Designated Equipment purchased and any embodiments of Intellectual Property in the License. In addition, at the request of Customers, the Supplier will execute documents that are customary and reasonably requested by Customers to memorialize and implement this Section 8; provided, however, that Customers' and Supplier's inability to reasonably agree on mutually acceptable documentation will not deprive Customers or their sub-licensees of the use and enjoyment of the License or Independent License, as applicable, or its ownership and right to possession of the Dedicated Equipment.

D. The Options described in this Section 8 are continuing rights and obligations that survive expiration of the Term or any earlier termination of this Agreement, but are subject to the applicable Customer's performance of all of its obligations under this Agreement.

9. **Events of Default.**

The occurrence of any one or more of the following will be an "Event of Default" under this Agreement, unless such event results from a Customer not performing its obligations under this Agreement or unless a waiver or deferral is agreed to in writing by the Customers.

A. Supplier repudiates or materially breaches its obligations, or refuses to perform its material obligations, under this Agreement or a Customer's Purchase Order, provided Customer is in compliance with its obligations the consequence of which is a substantial likelihood that Customer's production of Component Parts will be interrupted (in which case the Event of Default applies only to that Customer);

B. The Bankruptcy Filing is converted to a case under Chapter 7, or a trustee or examiner is appointed for the Supplier;

C. Supplier breaches or fails to meet any of the Milestones contained in Sections 3(b)(i-iv) under this Agreement.

D. An Event of Default occurs under the Financing Order then in effect that is not cured or stayed from enforcement within five business days following notice of the Event of Default, or the Lender otherwise ceases to make advances under the DIP Financing after the expiration of such five business day period for any reason other than a Customer's failure to fund its Participation under Section 4(A) above.

10. **Reservation of Rights**

Unless waived or modified in this Agreement, each party reserves and does not waive any claims, rights, and remedies that it may have under the Purchase Orders, any other agreements between or among the parties, or applicable law, and each party expressly reserves all claims, rights and remedies it has under this Agreement, the Purchase Orders, any other agreements between or among the parties and applicable law; provided however that in no event shall any such rights or remedies be asserted against a purchaser who has assumed any Purchase Orders in connection with a Sale.

11. **Confidentiality**

Each party agrees that it will not disseminate, disclose or communicate, either directly or indirectly, any of the information contained in or received by virtue of this Agreement to any person or entity other than its officers, directors, employees and professional advisors and other parties to this Agreement except (a) to enforce this Agreement or (b) as a party may reasonably believe to be required by applicable law. The parties will take all commercially reasonable steps to ensure that the contents of this Agreement are kept secret and confidential except as provided above. The foregoing restrictions shall not apply to the extent this Agreement must be disclosed or filed in Supplier's Chapter 11 Cases and such restrictions shall automatically expire upon such filing or disclosure.

12. **Notice**

Any notice must be in writing and will be deemed to be delivered at the time of delivery if delivered by hand, or at the time sent, if sent by fax or by email. Until changed by notice in the manner described above, the addresses of the parties for the purpose of notice will be:

If to Ford:	Ford Motor Company 20100 Rotunda Dr. Building #3, 3A-027 Dearborn, MI 48126 Attention: William Strong Fax: (313) 206-7044 Email: wstrong@ford.com
With a copy to:	Ford Motor Company Office of the General Counsel 1 American Rd., Ste. 416-A2 Dearborn, Michigan 48126 Attention: Daniella Saltz Fax: (313) 322-3804 Email: dsaltz@ford.com

and	Miller Canfield Paddock and Stone PLC 150 West Jefferson, Suite 2500 Detroit, MI 48226 Attention: Timothy A. Fusco Fax:(313) 496-7500 Email:fusco@millercanfield.com
If to GM:	General Motors Corporation 30009 Van Dyke Avenue P.O. Box 9025 Mail Code: 480-206-136 Warren, MI 48090-9025 Attention: Mark W. Fischer Fax: (586) 575-3404 Email: mfischer@gm.com
With copy to:	Honigman Miller Schwartz and Cohn LLP 2290 First National Building Detroit, MI 48226 Attention: Donald F. Baty, Jr. Fax: (313) 465-7315 Email: dbaty@honigman.com
If to Chrysler:	Chrysler LLC 800 Chrysler Drive CIMS 485-14-78 Auburn Hills, Michigan 48326 Attention: Sigmund Huber Director, Supplier Relations Facsimile: (248) 512-1771 Email: seh43@chrysler.com
With a copy to:	Chrysler LLC 1000 Chrysler Drive CIMS 485-14-78 Auburn Hills, Michigan 48326-2766 Attention: Kim R. Kolb Senior Staff Counsel Facsimile: (248) 512-1771 Email: krk4@chrysler.com
and:	Dickinson Wright PLLC 500 Woodward Avenue, Suite 4000 Detroit, Michigan 48226 Attention: James A. Plemmons Facsimile: (313) 223-3598

Email: jplemmons@dickinsonwright.com

If to Supplier:	Metaldyne Corporation 47603 Halyard Drive Plymouth, Michigan 48170-2429 Attention: David L. McKee Fax: (734) 207-6797 Email: davidmckee@metaldyne.com
With copy to:	Foley & Lardner LLP One Detroit Center 500 Woodward Ave., Suite 2700 Detroit, Michigan 48226-3489 Attention: Judy A. O'Neill Fax: (313) 234-2800 Email: joneill@foley.com
If to Lender, to:	Deutsche Bank AG, New York Branch 60 Wall Street New York, New York 10005 Attention: Enrique Landaeta Facsimile: (212) 797-4655
With a copy to:	White & Case LLP 1155 Avenue of the Americas New York, NY 10036 Attention: Eric Leicht and Scott Greissman Facsimile: (212) 354-8113 Email: eleicht@whitecase.com / sgreissman@whitecase.com

13. **General Terms**

A. Notwithstanding anything in this Agreement to the contrary, no Customer may enforce any obligation hereunder against Supplier, unless such Customer is in full compliance with all of its obligations under this Agreement.

B. This Agreement, together with any other documents executed in connection with this Agreement, constitute the entire understanding of the parties in connection with the subject matter of this Agreement. There are no written or oral representations or understandings that are not fully expressed in this Agreement or one of the other documents executed in connection with this Agreement. This Agreement may not be modified, altered or amended except by an agreement in writing signed by all parties.

C. The persons executing this Agreement as representatives warrant that they have the power and authority to execute this Agreement on behalf of the corporation or entity that they represent.

D. Supplier must obtain the consent of Customers to assign or transfer, directly or indirectly, any of its rights or obligations under this Agreement. Likewise, this Agreement is not intended for the benefit of any third parties other than the Prepetition Lenders.

E. The delay or failure of a Customer to exercise any right, power or privilege under this Agreement does not affect that right, power or privilege. Any single or partial exercise of any right, power or privilege does not preclude further exercise on another occasion. Waiver of any breach of any term of this Agreement or Purchase Order by any party does not waive any other breach of that or any other term by any party.

F. If any part of this Agreement is for any reason found to be unenforceable, all other parts of this Agreement nevertheless remain enforceable.

G. Supplier agrees that it will not enter into any other arrangements or agreements that would in any way materially impair Customers' rights under this Agreement.

H. Nothing in this Agreement may be interpreted to constitute Supplier as Customers' agent for any purpose.

I. This Agreement may be executed in any number of counterparts with the same effect as if all signatories had signed the same document. All counterparts will be construed together to constitute one instrument. The parties agree that their respective signatures may be delivered by fax or email and that fax or email signatures will be treated as originals for all purposes.

J. This Agreement must be construed – and its performance must be enforced – under internal Michigan law, without reference to its conflicts of laws principles. During the Chapter 11 Cases, the parties consent to the exclusive jurisdiction of the United States Bankruptcy Court for the Southern District of New York, as to any claim or proceeding over which it may have jurisdiction. Each party waives any objection to the exercise of jurisdiction over it by this court.

14. **REPRESENTATIONS. EACH PARTY HAD THE OPPORTUNITY TO CONSULT WITH COUNSEL OF ITS CHOICE BEFORE SIGNING THIS AGREEMENT. NO PARTY IS RELYING ON ANY REPRESENTATIONS, WARRANTIES OR COMMITMENTS THAT ARE NOT IN THIS AGREEMENT. ANY AMBIGUOUS LANGUAGE IN THIS AGREEMENT SHOULD NOT BE CONSTRUED AGAINST ANY PARTICULAR PARTY BECAUSE THAT PARTY DRAFTED THE LANGUAGE.**

15. **JURY TRIAL WAIVER. THE PARTIES ACKNOWLEDGE THAT THE RIGHT TO TRIAL BY JURY IS A CONSTITUTIONAL RIGHT, BUT THAT THIS RIGHT MAY BE WAIVED. EACH PARTY WAIVES ALL RIGHTS TO A TRIAL BY JURY OF ALL DISPUTES ARISING OUT OF OR IN RELATION TO THIS AGREEMENT OR THE PURCHASE ORDERS. NO PARTY WILL BE DEEMED TO HAVE RELINQUISHED ITS WAIVER OF JURY TRIAL UNLESS THAT PARTY DOES SO IN WRITING.**

[Signatures on next page]

[Signature page to Accommodation Agreement]

Metaldyne Corporation, on behalf of itself and its subsidiaries

By: _____

Name: _____

Title: _____

Ford Motor Company

By: _____

Name: _____

Title: _____

General Motors Corporation

By: _____

Name: _____

Title: _____

Chrysler LLC on behalf of itself and Chrysler Motors LLC

By: _____

Name: _____

Title: _____

Chrysler de Mexico S.A. de C.V.

By: _____

Name: _____

Title: _____

Deutsche Bank, AG

By: _____

Name: _____

Title: _____

EXHIBIT B

Other Customers

Other OEMs	Other Suppliers
Hyundai	Dana
Honda *	Magna
Nissan *	TRW
Mitsubishi	American Axle
	Federal Mogul
	Conti
	Cummins
	Navistar

*If not a participant in the DIP Facility

SUBORDINATED PARTICIPATION AGREEMENT (DIP FACILITY)

Subordinated Participation Agreement (this "Agreement"), dated as of May [__], 2009, among Deutsche Bank AG New York Branch ("DBNY"), in its capacity as DIP Agent under the DIP Facility referred to below (the "DIP Agent"), DBNY, in its capacity as DIP Lender under the DIP Facility (the "Granting Lender"), DBNY, in its capacities as Administrative Agent and Collateral Agent (collectively in such capacities, the "Prepetition ABL Agent") under the Prepetition ABL Credit Agreement referred to below and the other Prepetition ABL Loan Documents (as defined in the Interim Order referred to below) on behalf of the Prepetition ABL Lenders and the other Prepetition ABL Secured Parties (as each such term is defined in the Interim Order), Ford Motor Company ("Ford"), Chrysler LLC ("Chrysler") and General Motors Corporation ("General Motors" and, together with Ford and Chrysler, collectively, the "Participants" and each, a "Participant"). Capitalized terms used but not otherwise defined herein shall have the respective meanings ascribed to such terms in the Interim Order and any Final Order (as defined below).

W I T N E S S E T H:

WHEREAS, on May [__], 2009, Metaldyne Corporation, Metaldyne Company LLC (the "Borrower") and certain of its affiliates organized in the United States (collectively, the "Debtors") filed voluntary petitions in cases pending under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code") in the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court"), styled In re Metaldyne Corporation, et al., case no. [_____] (collectively, the "Case");

WHEREAS, pursuant to an interim order entered May [__], 2009, docket no. [_____] (the "Interim Order"), the Bankruptcy Court authorized the Borrower and the other Debtors to obtain credit and incur debt pursuant to Sections 363 and 364(c)(1), (2), (3) and (d)(1) of the Bankruptcy Code in the form of a secured, superpriority credit facility (the "DIP Facility") provided by the DIP Agent and the Granting Lender;

WHEREAS, the Granting Lender has agreed to sell and assign to the Participants, and the Participants have severally agreed to purchase from the Granting Lender, in accordance with the terms and conditions of this Agreement, for cash, at par, undivided, last-out, subordinated interests (each, a "Participation") in the DIP Loans to be made under the DIP Facility in accordance with the terms and conditions of this Agreement and the Orders;

WHEREAS, Metaldyne Intermediate Holdco, Inc., the Borrower, the Prepetition ABL Lenders parties thereto from time to time, the Prepetition ABL Agent, JPMorgan Chase Bank, N.A., as Syndication Agent, and Citicorp North America, Inc. and Wachovia Capital Finance Corporation (Central), as Co-Documentation Agents, are parties to that certain Credit Agreement, dated as of January 11, 2007 (as amended, modified and/or supplemented from time to time, the "Prepetition ABL Credit Agreement");

WHEREAS, the Prepetition ABL Agent is party to the Credit Facilities Intercreditor Agreement, dated as of January 11, 2007 (as amended, modified and/or supplemented from time to time, the "Intercreditor Agreement"), among the Prepetition ABL

Agent, the Prepetition Term Agent and certain of the Debtors, which, among other things, sets forth certain rights concerning the Prepetition Collateral; and

WHEREAS, the Prepetition ABL Agent, DBNY, as Incremental Lender (as defined in the Prepetition ABL Credit Agreement) (in such capacity, the "Prepetition ABL Granting Lender"), and Ford, Chrysler and General Motors, as participants in the Incremental Loans (as defined in the Prepetition ABL Credit Agreement), are parties to a Subordinated Participation Agreement, dated as of May 22, 2009 (as amended, modified and/or supplemented from time to time, the "Prepetition Subordinated Participation Agreement");

NOW THEREFORE, for valuable consideration, the parties hereto agree as follows:

1. Defined Terms.

(a) As used herein, the following terms shall have the following meanings (such meanings to be equally applicable to both the singular and plural forms of the terms defined):

"Agent" shall mean DBNY in its collective capacities as the DIP Agent and as the Prepetition ABL Agent.

"DIP Documents" shall mean the Orders (as they relate to the DIP Facility and the DIP Obligations), the Intercreditor Agreement and any other documentation in respect of the DIP Facility.

"Final Order" shall mean any final order entered by the Bankruptcy Court approving the DIP Facility, the DIP Documents and the related transactions.

"Lenders" shall mean the collective reference to the DIP Lender and the Prepetition ABL Lenders.

"Loans" shall mean the collective reference to the DIP Loans and the Prepetition ABL Loans.

"Obligations" shall mean the collective reference to the Prepetition ABL Obligations, the DIP Obligations, the Adequate Protection Superpriority Claims of the ABL Secured Parties, the Participations with respect to the DIP Obligations and the Participations (as defined in the Prepetition Subordinated Participation Agreement) with respect to the Incremental Loans.

"Orders" shall mean the Interim Order, any Final Order and any further orders of the Bankruptcy Court that are approved by the parties hereto and relate to the Obligations.

"Secured Parties" shall mean the collective reference to the DIP Secured Parties and the Prepetition ABL Secured Parties.

"Senior Obligations" shall mean the collective reference to (i) the Prepetition ABL Obligations (including (x) any and all indebtedness, obligations or liabilities for which the Borrower or any other Debtor would otherwise be liable to the Prepetition ABL Secured Parties under or in connection with the Prepetition ABL Loan Documents were it not for the invalidity, irregularity or unenforceability thereof by reason of any bankruptcy, insolvency or other law or order of any kind, or for any other reason, and (y) all fees, costs and expenses due to the Prepetition ABL Agent or any other Prepetition ABL Secured Party from any Debtor under the Prepetition ABL Loan Documents and the Orders, but excluding (z) the Incremental Loans), (ii) the Adequate Protection Superpriority Claims of the Prepetition ABL Secured Parties and (iii) all fees, costs and expenses of, all indemnities in favor of, and all protective advances made as permitted pursuant to the Orders by, the DIP Agent and the Granting Lender in their capacities as DIP Agent and DIP Lender, respectively, arising out of or in connection with the DIP Facility or the DIP Documents (including fees and disbursements of counsel and any expenses paid to protect or enforce on DIP Collateral).

(b) All references to a "Participant" or "Participants" in Section 7 and elsewhere in this Agreement refer to the Participants solely in their capacities as assignees of the undivided, last-out, subordinated participations in the DIP Loans under the DIP Documents and this Agreement, and not in their capacities as customers, account debtors or in any other capacity or capacities or in any other relationship any Participant may have with any of the Debtors. Nothing in this Agreement affects the rights, powers, and privileges of the Participants acting in any other capacity or capacities. References to the Borrower and any other Debtor include the Borrower and such Debtor, and any trustee or successor in interest of the Borrower or such Debtor, in the Case or any subsequent or successor case commenced or continued under the Bankruptcy Code or in any other Insolvency Proceeding (as defined below).

2. Participation Commitments. The Granting Lender absolutely and unconditionally agrees to sell to the Participants an undivided, last-out, subordinated participation in its share of each advance of the DIP Loans in accordance with the terms of this Agreement. To the extent the Borrower requests DIP Loans in accordance with the Budget or the Orders, each Participant shall purchase from the Granting Lender a Participation in the DIP Loans in an amount equal to the percentage of the DIP Loans set forth opposite its name on attached Schedule I ("Participation Percentage") up to the aggregate amount set forth opposite its name on attached Schedule I ("Participation Cap"). The obligations of each Participant to purchase Participations shall be several and not joint and shall be limited to its respective Participation Percentage and Participation Cap.

3. Funding of Participations. Each Participant or its designee will pay to the DIP Agent for credit to the Granting Lender in immediately available funds an amount equal to such Participant's Participation Percentage in each advance of the DIP Loans (each such amount a "Participation Amount") at least one business day prior to the date the DIP Loans are advanced by the Granting Lender. The DIP Agent is not obligated to advance the proceeds of a request for an advance of the DIP Loans by the Borrower unless and until the Participants shall have paid to the DIP Agent in immediately available funds their respective Participation Amounts such that the aggregate amount of such Participation Amounts equals the aggregate principal amount of

the DIP Loans so requested by the Borrower (in which case it will advance the DIP Loans promptly after receipt in immediately available funds of such Participation Amounts).

4. Effect of the Participations.

(a) Without further action by the DIP Agent or the Granting Lender, execution and delivery of this Agreement and receipt by the DIP Agent on behalf of the Granting Lender of a payment for a Participation shall constitute the Granting Lender's sale and assignment and the Participants' purchase of a Participation and shall confer on the Participants with respect to the Participation, undivided, last-out, subordinated interests in the DIP Loans made by the Granting Lender to the Borrower and, through the Granting Lender, in all the rights and benefits of the Granting Lender under the provisions of the DIP Documents (including any and all support and collateral security for the DIP Loans), subject to the terms of this Agreement and the DIP Documents.

(b) The interests of the Participants in the DIP Loans shall in all respects be subject to the subordination provisions contained in Section 6 and the other limitations provided in this Agreement.

(c) Subject to the terms of the Orders, the Agent, on behalf of the Lenders and the other Secured Parties, shall have the right to apply payments of any kind from any source, including the proceeds of any DIP Collateral, to the payment of the Senior Obligations until the Payment-in-Full of All Senior Obligations (as defined below), in any manner in the Agent's sole and unfettered discretion before making any payments whatsoever to the Participants.

5. Administration of the Loans and the Other Obligations.

(a) Until the Payment-in-Full of All Senior Obligations, (i) except as otherwise expressly provided in this Agreement (including Section 5(b) below), the DIP Agent, the Granting Lender and the other DIP Secured Parties shall have the right to manage, perform, and enforce the terms of the DIP Documents, and to exercise and enforce all of the privileges and rights exercisable by it or them under the DIP Documents, in its or their sole discretion, without the concurrence of the Participants and (ii) except as otherwise expressly provided in this Agreement or the Prepetition Subordinated Participation Agreement, the Prepetition ABL Agent, the Prepetition ABL Lenders and the other Prepetition ABL Secured Parties shall have the right to manage, perform, and enforce the terms of the Prepetition ABL Loan Documents, and to exercise and enforce all of the privileges and rights exercisable by it or them under the Prepetition ABL Loan Documents, in its or their sole discretion, without the concurrence of the Participants, including, without limitation, the right to amend any of the Prepetition ABL Loan Documents, to amend, modify, waive, terminate, or release any of the Prepetition ABL Obligations of the Borrower or any other Debtor or to release any Collateral securing the Prepetition ABL Loans or any other Prepetition ABL Obligations.

(b) Notwithstanding the foregoing or anything else in this Agreement to the contrary, the Granting Lender and the DIP Agent, on behalf of itself, the Granting Lender and the other DIP Secured Parties, each agrees that it shall not, without the prior written consent of the Participants, agree to: (i) release the Borrower or any of the other Debtors from its

obligations with respect to the DIP Loans or the other DIP Obligations, (ii) reduce the principal amount of the DIP Loans or the amount of any other DIP Obligations, (iii) reduce the interest rate applicable to the DIP Loans, (iv) increase the amount of the Granting Lender's commitment to extend credit pursuant to the DIP Facility, (v) amend or modify, or consent to any amendment or modification of, any of the DIP Documents, (vi) amend or modify the Intercreditor Agreement in any respect (other than immaterial technical amendments that do not affect the rights or recoveries of the Participants under this Agreement, the DIP Documents or the Intercreditor Agreement), (vii) waive, modify or amend any of the provisions of the Orders or the Budget, (viii) release, or subordinate, any Lien against any portion of the DIP Collateral constituting ABL Priority Collateral securing the DIP Loans in connection with a sale, disposition or other transaction that involves all or any portion of such DIP Collateral and a "credit bid" within the meaning of Section 363(k) of the Bankruptcy Code for all or any portion of the purchase price (each, a "Credit Bid Disposition"), except in connection with a sale, disposition or other transaction in which the Credit Bid Rights (as defined in the Intercreditor Agreement) are given effect, (ix) release, or subordinate, any Lien against any portion of the DIP Collateral constituting ABL Priority Collateral securing the DIP Loans in connection with any financing (other than the Loans and any financing permitted by the Orders) (any such financing, an "Other Financing") or (x) release, or subordinate, any Lien against any portion of the DIP Collateral securing the DIP Obligations (other than in connection with (1) a sale, disposition or other transaction made or consummated in the ordinary course of business and not otherwise prohibited by the terms of the DIP Documents, (2) a Credit Bid Disposition subject to clause (viii) above or (3) an Other Financing subject to clause (ix) above), unless, prior to any such release or subordination by the DIP or the Granting Lender, each Participant is first given 10 business days' prior written notice thereof (during which 10 business day period prior to such release or subordination the Participants may effect a purchase of all (and not less than all) Prepetition ABL Obligations (other than Incremental Loans and all accrued but unpaid interest thereon) in accordance with the requirements of Sections 16 and 17 and take (or cause to be taken) all actions described in Section 17). For the avoidance of doubt, except as expressly set forth in this clause (b) of this Section 5 or the Orders, the Participants shall have no consent or voting rights whatsoever.

(c) The DIP Agent shall promptly notify the Participants of any failure by any one or more of the Participants to fund any Participation.

(d) The DIP Agent shall furnish to the Participants the same information provided to the Granting Lender with respect to advances, payments, principal balances, accrued interest and other reporting concerning the DIP Loans, together with copies, as and to the extent provided to the Granting Lender, of all amendments, modifications, notices, certificates, reports, and other agreements, documents or instruments made or given in connection with the DIP Loans and the DIP Documents.

(e) This Agreement shall not be construed to create a fiduciary relationship between the Secured Parties or the Agent, on the one hand, and any Participant, on the other hand. Each Participant acknowledges and agrees that the Granting Lender's or the DIP Agent's actions under this Agreement are strictly administrative and any repayment of principal or interest or other amount to any Participant is solely dependent upon the Borrower and the other Debtors. Except for willful misconduct or actual fraud, each Participant exonerates the Secured

Parties and the Agent of and from any obligation or liability, express or implied, for any loss, depreciation of or failure to realize upon the Loans or any other Obligations, or any DIP Collateral securing the Loans or any other Obligations, or for failure to collect or receive payments of any sums owing from the Borrower or any other Debtor or for any mistake, omission, or error of judgment in passing upon or accepting the Loans or any other Obligations, the DIP Collateral, if any, any DIP Documents or the Prepetition ABL Loan Documents, or in making of any advances of monies or extensions of credit to the Debtors, or in making any examinations, audits or reviews of the affairs of the Debtors or the DIP Collateral, or in granting to the Debtors extensions of time for payment of the Loans or any other Obligations or in administering or monitoring the DIP Collateral for the Loans or any other Obligations. Moreover, the Granting Lender and the DIP Agent do not assume and do not have any obligation or liability and undertake no guaranties, express or implied, with respect to the existing or future financial worth or responsibility of the Borrower, any other Debtor or of any of the account debtors of the Borrower or any other Debtor, with respect to the genuineness or value of the DIP Collateral or with respect to the payment or the collectability of the DIP Loans or any other DIP Obligations.

6. Subordinate Participation. No Participant shall be entitled to any monies or other consideration received by the Agent, the Lenders or the other Secured Parties in accordance with the provisions of the DIP Documents or the Prepetition ABL Loan Documents, whether directly or indirectly, from the sale or liquidation of any DIP Collateral or otherwise, in reduction of its respective Participation unless and until all Senior Obligations (including, without limitation (x) the cash collateralization in an amount and manner, and on terms, satisfactory to the Prepetition ABL Agent) of all LC Exposure in respect of Letters of Credit (as each such term is defined in the Prepetition ABL Credit Agreement), (y) all contingent Senior Obligations (including, without limitation, contingent Senior Obligations in respect of any indemnity or any pending or threatened litigation) and (z) all other costs, expenses, consultants' fees and reasonable attorneys' fees) have been irrevocably repaid in full in cash, or cash collateralized in an amount, manner, and on terms, acceptable to the Agent, and the Debtors' right to use Cash Collateral (as defined below) has been terminated (the "Payment-in-Full of All Senior Obligations"). If at any time prior to written notice by the Agent to the Participants that the Payment-in-Full of All Senior Obligations has occurred, any Participant shall receive from any source whatsoever (whether the Borrower, another Debtor or otherwise (except (a) payments among the Participants of amounts received not in contravention of this Agreement and (b) as a result of the exercise by the Participants of set-off rights to the extent permitted by Section 15)) any payment on account of their Participations in the DIP Loans or otherwise in respect of the DIP Obligations, such Participant shall hold such payment in trust for the Secured Parties and promptly pay over to the Agent on behalf of the Secured Parties such payment in the form received with any necessary endorsements. The DIP Agent and the Granting Lender will have the right, in their sole and absolute discretion, to hold funds collected on account of the DIP Obligations and not remit them to the Participants in the event the DIP Agent or the Granting Lender has reason to believe that the Agent or any Lender will be required to defend claims or disgorge for any reason any amounts paid to it or will extend additional Loans or incur any other Senior Obligations (including attorneys' fees or other expenses). If any Secured Party is required to disgorge any amounts it has received on account of the Senior Obligations, the Participants shall immediately reimburse such Secured Party for the amount that such Secured Party was required to disgorge, limited to the amount of distributions received by the Participants

on account of their Participations through the date of such disgorgement. For the avoidance of doubt, once the DIP Loans are funded by the Participants, no monies or other consideration shall be paid to, or received by, any Participant in respect of the DIP Obligations or its Participation (except as a result of the exercise by the Participants of set-off rights to the extent permitted by Section 15), until the Payment-in-Full of All Senior Obligations shall have occurred.

7. Agreements Regarding Insolvency Proceedings.

(a) In connection with (i) the Case, (ii) any subsequent or successor case commenced or continued under the Bankruptcy Code with respect to any Debtor, (iii) any other federal, state or foreign bankruptcy, insolvency, reorganization or other law affecting creditors' rights or any other or similar proceedings seeking any stay, reorganization, arrangement, composition or readjustment of the obligations and indebtedness of any Debtor, (iv) any other proceeding seeking the appointment of any trustee, receiver, liquidator, custodian or other insolvency official with similar powers with respect to any Debtor or any of its assets, (v) any other proceeding for liquidation, dissolution or other winding up of the business of any Debtor or (vi) any assignment for the benefit of creditors or any marshalling of assets of any Debtor (any of the events referred to in preceding clauses (i) through (v), an "Insolvency Proceeding"), the agreements contained in this Agreement shall remain in full force and effect and enforceable pursuant to their terms. No payment or other realization or recovery of any amounts or other consideration on account of the Participations (except as a result of the exercise by the Participants of set-off rights to the extent permitted by Section 15) shall be received or retained by any of the Participants unless and until the Payment-in-Full of All Senior Obligations shall have occurred, including, without limitation, the payment in full in cash of all interest, fees, costs and expenses of the Prepetition ABL Agent, the Prepetition ABL Lenders and the other Prepetition ABL Secured Parties during the pendency of any Insolvency Proceeding, regardless of whether such interest, fees, costs and expenses are allowed or allowable by the Bankruptcy Court or any other bankruptcy court.

(b) No Participant shall contest, challenge, or object to any claim by the Agent, any Lender or any other Secured Party against the Borrower or any other Debtor (including any claim under 11 U.S.C. § 506(b)) or the extent, validity, perfection, or priority of the liens held by the Agent, any Lender and/or any other Secured Party as security for the Loans or other Obligations.

(c) Until the Payment-in-Full of All Senior Obligations, the Participants agree that the Agent may consent to the sale or foreclosure or disposition of any or all of the DIP Collateral (including any DIP Collateral subject to the adequate protection Liens of the Agent) in the Case or any other Insolvency Proceeding, whether such sale or disposition is to be made pursuant to Section 363 of the Bankruptcy Code, pursuant to a plan of reorganization or otherwise, and the Participants shall be deemed to have consented to any such sale or disposition and all of the terms applicable thereto; provided that, other than in connection with a Credit Bid Disposition, prior to any such sale, foreclosure or disposition (other than in connection with a sale, foreclosure or disposition made in the ordinary course of business and and not otherwise prohibited by the terms of the DIP Documents), each Participant is first given 10 business days' prior written notice thereof (during which 10 business day period prior to such transaction the Participants may effect a purchase of all (and not less than all) Prepetition ABL Obligations

(other than the Incremental Loans and all accrued but unpaid interest thereon) and take (or cause to be taken) all actions described in Section 17; and, provided, further, that in the case of a Credit Bid Disposition, the Agent, on behalf of itself and the Secured Parties, and the Secured Parties may not consent to the sale or other disposition without the prior written consent of the Participants, unless the Credit Bid Rights (as defined in the Intercreditor Agreement) are given effect.

(d) If, in any Insolvency Proceeding, the Agent desires to permit use of any DIP Collateral (including any Cash Collateral (as defined in Section 363(a) of the Bankruptcy Code)), or permit or provide additional financing under either Section 363 or 364 of the Bankruptcy Code (an "Additional DIP Financing"), then, so long as the terms of the Additional DIP Financing are permitted by the Orders and Section 5(b)(ix) of this Agreement, the Participants agree that no objection shall be raised by any of the Participants to such Additional DIP Financing or use of DIP Collateral, including any objection based on lack of adequate protection.

(e) Until the Payment-in-Full of All Senior Obligations, no Participant shall (i) seek relief from the automatic stay or any other stay in any Insolvency Proceeding in respect of the DIP Collateral, without the prior written consent of the Agent or (ii) oppose any request by the Agent to seek relief from the automatic stay or any other stay in any Insolvency Proceeding in respect of the DIP Collateral.

(f) In the Case or any other Insolvency Proceeding, no Participant shall object to any adequate protection sought by the Agent, the Lenders and the other Secured Parties.

(g) The Participants agree that, until the Payment-in-Full of All Senior Obligations, no Participant shall be entitled to benefit from any avoidance action affecting or otherwise related to any distribution or allocation made in respect of any of the Obligations, whether by preference or otherwise, it being understood and agreed that the benefit of such avoidance action otherwise allocable to them shall instead be allocated and turned over for application to the Senior Obligations until the Payment-in-Full of All Senior Obligations shall have occurred.

(h) In the Case or any other Insolvency Proceeding, the Participants shall not be entitled to separate classification in such Insolvency Proceeding or in any plan of reorganization in such Insolvency Proceeding or to vote on account of any claim that they may have or to accept or reject any plan of reorganization or disclosure statement.

(i) Each Participant hereby waives any claim such Participant may have against the Agent arising out of the election of the Agent for the application of Section 1111(b)(2) of the Bankruptcy Code and agrees to make no election under Section 1111(b)(2) of the Bankruptcy Code in respect of its interest in the DIP Collateral without the consent of the Agent.

(j) The Participants agree that each of them shall take such further action and shall execute and deliver such additional documents and instruments (in recordable form, if requested) as the Agent may reasonably request to effectuate the provisions of this Section 7.

8. Interest Payments and Other Charges. Interest on the Participations outstanding from time to time shall accrue at the interest rate provided for DIP Loans under (and shall otherwise be calculated in accordance with) the DIP Documents and shall be paid by adding such accrued interest to the aggregate amount of the Participations. Accordingly, until the Payment-in-Full of All Senior Obligations, the Participants shall not receive (or be entitled to receive) payments of cash interest on the Participations. Any fees, late charges, expense reimbursements, indemnification payments, or other amounts owing to the Granting Lender in connection with the DIP Facility shall, to the extent attributable to the Participations and not constituting a Senior Obligation, be payable to the Participants only after the Payment-in-Full of All Senior Obligations shall have occurred.

9. Payments to Participants. To the extent that the Participants are entitled to receive any payment on account of the Participations after the Payment-in-Full of All Senior Obligations, those payments shall be paid to the Participants in accordance with their Participation Percentages; provided that no Participant shall receive more than the ratio of (a) the aggregate outstanding Participation Amount funded by such Participant, to (b) the aggregate outstanding Participation Amounts funded by all the Participants.

10. Acceptance of Risk. Each Participant represents to the Agent, the Lenders and the other Secured Parties that it accepts (and is able to bear) the financial risks inherent in the Participation and does not foresee the occurrence of any event that would alter that ability. Further, each Participant accepts the full risk of nonpayment of the Participation it may acquire under this Agreement and agrees that none of the Agent, any Lender or any other Secured Party shall be responsible for the performance or observance by the Borrower or any other Debtor of any of the terms, covenants, or conditions of the DIP Documents or the Prepetition ABL Loan Documents.

11. Characterization. Each Participant acknowledges that the sale of the Participation it may acquire is being made at its request and is the purchase of an undivided, last out, subordinated interest in an ordinary debt and related collateral security, if any, and is not and shall not be construed to be a "security" as that term is defined under any applicable state or federal securities laws.

12. Credit Investigation. Each Participant acknowledges that it had an opportunity to make such review and investigation as it and its attorneys and advisors believe to be necessary to enable such Participant to make an independent, informed judgment with respect to the creditworthiness of the Debtors, the value and extent of the DIP Collateral, the Agent's and the other Secured Parties' rights against the Borrower and the other Debtors and their respective assets and the desirability of purchasing the Participation. Each Participant acknowledges that it is experienced and knowledgeable in financial matters, and that it is not purchasing the Participation for purposes of investment gain (other than the possible payment of interest thereon), and that it has all necessary information to make an independent, informed judgment with respect to the financial status and condition of the Debtors. The Agent and the other Secured Parties have no duty or responsibility, either initially or on a continuing basis, to provide any Participant with any credit or other information. The Agent and the other Secured Parties are not responsible to any Participant for any recital, statement, information, representation or warranty whether oral or in any agreement, document, certificate or statement

delivered in or in connection with the DIP Documents or the Prepetition ABL Loan Documents. The Agent and the other Secured Parties are not required to make any inquiry concerning the performance or observance of any terms of the DIP Documents, the Prepetition ABL Loan Documents, the Debtors' financial condition or the existence of any default or event of default under any of the foregoing.

13. No Restriction on Rights. Nothing in this Agreement shall be construed to limit or restrict the Agent, the Lenders or the other Secured Parties from in any way exercising any rights or remedies arising under the DIP Documents or the Prepetition ABL Loan Documents, as applicable, or any documents or agreements executed by the Borrower or any other Debtor or provided for under applicable law, except to the extent otherwise expressly provided in this Agreement or (in the case of the Prepetition ABL Secured Parties) the Prepetition Subordinated Participation Agreement. No Participant shall have any direct claim against the Debtors or any right to enforce any of the terms of the DIP Documents, including, but not limited to, exercising any rights or remedies arising under the Orders or any documents or agreements executed by the Borrower or any other Debtor or provided for under applicable law, unless and until (a) the Payment-in-Full of All Senior Obligations shall have occurred, (b) the DIP Agent and the Granting Lender shall have assigned their respective rights and obligations under the DIP Documents to the Successor DIP Agent (as defined below) or the Participants, as applicable, in accordance with Section 17 of this Agreement and (c) the Prepetition ABL Agent and the Prepetition ABL Secured Parties shall have assigned their respective rights and obligations under the Prepetition ABL Documents to the Successor Prepetition ABL Agent (as defined below) or the Participants, as applicable, in accordance with Sections 16 and 17 of this Agreement. Until such time, (i) all rights, remedies, and privileges with respect to the DIP Loans and the other DIP Obligations may be exercised only by the DIP Agent on behalf of DIP Lender and the other DIP Secured Parties and, except to the extent otherwise provided in this Agreement, without any requirement of consent or approval of the Participants and (ii) all rights, remedies, and privileges with respect to the Prepetition ABL Loans and the other Prepetition ABL Obligations may be exercised only by the Prepetition ABL Agent on behalf of Prepetition ABL Lenders and the other Prepetition ABL Secured Parties and, except to the extent otherwise provided in this Agreement, the Prepetition Subordinated Participation Agreement or the Orders, without any requirement of consent or approval of the Participants.

14. Further Assignments and Participations. Each Participant agrees not to sell, assign or transfer, in whole or in part, its Participation or its respective undivided, last out, subordinate interest in the Incremental Loans without the prior written consent of the Administrative Agent; provided that no such consent shall be required (i) for any transfer to another Participant, (ii) for any transfer to an affiliate that is a wholly-owned subsidiary of a Participant or its parent, or (iii) in the event of assignment or transfer resulting from the merger, consolidation, or other change in control of a Participant so long as the surviving entity assumes or is obligated under this Agreement as a matter of law.

15. Setoffs by Participants. Until the Payment-in-Full of All Senior Obligations, no Participant shall set off or recoup any amounts owing to it by either the Borrower or any other Debtor on account of such Participant's purchase of its Participations against any amounts owing by such Participant to the Borrower or any other Debtor, except to the extent

permitted pursuant to the Accommodation Agreement or the NCM Production Contract (as each such term is defined in the Orders).

16. Option to Purchase Obligations. Subject to compliance with Sections 17(c), (d) and (e) below, each ABL Secured Party agrees that until the Payment-in-Full of All Senior Obligations (other than the obligations referred to in clause (iii) of the definition thereof), the Participants (or any one or more of them) shall have the option to purchase by way of assignment (and thereby assume all duties of the Secured Parties not terminated pursuant to Section 17(c) or (e) below) all, but not less than all, of the Prepetition ABL Loans and other Prepetition ABL Obligations (other than the Incremental Loans and accrued but unpaid interest thereon) by prior written notice of not less than 10 business days to the Prepetition ABL Agent (which notice, once given, shall be irrevocable and fully binding on the Participants). Such purchase shall be carried out within 10 business days of the delivery of such notice pursuant to (x) in the case of the Prepetition ABL Loans, the terms of the Prepetition ABL Credit Agreement for assignments by the Prepetition ABL Lenders as set forth in Section 9.04 thereof or (y) in the case of the other Prepetition ABL Obligations, such other arrangements and documentation as are reasonably satisfactory to the Prepetition ABL Agent, and shall be for a cash purchase price that will result in the Payment-in-Full of All Senior Obligations (other than the obligations referred to in clause (iii) of the definition thereof) in accordance with the terms of the Prepetition ABL Loan Documents (i.e., at par in the case of principal). By their acknowledgements to this Agreement, the Borrower and the other Debtors hereby consent to the assignment to the Participants on such terms and hereby agree that any such sale shall release the Prepetition ABL Secured Parties from all of their obligations under the Prepetition ABL Loan Documents (other than (x) any remaining rights and obligations of the Prepetition ABL Agent and the Prepetition ABL Granting Lender with respect to Incremental Loans and (y) any remaining rights or obligations of a Prepetition ABL Secured Party as an Issuing Bank (as defined in the Prepetition ABL Credit Agreement) or a provider of cash management services, which expressly survive in connection with agreements contemplated by Section 17(d) and (e) below).

17. Assignment of DIP Documents and Prepetition ABL Loans.

(a) At the request of the Participants following (or concurrently with) the Payment-in-Full of All Senior Obligations, (i) the Granting Lender shall assign all of its rights and obligations as DIP Lender under the DIP Documents (including any outstanding DIP Loans and its commitment to extend credit under the DIP Facility) to the Participants jointly (i.e., elevate the Participations to DIP Loans), (ii) the DIP Agent shall assign all of its rights and obligations under the DIP Documents in its capacity as such to the Successor DIP Agent, (iii) DBNY, in its capacity as the Prepetition ABL Granting Lender, shall assign all of its rights and obligations as Incremental Lender under the Prepetition ABL Credit Agreement (including any outstanding Incremental Loans) to the Participants jointly (i.e., elevate the Participations to Incremental Loans), and (iv) the Prepetition ABL Agent shall assign all of its rights and obligations under the Prepetition ABL Loan Documents in its capacity as such to the Successor Prepetition ABL Agent; provided that, in connection with (and as a condition to) the foregoing, the Participants shall first pay in full in cash all Senior Obligations of the type described in clause (iii) of the definition thereof then owing to the DIP Agent and the DIP Lender. The foregoing assignments shall be (i) evidenced by documentation reasonably satisfactory to the DIP Agent, the Granting Lender, the Prepetition ABL Agent or the Prepetition ABL Granting

Lender and (ii) made without recourse to the DIP Agent, the Granting Lender, the Prepetition ABL Agent and the Prepetition ABL Granting Lender, and without representation or warranty of any nature or kind by the DIP Agent, the Granting Lender, the Prepetition ABL Agent or the Prepetition ABL Granting Lender.

(b) At the time of (and as a condition to) any assignment under Section 17(a) and at the time of any exercise by the DIP Agent of its right of resignation pursuant to Section 17(f) below, the Participants shall designate a new administrative agent under the DIP Facility (a "Successor DIP Agent"), which Successor DIP Agent shall succeed to and become vested with all the rights, powers, privileges and duties of the retiring DIP Agent, and the retiring DIP Agent shall promptly transfer to such Successor DIP Agent all sums held by it, together with all records and other documents reasonably necessary or appropriate in connection with the performance of the duties of such Successor DIP Agent, whereupon such retiring DIP Agent shall be discharged from its duties and obligations as DIP Agent under the DIP Documents. After the retiring DIP Agent's resignation as DIP Agent, all of the provisions of the DIP Documents which are for the benefit of the DIP Agent shall remain in full force and effect and inure to the retiring DIP Agent's benefit as to any actions taken or omitted to be taken by it while it was DIP Agent.

(c) At the time of (and as a condition to) any assignment under Section 17(a) and any exercise of the option to purchase set forth in Section 16 above, the Participants shall designate a new Prepetition ABL Agent (a "Successor Prepetition ABL Agent"), which Successor Prepetition ABL Agent shall succeed to and become vested with all the rights, powers, privileges and duties of the retiring Prepetition ABL Agent, and the retiring Prepetition ABL Agent shall promptly (i) transfer to such Successor Prepetition ABL Agent all sums and possessory Collateral held by it under the Prepetition ABL Security Documents, together with all records and other documents reasonably necessary or appropriate in connection with the performance of the duties of such Successor Prepetition ABL Agent under the Prepetition ABL Loan Documents, and (ii) execute and deliver to such Successor Prepetition ABL Agent such amendments to financing statements, and take such other actions, as may be reasonably necessary in connection with the assignment to such Successor Prepetition ABL Agent of the security interests created under the Prepetition ABL Security Documents, whereupon such retiring Prepetition ABL Agent shall be discharged from its duties and obligations under the Prepetition ABL Credit Agreement and the other Prepetition ABL Loan Documents. After the retiring Prepetition ABL Agent's resignation as Prepetition ABL Agent, all of the provisions of the Prepetition ABL Loan Documents which are for the benefit of the Prepetition ABL Agent shall remain in full force and effect and inure to the Prepetition ABL Agent's benefit as to any actions taken or omitted to be taken by it while it was Prepetition ABL Agent. The provisions of this Section 17(c) are intended to supplement (but not supersede) the resignation provisions of the Prepetition ABL Agent contained in Article VIII of the Credit Agreement.

(d) At the time of (and as a condition to) any exercise of the option to purchase set forth in Section 16 above, the Participants shall designate a new Issuing Bank under the Prepetition ABL Credit Agreement and the other Prepetition ABL Loan Documents which successor Issuing Bank shall succeed to and become vested with all the rights, powers, privileges and duties of the retiring Issuing Bank and the retiring Issuing Bank shall be discharged from its duties and obligations under the Prepetition ABL Credit Agreement; provided, that, in lieu of such replacement of the existing Issuing Bank, the Participants may (i) cash collateralize the then

outstanding Letters of Credit (as defined in the Prepetition ABL Credit Agreement) on terms, and pursuant to documentation, satisfactory to the Issuing Bank in an amount at all times equal to 102% of the face amount of such Letters of Credit (after giving effect to the application of any such cash collateral to amounts from time to time payable in respect of Letters of Credit pursuant to the Prepetition ABL Credit Agreement (including, without limitation, fees accruing pursuant to Section 2.11(b) thereof)) and (ii) indemnify and hold the Issuing Bank harmless from any other liability in connection with the Issuing Bank continuing to serve as the Issuing Bank under the Prepetition ABL Credit Agreement and the other Prepetition ABL Loan Documents (which shall be evidenced pursuant to an agreement reasonably satisfactory to the existing Issuing Bank); provided, however, that the foregoing shall not be construed to limit the right of the existing Issuing Bank to resign as Issuing Bank in accordance with the terms of the Prepetition ABL Credit Agreement, in which case existing Letters of Credit issued by the existing Issuing Bank shall not be required to be immediately replaced but the existing Issuing Bank shall not be required to issue any further Letters of Credit and shall maintain all of its rights as Issuing Bank with respect to any Letters of Credit issued by it prior to such date of resignation. After the retiring Issuing Bank's resignation as Issuing Bank, all of the provisions of the Prepetition ABL Credit Agreement and the other Prepetition ABL Loan Documents which are for the benefit of the Issuing Bank shall remain in full force and effect and inure to the retiring Issuing Bank's benefit as to any actions taken or omitted to be taken by it while it was Issuing Bank under the Prepetition ABL Credit Agreement and other Prepetition ABL Loan Documents.

(e) Prior to (and as a condition to) the exercise of the option to purchase set forth in Section 16 above, all commitments to extend credit under the Prepetition ABL Credit Agreement, all Hedging Agreements (as defined in the Prepetition ABL Credit Agreement) entered into with Prepetition ABL Secured Parties (if any) and all agreements with Prepetition ABL Secured Parties to provide cash management services giving rise Cash Management Obligations (as defined in the Prepetition ABL Credit Agreement) shall have terminated in accordance with their terms (or, in the case of agreements to provide cash management services, cash collateral and other indemnification arrangements satisfactory to the Prepetition ABL Secured Party providing such cash management services shall have been entered into among such Prepetition ABL Secured Party and the Participants).

(f) The DIP Agent may at any time in its discretion, upon 15 business days' prior notice to the Participants, resign from its duties as DIP Agent under the DIP Documents, in which case the DIP Agent and the Participants agree to promptly take the actions described in Sections 17(a)(ii) and (b).

18. Reimbursement of Expenses. Each Participant agrees (which agreement shall survive any termination of its Participation) to reimburse the DIP Agent on behalf of the Granting Lender for its "Pro Rata Share" (being defined as the percentage determined by dividing the amount of the Participant's Participation by the aggregate amount of the DIP Obligations) of all reasonable out-of-pocket expenses (including reasonable attorneys' fees) incurred by the DIP Agent and the Granting Lender after the effective date of this Agreement in connection with the DIP Obligations for and on behalf of the DIP Secured Parties and the Participants or with an Event of Default or in enforcing the obligations of the Borrower or any other Debtor in respect of the DIP Facility to the extent that the Granting Lender and the DIP Agent are not reimbursed by the Borrower or the other Debtors. If the DIP Agent requests

instructions from the Participants with respect to any act or action (including failure to act) in connection with this Agreement or any other DIP Document, the DIP Agent shall be entitled to refrain from such act or taking such action unless and until the DIP Agent shall have received instructions in a writing signed by all of the Participants and shall not incur liability to any Participant by reason of so refraining. Without limiting the foregoing, no Participant shall have any right of action whatsoever against the DIP Agent as a result of the DIP Agent acting or refraining from acting hereunder or under any other DIP Document in accordance with the instructions of the Participants. If any indemnity furnished to the Granting Lender and the DIP Agent in Section 19 below shall become impaired, they or it may call for additional indemnity and cease to do the acts indemnified against until such additional indemnity is given. Notwithstanding anything to the contrary in this Agreement or otherwise (i) the DIP Agent may apply any distributions that would otherwise be made to such Participant to such Participant's obligations under this Section 18 or Section 19 and (ii) the aggregate amount of all payments required to be made by the Participants pursuant to this Section 18, when added to the aggregate amount of all payments required to be made by the Participants pursuant to Section 19, shall not exceed $1,500,000 (the "Recourse Liability Cap"). Each Participant shall be liable for its Pro Rata Share of the Recourse Liability Cap and shall not be liable for any other Participant's Pro Rata Share of the Recourse Liability Cap.

19. Right to Indemnity Etc. Each Participant, in accordance with its Pro Rata Share, severally agrees to indemnify the DIP Agent, to the extent that the DIP Agent shall not have been reimbursed by any Debtor, for and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses (including reasonable counsel fees and disbursements) or disbursements of any kind or nature whatsoever which may be imposed on, incurred by or asserted against the DIP Agent on and after the effective date of this Agreement in exercising its powers, rights and remedies or performing its duties under this Agreement or otherwise in its capacity as the DIP Agent in any way relating to or arising out of this Agreement or the DIP Documents; provided, no Participant shall be liable for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting from the DIP Agent's actual fraud or willful misconduct (as determined by a final order or judgment of a court of competent jurisdiction). If this indemnity furnished to the DIP Agent for any purpose shall, in the opinion of the DIP Agent, become insufficient or become impaired, the DIP Agent may call for additional indemnity and cease, or not commence, to do the acts indemnified against until such additional indemnity is furnished; provided, in no event shall this sentence require any Participant to indemnify the DIP Agent against any liability, obligation, loss, damage, penalty, action, judgment, suit, cost, expense or disbursement in excess of such Participant's Pro Rata Share thereof. Notwithstanding anything to the contrary in this Agreement or otherwise (i) the DIP Agent may apply any distributions that would otherwise be made to such Participant to such Participant's obligations under this Section 19 or Section 18 and (ii) the aggregate amount of all payments required to be made by the Participants pursuant to this Section 19, when added to the aggregate amount of all payments required to be made by the Participants pursuant to Section 18, shall not exceed the Recourse Liability Cap. Each Participant shall be liable for its Pro Rata Share of the Recourse Liability Cap and shall not be liable for any other Participant's Pro Rata Share of the Recourse Liability Cap. Each of the DIP Agent and the Prepetition ABL Agent, in acting or refraining to act in connection with this Agreement, any other DIP Document or any Prepetition ABL Loan Document, as applicable, shall be entitled to benefits and protections as against the Participants

which correspond to the benefits and protections afforded to the DIP Agent as against the DIP Lender pursuant to the Orders (but only to the extent not inconsistent with the terms of, and concerning matters not otherwise expressly addressed in, this Agreement).

20. Successors and Assigns. This Agreement shall inure to the benefit of and shall be binding upon the successors and permitted assigns of the parties to this Agreement and the Secured Parties; provided, however, that no other Person (including but not limited to the Borrower and the other Debtors but excluding the Secured Parties) shall be entitled to claim any beneficiary status as to any right or obligation under this Agreement.

21. Interpretation. This Agreement shall be construed in accordance with the laws of the State of New York (without reference to its conflict of laws principles). Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement.

22. Notices. All notices to be given under this Agreement shall be given to the applicable party at the address indicated below, or such other address as shall be indicated in writing to the other party:

If given to Participants, sent to:

If to GM:
General Motors Corporation
30009 Van Dyke Avenue
P.O. Box 9025
Mail Code: 480-206-136
Warren, Michigan 48090-9025
Attention: Mark. W. Fischer
Facsimile: (586) 575-3404
Email: mark.w.fischer@gm.com

With a copy to:
Honigman Miller Schwartz and Cohn LLP
600 Woodward Avenue
Detroit, Michigan 48226
Attention: Donald F. Baty, Jr.
Facsimile: (313) 465-7315
Email: dbaty@honigman.com

If to Ford:
Ford Motor Company
5500 Auto Club Drive
Mail Drop 415-3E462
Dearborn, Michigan 48126
Attention: William R. Strong
Facsimile: (313) 206-7044

Email: wstrong@ford.com

With a copy to: Miller Canfield Paddock and Stone, P.L.C.
150 West Jefferson Ave., Suite 2500
Detroit, Michigan 48226
Attention: Jonathan S. Green
Facsimile: (313) 496-7500
Email: green@mcps.com

And with a copy to: Ford Motor Company
Office of the General Counsel
One American Road, WHQ, Suite 323
Dearborn, Michigan 48126
Attention: Daniella Saltz
Facsimile: (313) 337-3209
Email: dsaltz@ford.com

If to Chrysler: Chrysler LLC
800 Chrysler Drive
CIMS 485-14-78
Auburn Hills, Michigan 48326
Attention: Sigmund Huber
Director, Supplier Relations
Facsimile: (248) 512-1771
Email: seh43@chrysler.com

With a copy to: Chrysler LLC
1000 Chrysler Drive
CIMS 485-14-78
Auburn Hills, Michigan 48326-2766
Attention: Kim R. Kolb
Senior Staff Counsel
Facsimile: (248) 512-1771
Email: krk4@chrysler.com

and: Dickinson Wright PLLC
500 Woodward Avenue, Suite 4000
Detroit, Michigan 48226
Attention: James A. Plemmons
Facsimile: (313) 223-3598
Email: jplemmons@dickinsonwright.com

If to the Granting Lender, to: Deutsche Bank AG, New York Branch
60 Wall Street
New York, New York 10005

Attention: Enrique Landaeta
Facsimile: (212) 797-4655

With a copy to: White & Case LLP
1155 Avenue of the Americas
New York, NY 10036
Attention: Eric Leicht and Scott Greissman
Facsimile: (212) 354-8113
Email: eleicht@whitecase.com /
sgreissman@whitecase.com

23. Complete Agreement. This Agreement and any other agreements referenced in it constitute the entire understanding of the parties in connection with the matters referenced and shall not be modified or altered except by a writing signed by the Participants, the Granting Lender, the DIP Agent and the Prepetition ABL Agent. There are no other agreements, oral or written, express or implied, relating to its subject matter other than this Agreement and the other agreements referenced and all prior agreements and understandings have been merged into this Agreement. Notwithstanding the foregoing, nothing contained in this Agreement is intended to modify the terms of the Prepetition Subordinated Participation Agreement.

24. Amendments; Waivers. No amendment or modification to this Agreement or waiver of or consent to departure from strict compliance with this Agreement shall be binding unless in writing and signed by the party to be charged, and this requirement of a writing may not be modified orally or by course of conduct.

25. Effectiveness. This Agreement shall become effective upon the entry of the Interim Order.

26. Construction. Each party acknowledges that it has participated in the negotiation of this Agreement, and no provision of this Agreement shall be construed against or interpreted to the disadvantage of any party by any court or other governmental or judicial authority by reason of such party having or being deemed to have structured, dictated or drafted such provision. The Participants acknowledge that they have reviewed (or have had the opportunity to review) this Agreement with counsel of their choice and have executed this Agreement of their own free will and accord.

27. Counterparts. This Agreement may be executed in counterparts and by separate parties on separate counterparts; and facsimile or other electronic transmission copies of any signatures shall be treated as original signatures.

28. WAIVER OF JURY TRIAL. THE PARTIES ACKNOWLEDGE THAT THE RIGHT TO TRIAL BY JURY IS A CONSTITUTIONAL RIGHT, BUT THAT THIS RIGHT MAY BE WAIVED. EACH PARTY WAIVES ALL RIGHTS TO A TRIAL BY JURY OF ALL DISPUTES ARISING OUT OF OR IN RELATION TO THIS AGREEMENT. NO PARTY WILL BE DEEMED TO HAVE RELINQUISHED ITS WAIVER OF JURY TRIAL UNLESS THAT PARTY DOES SO IN WRITING.

29. CONSENT TO JURISDICTION; SERVICE OF PROCESS. EACH PARTY HERETO HEREBY CONSENTS AND AGREES THAT THE UNITED STATES BANKRUPTCY COURT FOR THE SOUTHERN DISTRICT OF NEW YORK SHALL HAVE NONEXCLUSIVE JURISDICTION TO HEAR AND DETERMINE ANY CLAIMS OR DISPUTES BETWEEN THE PARTICIPANTS, THE AGENT, THE LENDERS AND THE OTHER SECURED PARTIES PERTAINING TO THIS AGREEMENT OR THE DIP DOCUMENTS OR TO ANY MATTER ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE DIP DOCUMENTS; PROVIDED THAT NOTHING IN THIS AGREEMENT SHALL BE DEEMED OR OPERATE TO PRECLUDE THE AGENT FROM BRINGING SUIT OR TAKING OTHER LEGAL ACTION IN ANY OTHER JURISDICTION TO REALIZE ON THE DIP COLLATERAL OR ANY OTHER SECURITY FOR THE OBLIGATIONS, OR TO ENFORCE A JUDGMENT OR OTHER COURT ORDER IN FAVOR OF THE AGENT. EACH PARTICIPANT EXPRESSLY SUBMITS AND CONSENTS IN ADVANCE TO SUCH JURISDICTION IN ANY ACTION OR SUIT COMMENCED IN ANY SUCH COURT, AND EACH PARTICIPANT HEREBY WAIVES ANY OBJECTION THAT SUCH PARTICIPANT MAY HAVE BASED UPON LACK OF PERSONAL JURISDICTION, IMPROPER VENUE OR FORUM NON CONVENIENS AND HEREBY CONSENTS TO THE GRANTING OF SUCH LEGAL OR EQUITABLE RELIEF AS IS DEEMED APPROPRIATE BY SUCH COURT. EACH PARTICIPANT HEREBY WAIVES PERSONAL SERVICE OF ANY AND ALL LEGAL PROCESS, SUMMONS, NOTICES AND OTHER DOCUMENTS AND OTHER SERVICE OF PROCESS OF ANY KIND AND CONSENTS TO SUCH SERVICE IN ANY SUIT, ACTION OR PROCEEDING BROUGHT IN THE UNITED STATES OF AMERICA WITH RESPECT TO OR OTHERWISE ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT OR THE DIP DOCUMENTS BY ANY MEANS PERMITTED BY APPLICABLE REQUIREMENTS OF LAW, INCLUDING BY THE MAILING THEREOF (BY REGISTERED OR CERTIFIED MAIL, POSTAGE PREPAID) TO ITS ADDRESS AS SPECIFIED IN SECTION 22 OF THIS AGREEMENT.

[signature pages follow]

IN WITNESS WHEREOF, each of the parties hereto has caused a counterpart of this Agreement to be duly executed and delivered as of the date first above written.

DEUTSCHE BANK AG NEW YORK BRANCH, as DIP Agent, Prepetition ABL Agent, Granting Lender and (for purposes of Section 17) Prepetition ABL Granting Lender

By: _____
Name:
Title:

By: _____
Name:
Title:

FORD MOTOR COMPANY,
as Participant

By: _____
Name:
Title:

CHRYSLER LLC,
as Participant

By: _____
Name:
Title:

GENERAL MOTORS CORPORATION,
as Participant

By: _____
Name:
Title:

Acknowledged:

[NAME OF EACH DEBTOR],
as a Debtor

By: _____
Name:
Title:

SCHEDULE I TO SUBORDINATED
PARTICIPATION AGREEMENT

Participant	**Participation Percentage**	**Participation Cap**
Chrysler LLC	24.3%	$4,495,500
Ford Motor Company	55.9%	$10,341,500
General Motors Corporation	19.8%	$3,663,000

EXHIBIT C

DIP Facility Terms

To request a DIP Loan borrowing, the Borrower shall notify the DIP Agent of such request by telephone not later than 12:00 noon, New York City time, two (2) business days before the date of the proposed borrowing. Each such telephonic borrowing request shall be irrevocable and shall be confirmed promptly by hand delivery or telecopy to the DIP Agent of a written borrowing request in a form approved by the DIP Agent and signed by the Borrower. Each such telephonic and written borrowing request shall specify the date, which shall be a business day, and amount of such borrowing. Promptly following receipt of a borrowing request in accordance herewith, the DIP Agent shall advise each Customer of the details thereof and of the amount of such Customer's participation therein. The Customers shall fund their respective participations no later than 12:00 noon on the business day prior to the date of the proposed borrowing. The DIP Agent shall have no obligation to fund DIP Loans unless the full amount of the Customers' participations therein have been fully funded and are immediately available to the DIP Agent. Each borrowing of DIP Loans shall be in an amount that is an integral multiple of $100,000 and not less than $500,000. The proceeds of such borrowing shall be funded into the following account: [ ].

All payments made by the Debtors under the DIP Facility will be made without setoff, counterclaim or other defense. All such payments will be made free and clear of, and without deduction or withholding for, any present or future taxes, levies, imposts, duties, fees, assessments or other charges of whatever nature now or hereafter imposed by any jurisdiction or by any political subdivision or taxing authority thereof or therein with respect to such payments (but excluding, except as provided in the second succeeding sentence, any tax imposed on or measured by the net income or net profits of the DIP Secured Parties pursuant to the laws of the jurisdiction in which it is organized or the jurisdiction in which the principal office or applicable lending office of such DIP Lender is located or any subdivision thereof or therein) and all interest, penalties or similar liabilities with respect to such non-excluded taxes, levies, imposts, duties, fees, assessments or other charges (all such non-excluded taxes, levies, imposts, duties, fees, assessments or other charges being referred to collectively as "Taxes"). If any Taxes are so levied or imposed, the Debtors agree to pay the full amount of such Taxes, and such additional amounts as may be necessary so that every payment of all amounts due under the DIP Facility, after withholding or deduction for or on account of any Taxes, will not be less than the amount otherwise payable thereunder. If any amounts are payable in respect of Taxes pursuant to the preceding sentence, the Debtors agree to reimburse the DIP Secured Parties, upon the DIP Agent's written request, for taxes imposed on or measured by the net income or net profits of the DIP Secured Parties pursuant to the laws of the jurisdiction in which they are organized or in which the principal office or applicable lending office of the DIP Secured Parties is located or under the laws of any political subdivision or taxing authority of any such jurisdiction in which they are organized or in which the principal office or applicable lending office of the DIP Secured Parties is located and for any withholding of taxes as they shall determine are payable by, or withheld from, the DIP Secured Parties, in respect of such amounts so paid to or on behalf of the DIP Secured Parties pursuant to the preceding sentence and in respect of any

amounts paid to or on behalf of them pursuant to this sentence. The Debtors will furnish to the DIP Agent within 45 days after the date the payment of any Taxes is due pursuant to applicable law certified copies of tax receipts evidencing such payment by such Debtors. The Debtors agree to indemnify and hold harmless the DIP Secured Parties, and reimburse the DIP Secured Parties upon their written request, for the amount of any Taxes so levied or imposed and paid by them.

The DIP Agent will be entitled to the benefits and protections which correspond to the benefits and protections afforded to the Prepetition ABL Agent pursuant to Article VIII of the Prepetition ABL Credit Agreement, which is incorporated herein mutatis mutandis.

To the extent that the Prepetition ABL Collateral Agent is the secured party under any account control agreements, listed as loss payee under any of the Debtors' insurance policies or is the secured party under any Prepetition ABL Security Document, the DIP Agent is also deemed to be the secured party under such account control agreements, loss payee under the Debtors' insurance policies and the secured party under each such Prepetition ABL Security Document, shall have all rights and powers attendant to that position (including, without limitation, rights of enforcement) and shall act in that capacity and distribute any proceeds recovered or received in accordance with the terms of this Interim Order. The Prepetition ABL Collateral Agent shall serve as agent for the DIP Agent for purposes of perfecting their respective security interests and liens on all DIP Collateral that is of a type such that perfection of a security interest therein may be accomplished only by possession or control by a secured party.

EXHIBIT D

[Budget]

USD 000's
United States

METALDYNE
Cash Flow - Budget [A]

Week Ending	Preliminary 1 5/22/2009	5/27 Filing 2 5/29/2009	3 6/5/2009	4 6/12/2009	5 6/19/2009	6 6/26/2009	7 7/3/2009	8 7/10/2009	9 7/17/2009	10 7/24/2009	11 7/31/2009	Total
Beginning Cash Balance	**$71**	**$3,069**	**$1,026**	**($409)**	**$4,457**	**$846**	**$2,162**	**($2,786)**	**($8,354)**	**($18,035)**	**($18,601)**	**$71**
Receipts												
Customer Receipts	4,636	8,792	8,010	3,806	6,136	4,757	3,208	2,608	3,998	1,915	3,960	51,827
Net Instant Receipts - Big Three	-	-	1,584	3,711	3,711	3,711	3,711	-	-	6,331	6,331	29,091
Proceeds from Customer (DIP) Loans	6,491	-	-	-	-	-	-	-	-	-	-	6,491
Pre-petition A/R payment [C]	-	-	-	2,000	-	-	-	-	-	300	-	2,300
Process Charge	-	-	-	-	-	3,250	-	-	-	-	3,250	6,500
Other Receipts [D]	-	700	2,000	6,684	-	1,783	-	-	-	1,783	-	12,950
Total Receipts	**11,127**	**9,492**	**11,594**	**16,201**	**9,847**	**13,502**	**6,919**	**2,608**	**3,998**	**10,329**	**13,541**	**109,159**
Disbursements												
A/P Trade	(2,293)	(6,960)	(6,514)	(6,514)	(6,514)	(6,514)	(951)	(951)	(6,898)	(6,898)	(6,898)	(57,905)
Leases	-	(993)	(94)	-	(408)	(509)	(5,359)	-	-	(743)	(485)	(8,591)
Utilities	-	-	-	-	-	(315)	(315)	(315)	(315)	(315)	(350)	(1,925)
Freight	-	(150)	(150)	(143)	(143)	(143)	(143)	-	-	(172)	(172)	(1,216)
Capital Expenditures	-	(129)	(129)	(46)	(46)	(46)	(46)	(93)	(93)	(93)	(93)	(813)
Insurance Payments	(175)	(50)	(56)	(44)	(251)	(49)	(53)	(59)	(55)	(251)	(102)	(1,144)
Taxes	-	-	-	-	(0)	-	-	-	(155)	-	-	(155)
Employees	(20)	(40)	(40)	(40)	(40)	(40)	(40)	(40)	(40)	(40)	(40)	(420)
Total A/P Disbursements	($2,488)	($8,321)	($6,982)	(6,786)	(7,402)	(7,615)	(6,907)	(1,459)	(7,557)	(8,512)	(8,140)	(72,169)
Payroll	-	(700)	(2,891)	(649)	(2,891)	(649)	(2,827)	(885)	(3,100)	(858)	(3,100)	(18,549)
Salaried Severance / Incentive	-	-	(100)	(100)	(100)	(100)	(25)	(25)	(25)	(25)	-	(500)
Benefits	(615)	(636)	(680)	(680)	(691)	(826)	(490)	(866)	(795)	(826)	(712)	(7,816)
Operating Disbursements	**(3,103)**	**(9,657)**	**(10,652)**	**(8,214)**	**(11,083)**	**(9,189)**	**(10,249)**	**(3,234)**	**(11,477)**	**(10,221)**	**(11,953)**	**(99,034)**
Operating Cash Flow	**$8,024**	**($165)**	**$941**	**$7,986**	**($1,236)**	**$4,312**	**($3,330)**	**($627)**	**($7,478)**	**$108**	**$1,589**	**10,125**
Plant Consolidation / Rigging	-	-	(188)	(188)	(188)	(188)	(188)	(188)	(188)	(188)	-	(1,500)
Utility Deposits	-	-	(533)	(533)	(533)	-	-	-	-	-	-	(1,600)
Company Professional Fees (legal / advisors) [B]	(767)	(469)	(430)	(624)	(275)	(619)	(325)	(780)	(325)	(487)	(687)	(5,787)
Other Professional Fees (legal / advisors)	(413)	(183)	-	-	(386)	(285)	-	-	(180)	-	(229)	(1,677)
Bank Fees / Interest pay	-	(146)	-	-	-	-	-	-	-	-	(272)	(418)
ABL Draw (Paydown)	(3,847)	(1,080)	(1,225)	(1,776)	(994)	(1,904)	(1,106)	(3,973)	(1,510)	-	-	(17,414)
Total Cash Inflow (Outflow)	**$2,998**	**($2,043)**	**($1,435)**	**$4,866**	**($3,612)**	**$1,317**	**($4,949)**	**($5,568)**	**($9,681)**	**($566)**	**$401**	**(18,271)**
Ending Cash Balance	$3,069	$1,026	($409)	$4,457	$846	$2,162	($2,786)	($8,354)	($18,035)	($18,601)	($18,201)	($18,201)

LIQUIDITY

Borrowing Base	$39,974	$38,835	$37,610	35,834	34,840	32,936	31,830	27,857	26,347	29,441	31,033
Less Liquidity Block	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,500)	(11,000)
Less ABL Drawn	(29,915)	(28,835)	(27,610)	(25,834)	(24,840)	(22,936)	(21,830)	(17,857)	(16,347)	(16,347)	(16,347)
Total Availability	59	-	-	-	-	-	-	-	-	2,594	3,685
Customer pre-petition loan	(6,491)										

Cumulative disbursements before ABL paydown [a]	(10,455)	(21,971)	(31,242)	(43,420)	(53,414)	(63,963)	(67,953)	(79,910)	(90,593)	(103,734)
Permitted Variance %	20.0%	20.0%	12.5%	12.5%	12.5%	7.5%	7.5%	7.5%	7.5%	7.5%
Cumulative Permitted Disb. Variance [b]	(2,091)	(4,394)	(3,905)	(5,428)	(6,677)	(4,797)	(5,096)	(5,993)	(6,794)	(7,780)

[a] NOTE: Excludes severance, plant consolidation costs, and any bank build impacts. The timing and amount of these costs will vary with customer requirements, and therefore, the measurement of these items is excluded from the permitted variance test and calculation. The permitted variance calculation also excludes disbursements made on behalf of Ramos USA (see note).
[b] Calculated as cumulative disbursements before ABL paydown times the permitted variance % for the period.

NOTES:

[A] Consistent with the calculation of the borrowing base under the existing revolving credit facility, the Budget excludes all receipts and disbursements associated with shipments of parts into and out of the Companies' Ramos, Mexico facility (which is a maquildora under Mexican law). In the normal course, Metaldyne utilizes cash received from the Ramos facility as described in Metaldyne's Cash to make certain disbursements on behalf of this entity. This facility is expected to be self-funding during the 13-week period. As such, disbursements made that relate to the Ramos, Mexico location are not included as disbursements for purposes of the permitted variance calculation.

[B] Assumes Advisory Success fee is paid from asset sale proceeds.

[C] Represents collection of pre-petition A/R owing to domestic Metaldyne entities associated with direct production agreement negotiations. Metaldyne is also working with customers for the purchase of inventory. Inventory collections are not included and amount is to be determined.

[D] Other receipts includes estimated reimbursement for direct production operating costs, lease cost reimbursement, and associated overhead allocations. Estimates are based on preliminary assessment of budgeted costs. Metaldyne continues to work with customers to develop specific production schedules and reimbursement of related costs.

EXHIBIT E

Borrowing Base, Applicable Availability Block, Reserves, etc.[6]

Borrowing Base and Applicable Availability Block: shall continue during the Chapter 11 Cases in each case as in effect under (and as defined in) the Prepetition ABL Credit Agreement immediately prior to the Petition Date (including, without limitation, eligibility criteria and rights to establish, increase or decrease reserves or additional eligibility restrictions under the Borrowing Base), all as further adjusted in accordance with the terms hereof.

Borrowing Base Certificates and Mandatory Prepayments: the Debtors will continue to provide weekly Borrowing Base Certificates in accordance with the terms of the Prepetition ABL Credit Agreement and if, at any time, the amount of the Prepetition ABL Obligations (other than the Incremental Loans) exceeds the Borrowing Base after taking into account the Applicable Availability Block and any reserves or additional eligibility restrictions, in each case as then in effect, the Debtors may not use Cash Collateral other than to immediately and permanently repay the Prepetition ABL Obligations (other than the Incremental Loans) in the amount of such excess. If the amount of Cash Collateral at such time is insufficient for such purpose, the Debtors shall immediately request DIP Loans and/or use the proceeds of DIP Loans to make such repayment.

Mandatory Repayments with the Proceeds from Dispositions of DIP Collateral: all net cash proceeds from the sales or dispositions of any DIP Collateral (other than Prepetition Term Priority Collateral and ordinary course disposition of inventory and collections of accounts) shall be immediately and permanently applied to repay outstanding Prepetition ABL Obligations (other than the Incremental Loans).

Accounts Receivable: subject to the other terms hereof, will continue to be deemed immediately ineligible if the applicable account debtor becomes subject to a bankruptcy or insolvency proceeding.

Inventory: for the avoidance of doubt, inventory directly purchased by a customer from a vendor which is in the possession of a Debtor (for the purpose of manufacturing the same into finished product or otherwise), and inventory manufactured for the purpose of a customer inventory bank, unless in each case subject to an accommodation agreement or similar arrangement reasonably acceptable to the Prepetition ABL Agent, shall not be included in the Borrowing Base.

Reserves: for the avoidance of doubt, the Prepetition ABL Agent may reserve against the Borrowing Base the value of any inventory included therein (unless subject to an accommodation agreement or similar arrangement reasonably acceptable to the Prepetition ABL Agent) which (i) is manufactured for purchase by customers who become subject to a bankruptcy or insolvency proceeding or (ii) the Prepetition ABL Agent determines at any time in its sole

[6] Capitalized terms used but not defined herein shall have the meanings given them in the Interim Order to which this Exhibit E is attached.

discretion is unmerchantable. Examples of unmerchantable inventory include, but are not limited to, inventory manufactured for customers who:

- have entered into extended shut-downs during which period they are not taking possession of Metaldyne's parts;
- appear reasonably likely to re-source parts supplied by Metaldyne; or
- appear reasonably likely to terminate the production of parts or platforms where Metaldyne's products are sourced.

The Prepetition ABL Agent agrees, so long as no Event of Default shall have occurred and be continuing, to provide the Debtors with no less than five (5) business days' prior written notice of its intention to take a reserve against any inventory in accordance with the terms hereof and/or the Prepetition ABL Credit Agreement, setting forth in reasonable detail the basis therefor. If, within such five (5) business day period, the Debtors enter into an accommodation agreement or similar arrangement with the applicable customer which is in form and substance reasonably satisfactory to the Prepetition ABL Agent (and, to the extent the applicable customer is subject to a bankruptcy proceeding, which has been approved by the Bankruptcy Court having jurisdiction over such bankruptcy case), the Prepetition ABL Agent agrees that it will not implement such reserve.

GM Bankruptcy: the Prepetition ABL Agent agrees that, notwithstanding anything to the contrary set forth in the Prepetition ABL Credit Agreement, accounts receivable owed by GM or any of its affiliates, and inventory manufactured for GM or any of its affiliates, shall be removed from the Borrowing Base within ten (10) days after a bankruptcy filing by GM and/or such affiliate, unless, within such ten (10) day period, the Accommodation Agreement is approved by the Bankruptcy Court having jurisdiction over the applicable bankruptcy case and/or the Debtors enter into with GM and/or such affiliate an accommodation agreement or similar arrangement reasonably satisfactory to the Prepetition ABL Agent which is approved by the Bankruptcy Court having jurisdiction over the applicable bankruptcy case.

Applicable Availability Block: will continue to apply to the Borrowing Base until the Prepetition ABL Obligations are indefeasibly paid in full in cash, and shall be deemed to be $10,000,000 for each fiscal week ended after May 29, 2009 (i.e., the last fiscal week of the existing forbearance period agreed to by the Prepetition ABL Lenders), subject to adjustment as provided in the following sentence. The Applicable Availability Block will increase on the first day of each fiscal week by $500,000, beginning with the fiscal week ended July 24, 2009.