

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In re : Chapter 11
Metaldyne Corporation, *et al.*, : Case No. 09-13412 (MG)
Debtors. : (Jointly Administered)
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**INTERIM ORDER, PURSUANT TO SECTIONS 105(A),
363(B), 364(B) AND 503(B)(9) OF THE BANKRUPTCY CODE,
AUTHORIZING THE DEBTORS TO PAY PREPETITION CLAIMS
OF CERTAIN ESSENTIAL SUPPLIERS AND ADMINISTRATIVE
CLAIMHOLDERS AND GRANTING CERTAIN RELATED RELIEF**

This matter coming before the Court on the Motion of Debtors and Debtors in Possession, Pursuant to Sections 105(a), 363(b), 364(b) and 503(b)(9) of the Bankruptcy Code, for an Order Authorizing Them to Pay the Prepetition Claims of Certain Essential Suppliers and Administrative Claimholders and Granting Certain Related Relief (the "Motion"),¹ filed by the debtors and debtors in possession in the above-captioned cases (collectively, the "Debtors"); the Court having reviewed the Motion, the Memorandum of Law, the Affidavit of Linda Theisen in Support of Certain Requests for First Day Relief Related to Suppliers (the "Theisen Affidavit") and the Affidavit of Thomas A. Amato filed in support of the Debtors' first day papers (the "Amato Affidavit") and having considered the statements of counsel and the evidence adduced with respect to the Motion at a hearing before the Court (the "Hearing"); and the Court having found that (a) the Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334, (b) this is a core proceeding pursuant to 28 U.S.C. § 157(b), (c) notice of the Motion and the Hearing was sufficient under the circumstances, (d) there is good cause to waive the ten-day

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

stay imposed by Bankruptcy Rule 6004(h) to the extent it is applicable and (e) the payment of the Essential Supplier Claims on the terms and conditions set forth herein is necessary and appropriate (i) to prevent serious disruptions to the Debtors' business operations that would cause potentially immediate and irreparable harm to the Debtors' chapter 11 strategy and (ii) to preserve the going concern value of the Debtors' businesses and the Debtors' estates for the benefit of all stakeholders; and the Court having determined that the legal and factual bases set forth in the Motion, the Memorandum of Law, the Theisen Affidavit and the Amato Affidavit and at the Hearing establish just cause for the relief granted herein;

IT IS HEREBY ORDERED THAT:

1. The Motion is GRANTED on an interim basis as set forth herein.
2. The Debtors are authorized, in the Debtors' sole discretion and in the ordinary course of their businesses, to pay Essential Supplier Claims, up to the aggregate amount of \$5.4 million (the "Essential Supplier Cap"). The establishment of this Essential Supplier Cap shall in no way relieve the Debtors from any limits imposed by, or obligations to comply with budgets under, their postpetition financing facility.
3. Each recipient of an Essential Supplier Payment may be required, to the extent applicable, to: (a) continue, without interruption, its existing business relationship with the Debtors, including, but not limited to, the acceptance and fulfillment of current and future purchase orders; (b) continue to extend normalized trade credit and provide other business terms on a postpetition basis (consistent with past practices), including with respect to any applicable credit limits, the pricing of goods and services and the provision of equivalent levels of service; and (c) agree to release to the Debtors as requested goods or other assets of the Debtors in the Essential Supplier's possession, all on terms at least as favorable as those extended prepetition or on such other terms that are acceptable to the Debtors in their business judgment, until the

Debtors emerge from chapter 11 (collectively, the "Trade Terms"). Notwithstanding anything herein to the contrary, an Essential Supplier shall only be bound to such Trade Terms as the Debtors and such Essential Supplier shall agree to in writing. An Essential Supplier who receives an Essential Supplier Payment from the Debtors without executing a Trade Agreement (as defined below) shall not be deemed to have received an unauthorized transfer pursuant to section 549 of the Bankruptcy Code.

4. If an Essential Supplier accepts an Essential Supplier Payment and fails to provide the Debtors with the requisite Trade Terms, then (a) any Essential Supplier Payment received by the Essential Supplier shall be deemed an unauthorized postpetition transfer under section 549 of the Bankruptcy Code that the Debtors may either (i) recover from the Essential Supplier in cash or goods or (ii) at the Debtors' option, apply against any outstanding administrative claim held by such Essential Supplier; and (b) upon recovery of any Essential Supplier Payment, the corresponding prepetition claim of the Essential Supplier will be reinstated in the amount recovered by the Debtors.

5. The Debtors shall implement and provide notice of the conditions set forth in paragraphs 3 and 4 above as follows:

- The Debtors may require an Essential Supplier to execute an agreement (a "Trade Agreement") prior to its receipt of an Essential Supplier Payment that (a) confirms that the Essential Supplier agrees to be bound by the terms set forth above, (b) confirms that the Essential Supplier has received and agrees to be bound by this Order and (c) contains such other terms and conditions as the Debtors believe proper, including confidentiality provisions.
- If no trade agreement is executed, any payment pursuant to which an Essential Supplier Payment is made will be accompanied by a copy of this Order (the "Essential Supplier Information").

6. If a Repudiating Vendor refuses to perform its postpetition obligations pursuant to an executory contract with one or more of the Debtors in violation of the Bankruptcy

Code because the Debtors have failed to pay the vendor's prepetition claim, the Debtors are authorized to pay such claim provisionally (and such payment will not count against the Essential Supplier Cap) (a "Provisional Payment"), provided that, within ten business days of payment, the Debtors file a Notice of Repudiating Vendor and seek the entry of an Order to Show Cause as set forth in paragraph 9 below.

7. If a Repudiating Vendor refuses to perform its postpetition obligations pursuant to an executory contract with one or more of the Debtors in violation of the Bankruptcy Code, the Debtors may (whether or not they made a Provisional Payment as described above): (a) file a Notice of Repudiating Vendor, substantially in the form of notice attached to the Motion as Exhibit A, setting forth the Debtors' belief that the vendor is in violation of the Bankruptcy Code through its failure to perform under a prepetition agreement, identifying the name of the vendor, the identity of the agreement in question and, if any Provisional Payments were made, the amounts and date of such Provisional Payments; and (b) seek the entry of an Order to Show Cause, substantially in the form attached to the Motion as Exhibit B, which shall require the Repudiating Vendor to appear before the Court to show why it should not be (i) found to have willfully violated sections 362 and 365 of the Bankruptcy Code and (ii) required to return any Provisional Payment made by the Debtors.

8. The Debtors' banks and financial institutions (collectively, the "Banks") are authorized and directed, when requested by the Debtors in the Debtors' sole discretion, to receive, process, honor and pay all checks presented for payment of, and to honor all fund transfer requests made by the Debtors related to, Essential Supplier Claims, the Twenty-Day Administrative Claims and the Provisional Payments, whether such checks were presented or fund transfer requests were submitted prior to or after the Petition Date, provided that funds are

available in the Debtors' accounts to cover such checks and fund transfers. The Banks are authorized to rely on the Debtors' designation of any particular check or fund transfer as approved by this Order.

9. Nothing in the Motion or this Order, nor the Debtors' payment of claims pursuant to this Order, shall be deemed or construed as: (a) an admission as to the validity of any claim against the Debtors; (b) a waiver of the Debtors' rights to dispute any claim on any grounds; (c) a promise to pay any claim; (d) an implication or admission that any particular claim would constitute an Essential Supplier Claim or Twenty-Day Administrative Claim; or (e) a request to assume any executory contract or unexpired lease, pursuant to section 365 of the Bankruptcy Code..

10. Any objection to granting of the relief requested by the Motion on a permanent basis shall be filed with the Court on or before 4:00 p.m. Eastern Standard Time on June 15, 2009 (the "Objection Deadline"), and served, so as to be received by the Objection Deadline, upon: (a) the Office of the United States Trustee for the Southern District of New York, Manhattan Office, 33 Whitehall Street, 21st Floor, New York, New York 10004 (Attn: Paul Schwartzberg, Esq. and Richard Morrissey, Esq.) and (b) (i) Metaldyne Corporation, 47603 Halyard Drive, Plymouth, Michigan 48170 (Attn: David McKee, Gen. Counsel); (ii) Jones Day, 222 East 41st Street, New York, New York 10017 (Attn: Richard Engman, Esq.); and (iii) Jones Day, North Point, 901 Lakeside Avenue, Cleveland, Ohio 44114-1190 (Attn: Heather Lennox, Esq.). The Debtors submit that no other or further notice need be provided.

11. The Debtors shall, within two business days of the date of entry of this Interim Order, serve by United States mail, first class postage prepaid, copies of the Motion, this Interim Order and a notice (the "Final Hearing Notice") of the final hearing on the Motion

(the "Final Hearing") to be held on **June 22, 2009 at 10:00 a.m. in Courtroom 501** on: (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 Deutsche Bank A.G., New York, as agent for the Debtors' prepetition asset-backed secured revolving credit facility and as agent and lender under the Debtors' postpetition financing 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; (h) those creditors holding the 50 largest unsecured claims against the Debtors' estates; and (i) those persons who have formally appeared and requested service in this proceeding pursuant to Bankruptcy Rule 2002.

12. If no objections are timely filed and served as set forth herein, the Debtors shall, on or after the Objection Deadline, submit to the Court a final order substantially in the form of the Final Order attached to the Motion, which Order may be entered with no further notice or opportunity to be heard afforded to any party.

13. Pursuant to Bankruptcy Rule 6004(h), this Order shall be immediately effective and enforceable upon its entry.

Dated: New York, New York
May 29, 2009

/s/Martin Glenn
UNITED STATES BANKRUPTCY JUDGE