

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:

Metaldyne Corporation, et al.,

Debtors.

)
) Chapter 11
)
) Case No. 09-13412 (MG)
)
) Jointly Administered
)

**STIPULATION AND ORDER RESOLVING
OBJECTION OF KEY EQUIPMENT FINANCE**

Metaldyne Corporation (“Metaldyne”), MD Investors Corporation (“MD Investors”) and Key Equipment Finance (“Key”, and together with Metaldyne and MD Investors, the “Parties”) respectfully submit this stipulation and order and state as follows:

WHEREAS, on May 27, 2009 (the “Petition Date”), Metaldyne and certain of its affiliates (collectively, the “Debtors”) filed voluntary petitions for relief under chapter 11 of title 11 of the United States Code, 11 U.S.C. § 1101 et seq., as amended (the “Bankruptcy Code”) in the United States Bankruptcy Court for the Southern District of New York (the “Bankruptcy Court”);

WHEREAS, Metaldyne and Key are party to that certain Master Equipment Lease Agreement, dated as of July 11, 2002 (the “Master Lease”), and Schedule No. 3 (dated as of December 9, 2002), Schedule No. 5 (dated as of September 25, 2003) and Schedule No. 7 to the Master Lease (dated as of January 20, 2004) (collectively, the “Schedules”);

WHEREAS, Metaldyne and Key are party to that certain lease number OCE5002889, dated as of December 20, 2004 (which was assigned to Key) and that certain lease number KPF0000815, dated as of January 19, 2005 (collectively, the “Additional Leases”, and together with the Master Lease and the Schedules, the “Leases”);

WHEREAS, on June 15, 2009, the Debtors filed a motion [Dkt. No. 214] to sell substantially all of the assets of their powertrain business group and to authorize the assumption and assignment of certain executory contracts and unexpired leases of the Debtors in connection therewith (the “Powertrain Sale Motion”);

WHEREAS, on June 25, 2009, the Debtors filed a motion [Dkt. No. 323] to sell substantially all of the assets of their chassis business group and to authorize the assumption and assignment of certain executory contracts and unexpired leases of the Debtors in connection therewith (the “Chassis Sale Motion”, and together with the Powertrain Sale Motion, the “Sale Motions”);

WHEREAS, Key filed certain objections related to the Sale Motions [Docket Nos. 469, 489, 579 and 580] (the “Objections”);

WHEREAS, on August 12, 2009, the Bankruptcy Court entered an order [Dkt. No. 674] (the “Sale Order”) approving the sale (the “Sale”) of substantially all of the Debtors’ assets to MD Investors free and clear of all liens, claims, interests and encumbrances pursuant to section 363 of the Bankruptcy Code and that certain Asset Purchase Agreement, dated as of August 7, 2009 (the “Agreement”), by and between MD Investors and Metaldyne;

WHEREAS, Key desires to sell, and Metaldyne desires to purchase (for the benefit of MD Investors), all equipment (the “Equipment”) leased by Metaldyne pursuant to the Leases, and Key and Metaldyne have executed a payoff letter in connection therewith;

WHEREAS, Key holds a letter of credit (the “Letter of Credit”) in the amount of \$[REDACTED] securing Metaldyne’s obligations under the Leases, and Key already has drawn [REDACTED] (the “Draw Amount”);

WHEREAS, the Parties agree that the purchase price (the "Purchase Price") for the Equipment shall be the Draw Amount plus a cash payment (the "Cash Payoff"), to be paid to Key on or before the closing of the Sale (the "Closing") and calculated as follows:

- If the Closing occurs on or before October 15, 2009, the Cash Payoff shall total \$[REDACTED]; and
- If the Closing occurs after October 15, 2009 but on or before October 30, 2009, the Cash Payoff shall total \$[REDACTED].

WHEREAS, the Parties agree that (i) if the Closing does not occur on or before October 30, 2009, a new Cash Payoff amount will need to be determined and (ii) if the Agreement is terminated and the Closing fails to occur, Metaldyne shall not be obligated to purchase the Equipment and all rights of Key and Metaldyne with respect to the Leases and the Equipment shall be preserved;

THEREFORE, the Parties stipulate and agree and the Court ORDERS THAT:

1. The Purchase Price for the Equipment shall be the Draw Amount already received by Key plus the Cash Payoff (to be determined as of the date of the Closing as set forth herein).
2. Subject to and conditioned upon the Closing, Metaldyne or its designee shall pay the Cash Payoff in full and final satisfaction of any and all amounts due and owing to Key under the Leases; provided, however, that if the Agreement is terminated and the Closing does not occur, Metaldyne shall not be obligated to purchase the Equipment and all rights of Key and Metaldyne with respect of the Leases and the Equipment shall be preserved.
3. Subject to and conditioned upon the Closing, and upon Key's receipt of the Cash Payoff, (a) all right in and title to the Equipment shall be vested in Metaldyne and (b) the Leases shall be considered terminated and of no further force or effect.

4. At the Closing, provided the Cash Payoff is paid in full, the Equipment shall be deemed a Purchased Asset under section 1.02 of the Agreement and shall be transferred to MD Investors free and clear of all Claims (as defined in the Sale Order).

5. Upon the receipt of the Cash Payoff, Key shall have no further claims against the Debtors or MD Investors or their respective affiliates, successors and assigns, and the Objections and Key's proofs of claim, numbers 3005, 3006 and 3007, shall be deemed withdrawn.

6. Upon transfer of all right in and title to the Equipment to Metaldyne, the Debtors and MD Investors shall be deemed to release any and all claims against Key relating to the Leases and the Equipment.

7. The Parties are authorized to take all actions necessary to effectuate the relief granted pursuant to this Stipulation and Order.

8. This Stipulation may be executed in counterparts, each of which when so executed and delivered shall be an original, but all of which together shall constitute one and the same document.

9. The Bankruptcy Court shall have jurisdiction over any action or proceeding arising out of or relating to this Stipulation and Order.

AGREED TO BY:

Dated: October 5, 2009
New York, New York

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Dated: October 5, 2009
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Dated: October 5, 2009
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- and -

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SO ORDERED:

Dated: New York, New York
October 9, 2009

/s/ Martin Glenn
UNITED STATES BANKRUPTCY JUDGE