

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

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In re	:	Chapter 11
	:	
Metaldyne Corporation, <i>et al.</i> ,	:	Case No. 09-13412 (MG)
	:	
Debtors.	:	(Jointly Administered)
	:	
-----X		

**STIPULATION AND AGREED ORDER BETWEEN DEBTORS  
AND DEBTORS IN POSSESSION AND MD INVESTORS CORPORATION  
REGARDING THE USE OF CERTAIN EQUIPMENT SALE PROCEEDS**

Metaldyne Corporation and the above-captioned debtors and debtors in possession (collectively, the "Debtors") and MD Investors Corporation ("MD Investors"), by and through their respective authorized representatives, do hereby stipulate and agree as follows:

**RECITALS**

A. On May 27, 2009 (the "Petition Date"), Metaldyne Corporation and the other 30 Debtors filed voluntary petitions for relief 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"). By an order entered on May 29, 2009, the Debtors' chapter 11 cases have been consolidated for procedural purposes only and are being jointly administered. The Debtors are authorized to continue to operate their businesses and manage their properties as debtors in possession, pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

B. In June 2009, the Debtors filed certain motions [Docket Nos. 214, 323] seeking Court approval of the sale of certain of their business units pursuant to section 363 of the Bankruptcy Code and the related assumption and assignment of certain executory contracts and

unexpired leases under section 365 of the Bankruptcy Code (collectively, the "Debtors' Sale Motions").

C. On August 12, 2009, the Court approved the Debtors' Sale Motions and authorized the Debtors to sell substantially all of their assets to MD Investors (the "MD Investors Transaction") pursuant to the terms of a purchase agreement between Metaldyne Corporation and MD Investors, dated as of August 7, 2009 (the "Purchase Agreement"),<sup>1</sup> and the Court's Order (I) Authorizing the Sale of Substantially All of the Debtors' Assets Free and Clear of All Liens, Claims, Interests and Encumbrances, (II) Authorizing the Assumption and Assignment of Certain Executory Contracts and Leases in Connection Therewith and (III) Granting Related Relief [Docket No. 674] (the "Sale Order").

D. On October 1, 2009, the Court entered the Fourth Stipulation and Order Amending Final 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 the Cash Collateral of the Prepetition Secured Lenders, (ii) Obtain Post-Petition Financing and (iii) Provide Adequate Protection to the Prepetition Secured Lenders and (b) Authorizing Debtors to Enter into, and Approving, an Accommodation Agreement with Certain Customers [Docket No. 831] (the "Fourth DIP Stipulation").

E. In connection with the Fourth DIP Stipulation and the anticipated closing of the sale of substantially all of the Debtors' assets pursuant to the terms of the Sale Order and the Purchase Agreement, the Debtors and MD Investors have made certain agreements regarding the use of existing net proceeds of certain miscellaneous asset sales of equipment that was subject to the Term Lenders' liens (which sales were effectuated pursuant to this Court's Order

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<sup>1</sup> All capitalized terms not otherwise defined herein have the meanings ascribed to them in the Purchase Agreement.

Approving Procedures to Sell or Transfer Certain Miscellaneous Assets, Free and Clear of Liens, Claims and Encumbrances, and to Pay Market Rate Broker Commissions in Connection with Such Sales Without Further Court Approval) as set forth in the letter agreement between Metaldyne Corporation and MD Investors Corporation that is attached hereto as Exhibit A and incorporated herein by reference (the "Letter Agreement").

### **AGREEMENT**

1. Agreement to be Bound by the Terms of the Letter Agreement. As indicated by the signatures of their respective authorized representatives below and on the Letter Agreement, in consideration of the foregoing premises and of the mutual agreements and covenants set forth in this Stipulation and Agreed Order and in the Letter Agreement, the parties agree to be bound by the terms set forth herein and in the Letter Agreement.

2. Effectiveness of Stipulation. This Stipulation and Agreed Order shall be effective immediately upon entry by the Court.

3. Miscellaneous. This Stipulation and Agreed Order (including the Exhibit hereto) constitutes the entire agreement between the parties with respect to the matters addressed herein and may not be modified except in a writing signed by the parties or further Order of the Court. This Stipulation and Agreed Order may be executed by the parties in identical counterparts, each of which when so executed and delivered will constitute an original, but all of which taken together will constitute one and the same instrument.

[Remainder of page intentionally blank]

Respectfully submitted,

/s/ Christopher J. Marcus

Christopher J. Marcus  
Benjamin J. Steele  
KIRKLAND & ELLIS LLP  
601 Lexington Avenue  
New York, New York 10022  
Telephone: (212) 446-4800  
Facsimile: (212) 446-4900

ATTORNEYS FOR MD INVESTORS  
CORPORATION

/s/ Richard H. Engman

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

- and -

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

ATTORNEYS FOR DEBTORS AND  
DEBTORS IN POSSESSION

SO ORDERED:

Dated: \_\_\_\_\_, 2009  
New York, New York

\_\_\_\_\_  
UNITED STATES BANKRUPTCY JUDGE

Respectfully submitted,

/s/ Christopher J. Marcus

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ATTORNEYS FOR DEBTORS AND  
DEBTORS IN POSSESSION

SO ORDERED:

Dated: October 9, 2009  
New York, New York

/s/ Martin Glenn  
UNITED STATES BANKRUPTCY JUDGE

## **EXHIBIT A**

**MD INVESTORS CORPORATION**

c/o The Carlyle Group  
520 Madison Avenue, 39th Floor  
New York, New York 10022

October 5, 2009

VIA EMAIL CORRESPONDENCE AND FACSIMILE TRANSMISSION

Metaldyne Corporation  
47603 Halyard Drive  
Plymouth, Michigan 48170  
Attention: Thomas Amato, Chief Executive Officer  
Fax: (734) 207-6500

Re: Agreement re Use of Equipment Sale Proceeds

Dear Mr. Amato:

Reference is made to that certain Fourth Stipulation and Order (the "Fourth DIP Stipulation") Amending Final 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 the Cash Collateral of the Prepetition Secured Lenders, (ii) Obtain Post-Petition Financing and (iii) Provide Adequate Protection to the Prepetition Secured Lenders and (b) Authorizing Debtors to Enter into, and Approving, an Accommodation Agreement with Certain Customers, filed with the Bankruptcy Court on or about October 1, 2009. Reference is also made to that certain Purchase Agreement (the "Agreement") dated as of August 7, 2009 between MD Investors Corporation, a Delaware corporation ("Buyer"), and Metaldyne Corporation, a Delaware corporation (the "Company"). Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Fourth DIP Stipulation.

Each of the Buyer and the Company hereby agree as follows:

1. The draw under the DIP Facility that will occur prior to the Closing of the MD Investors Transaction shall be reduced by (or, if the Buyer and the Company agree to a replacement of a draw on the DIP Facility from the Closing Cash Consideration (as defined in the Agreement) with a direct funding by the Buyer of cash into an escrow account, such cash funding will be reduced by) any net cash proceeds ("Sale Proceeds") received by the Debtors in respect of any asset or equipment sales on which the Term Lenders have a first priority perfected security interest and that are closed prior to the closing date of the MD Investors Transaction (including without limitation an amount of approximately \$2,304,000 received by the Debtors in connection with the sale of certain equipment previously located at the Debtors' facilities, provided that only the portion of such \$2,304,000 remaining after deducting (a) the sale proceeds from the sale of a Bentz Assembly Machine, a Ball Joint Test Station and two Part Feed System Hoppers (not to exceed \$118,000) and (b) the amount payable in respect of taxes on such equipment sold (which are estimated to be \$260,000) and after accounting for actual costs related to the disposition and sale of such equipment (which the parties acknowledge have already been

paid and accounted for in full), shall be included as Sale Proceeds for the purposes described herein). Such Sale Proceeds shall be deemed by each of the Buyer and the Company to be cash available to the Debtors to satisfy all obligations upon receipt.

2. The Sale Proceeds shall not be used or reserved for payment of claims incurred after the Closing Date (as defined in the Agreement)

3. In consideration of the foregoing, the Buyer hereby consents to the entry of the Fourth DIP Stipulation.

4. The Buyer and the Company hereby agree that the provisions of this letter agreement shall supersede any prior agreements or understanding on the subject matter hereof set forth in the Fourth DIP Stipulation and, in the event of any conflict or inconsistency between this letter agreement and the Fourth DIP Stipulation, this letter agreement shall control.

Except as expressly set forth herein, this letter agreement shall not constitute an amendment or waiver of any provision of the Agreement or the Fourth DIP Stipulation, which shall continue and remain in full force and effect in accordance with their respective terms. This letter agreement may be executed in multiple counterparts (including by facsimile) all of which taken together shall constitute one and the same original. The provisions of this letter agreement may be amended, modified, or waived only with the prior written consent of all of the parties hereto. This letter agreement shall not be assignable by any party hereto without the prior written consent of the other parties hereto. Subject to the immediately preceding sentence, this letter agreement and the rights and benefits contained herein shall inure to the benefit of, and be binding upon, each of the parties hereto and their respective heirs and successors. No person shall have or be entitled to assert rights or benefits hereunder. This letter agreement shall be governed by, and construed in accordance with, the laws of the State of New York, without giving effect to any choice of law or conflicts of law provisions of the State of New York or any other state.

\* \* \* \* \*



If the foregoing correctly sets forth our agreements with respect to the matters set forth herein, please so indicate by execute a copy of this letter in the space provided below.

Sincerely,

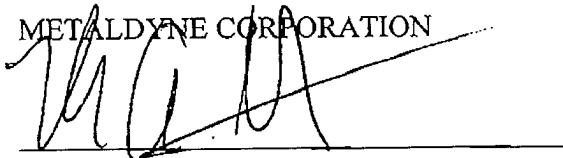
MD INVESTORS CORPORATION

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Shary Moalemzadeh  
Vice President and Secretary

Acknowledged and Agreed:

METALDYNE CORPORATION

A handwritten signature in black ink, appearing to read 'T. Amato', is written over a horizontal line.

Thomas Amato  
Chief Executive Officer


Cc: Heather Lennox  
Jones Day  
North Point  
901 Lakeside Avenue  
Cleveland, Ohio 44114  
email: hlennox@jonesday.com  
facsimile: 216-579-0212

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email: christopher.marcus@kirkland.com  
facsimile: (212) 446-4900

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Sincerely,

MD INVESTORS CORPORATION

  
Shary Moalemzadeh  
Vice President and Secretary

Acknowledged and Agreed:

METALDYNE CORPORATION

---

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Chief Executive Officer

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