

**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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**STIPULATION AND AGREED ORDER AMONG METALDYNE CORPORATION AND  
CHRYSLER GROUP LLC FOR WIND DOWN OF MIDDLEVILLE, MICHIGAN  
FACILITY, *NUNC PRO TUNC* TO OCTOBER 26, 2009**

METALDYNE CORPORATION ("Metaldyne"), on the one hand, and CHRYSLER GROUP LLC ("Chrysler") on the other hand (collectively, the "Parties" and each individually, a "Party"), enter into this stipulation ("Stipulation") for the wind down of Metaldyne's Middleville, Michigan facility (the "Facility"), *nunc pro tunc* to October 26, 2009, on the terms provided below:

**RECITALS**

**WHEREAS**, on May 27, 2009 (the "Petition Date"), the above-captioned debtors and debtors in possession (collectively, the "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 "Court").

**WHEREAS**, Old Carco LLC (formerly known as Chrysler LLC ("Old Chrysler") and Metaldyne, on behalf of itself and its domestic and Canadian controlled affiliates and subsidiaries, among other parties, executed an Accommodation Agreement dated May 2009 (the "Accommodation Agreement") which set out the financial and other accommodations between the parties to the Accommodation Agreement.

**WHEREAS**, Old Chrysler, retroactive as of June 11, 2009, intends to assume and assign to Chrysler the Accommodation Agreement and is submitting a Stipulation and Agreed Order to that effect for approval in Old Chrysler's bankruptcy case.

**WHEREAS**, under section 3(c) of the Accommodation Agreement, which agreement has already been approved by this Court on June 23, 2009 [Docket No. 296], Chrysler, along with other customers of the Debtors (the "Customers"), agreed under certain conditions to fund certain expenses of those plants not being sold in connection with the sale of substantially all of the assets of the Debtors (the "Remainco Plants") in the event production was needed from the Remainco Plants after the term of the Accommodation Agreement expired.

**WHEREAS**, Metaldyne has informed its Customers that the Facility is a Remainco Plant and that it intends to commence an orderly wind down of production at the Facility.

**WHEREAS**, Chrysler has agreed that it will orderly resource all components parts, service parts, or assembled goods manufactured by Metaldyne for Chrysler at the Facility (the "Middleville Component Parts").

**WHEREAS**, in accordance with section 3(c) of the Accommodation Agreement, the Parties have entered into a Wind Down Agreement on or around October 26, 2009 (the "Wind Down Agreement"), relating to winding down their business relationship connected with the operations of the Facility in an orderly fashion (a redacted copy<sup>1</sup> of which is attached hereto as Exhibit A).

**WHEREAS**, pursuant to the Wind Down Agreement, Metaldyne and Chrysler have agreed that, among other things, in addition to purchasing Middleville Component Parts for

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<sup>1</sup> The Wind Down Agreement has been redacted to protect commercially sensitive and confidential information.

the remainder of the Term<sup>2</sup> on modified payment terms, Chrysler will also pay its pro rata share for certain operating costs and services; reimburse Metaldyne for any operating losses related to production for Chrysler, as well as any expenses in connection with the removal of any equipment or tooling; purchase certain Customer Inventory (as defined in the Accommodation Agreement) and equipment designated to the production of the Middleville Component Parts (the “Designated Equipment”); fund certain employee-related expenses; and continue certain setoff obligations, similar to those set forth in the Accommodation Agreement.<sup>3</sup>

**WHEREAS**, Metaldyne has agreed, among other things, to use commercially reasonable and diligent efforts to produce current model production quantities, bank build quantities, current model and/or past model service quantities, and all-time buy quantities of Middleville Component Parts, on or before the end of the Term.

**WHEREAS**, Metaldyne has agreed to cooperate with and support Chrysler’s resourcing efforts, as set forth in the Accommodation Agreement, by allowing its suppliers to work directly with Chrysler to resource the Middleville Component Parts.

**WHEREAS**, the Parties agree that many of the terms contemplated in the Wind Down Agreement constitute an ordinary course business transaction in the automotive industry. In addition, Metaldyne submits that many of the terms of the Wind Down Agreement, including the funding by Chrysler of certain expenses associated with the Facility, as well as the sale of Customer Inventory and Designated Equipment, were contemplated by the estates and specifically provided for in the Accommodation Agreement, which agreement has already been approved by this Court on June 23, 2009 [Docket No. 296]. However, out of an abundance of caution, the Parties are seeking the Court’s approval of the Wind Down Agreement.

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<sup>2</sup> Capitalized terms not otherwise defined in this paragraph shall have the meanings ascribed to them in the Wind Down Agreement.

<sup>3</sup> This Stipulation and Agreed Order contains only a summary of the terms of the Wind Down Agreement. To the extent of any inconsistency, the Wind Down Agreement will control.

**NOW, THEREFORE**, in consideration of the foregoing premises and of the mutual agreements and covenants hereinafter set forth, the parties hereto, intending to be legally bound hereby, agree as follows:

1. The Wind Down Agreement, including any and all schedules and exhibits thereto, is hereby approved *nunc pro tunc* to October 26, 2009.

2. The Court shall retain exclusive jurisdiction to resolve any dispute arising from or relating to this Stipulation and Order and the Wind Down Agreement.

3. This Stipulation and Order is effective immediately upon entry, notwithstanding the possible applicability of Fed. R. Bankr. P. 6004(h), 7062, 9014 or otherwise.

Dated: October 30, 2009  
Detroit, Michigan

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By: /s/ James A. Plemmons

SO ORDERED by the Bankruptcy Court this \_\_\_\_ day of November, 2009.

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UNITED STATES BANKRUPTCY JUDGE