

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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

**STIPULATION AND AGREED ORDER AMONG METALDYNE
CORPORATION AND FORD MOTOR COMPANY FOR WIND DOWN OF
MIDDLEVILLE, MICHIGAN FACILITY, NUNC PRO TUNC TO OCTOBER 30, 2009**

METALDYNE CORPORATION ("Metaldyne"), on the one hand, and FORD MOTOR COMPANY ("Ford") 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 30, 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, Ford and Metaldyne, on behalf of itself and its controlled affiliates and subsidiaries, among others, 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.

**Presentment Date and Time:
November 16, 2009
at 12:00 noon (E.T.)**

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], Ford, along with other customers of the Debtors (the “Customers”), agreed 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”) from which Ford continued to require production.

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, Ford has agreed that it will orderly resource all components parts, service parts, or assembled goods manufactured by Metaldyne for Ford 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 30, 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 copy¹ of which is attached hereto as Exhibit A).

WHEREAS, pursuant to the Wind Down Agreement, Metaldyne and Ford have agreed that, among other things, in addition to purchasing Middleville Component Parts for the remainder of the Term² on modified payment terms, Ford will also pay its pro rata share for certain operating costs and services; reimburse Metaldyne for any operating losses related to

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

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

**Presentment Date and Time:
November 16, 2009
at 12:00 noon (E.T.)**

production for Ford, as well as any expenses in connection with the removal of any equipment or tooling; and fund certain employee-related expenses, and continue certain setoff and inventory purchase obligations, similar to those set forth in the Accommodation Agreement.³

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 Ford's resourcing efforts, as set forth in the Accommodation Agreement and the Wind Down Agreement, by, among other things, allowing its suppliers to work directly with Ford to resource the Middleville Component Parts.

WHEREAS, the Parties agree that many of the terms contemplated in the Wind Down Agreement constitute ordinary course business transactions in the automotive industry. In addition, Metaldyne submits that many of the terms of the Wind Down Agreement, including the funding by Ford of certain wind-down expenses of certain Remainco Plants, as well as the option to purchase certain equipment, were contemplated by the estates to the extent set forth in the similar provisions of 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.

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:

³ This Stipulation and Agreed Order contains only a summary of the terms of the Wind Down Agreement and is not intended to create any obligations on the Parties that are not set forth in the Wind Down Agreement. As a result, the Wind Down Agreement will govern and control in all respects.

**Presentment Date and Time:
November 16, 2009
at 12:00 noon (E.T.)**

1. The Wind Down Agreement, including any and all schedules and exhibits thereto, is hereby approved *nunc pro tunc* to October 30, 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: November 4, 2009

FOLEY & LARDNER LLP

Counsel to the Debtors and Debtors in Possession
One Detroit Center
500 Woodward Ave., Suite 2700
Detroit, MI 48226-3489
Attention: Judy A. O'Neill, Esq.
Phone: (313) 234-7113
Facsimile: (313) 234-2800
Email: joneill@foley.com

By: /s/ Judy A. O'Neill

MILLER CANFIELD PADDOCK AND STONE PLC

Counsel to Ford Motor Company
150 West Jefferson, Suite 2500
Detroit, MI 48226
Attention: Jonathan Green
Fax:(313) 496-7500
Email:greenj@millercanfield.com

By: /s/ Jonathan Green

SO ORDERED by the Bankruptcy Court this ____ **day of November, 2009.**

UNITED STATES BANKRUPTCY JUDGE