

Presentment Date and Time:
November 17, 2009
at 12:00 noon (E.T.)

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

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

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

**STIPULATION AND AGREED ORDER AMONG
OLD CARCO LLC, CHRYSLER GROUP LLC AND NC-M CHASSIS SYSTEMS, LLC
NUNC PRO TUNC TO OCTOBER 30, 2009**

IT IS HEREBY STIPULATED AND AGREED by and between Old Carco LLC (formerly known as Chrysler LLC) ("Old Chrysler"), Debtor NC-M Chassis Systems, LLC ("Metaldyne"), and Chrysler Group LLC (formerly known as New Carco Acquisition LLC) ("New Chrysler") (herein New Chrysler, Old Chrysler, and Metaldyne, collectively, constitute the "Parties" and each individually, a "Party") regarding the settlement of certain disputes concerning Metaldyne's New Castle, Michigan facility (the "New Castle Facility") *nunc pro tunc* to October 30, 2009, on the terms provided below:

RECITALS

WHEREAS, on April 30, 2009 (the "Chrysler Petition Date"), Old Chrysler and certain of its affiliates filed for bankruptcy protection in the Southern District of New York (such court, as it presides over the jointly administered bankruptcy proceedings of Old Chrysler and its

affiliates in jointly administered case no. 09-50002, the “Chrysler Bankruptcy Court”).

WHEREAS, on May 27, 2009 (the “Metaldyne Petition Date”), Metaldyne's parent company known as Metaldyne Corporation and certain of its affiliates, including without limitation NC-M Chassis Systems, LLC, filed for bankruptcy protection in the Southern District of New York (such court, as it presides over the jointly administered bankruptcy proceedings of Metaldyne Corporation and its affiliates in case no. 09-13412, the “Metaldyne Bankruptcy Court”)

WHEREAS, prior to the Chrysler Petition Date and the Metaldyne Petition Date, Old Chrysler entered into various supply agreements and/or releases (collectively, “Purchase Orders”) issued by Old Chrysler and accepted by Metaldyne pursuant to which Metaldyne was obligated to manufacture Old Chrysler's requirements of certain components parts, service parts, and assembled goods, as modified to reflect any approved engineering changes.

WHEREAS, Old Chrysler and Metaldyne Corporation, 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. The Accommodation Agreement was approved by both the Metaldyne Bankruptcy Court and the Chrysler Bankruptcy Court as a post-petition agreement.

WHEREAS, Old Chrysler, retroactive as of June 11, 2009, intends to assume and assign to New Chrysler the Accommodation Agreement and is submitting a Stipulation and Agreed Order for Assumption and Assignment to Chrysler Group LLC of Accommodation Agreement, Related Purchase Orders, and Access and Security Agreement related to Metaldyne Corporation et al. for approval by the Chrysler Bankruptcy Court.

WHEREAS, Old Chrysler, Metaldyne Corporation (through its affiliate NC-M Chassis Systems, LLC), and Chrysler Canada Inc., entered into an NC-M Production Contract (the "NC-M Agreement") dated May 27, 2009. The NC-M Agreement was approved by both the Metaldyne Bankruptcy Court and the Chrysler Bankruptcy Court as a postpetition agreement.

WHEREAS, Old Chrysler, through this Stipulation and Agreed Order, identifies New Chrysler as its designee for purposes of exercising any and all rights of a designee under the NC-M Agreement, including without limitation the option to purchase Designated Equipment set forth in Section 6 of the NC-M Agreement, in consideration for New Chrysler's agreement to make certain of the payments hereunder and otherwise assume certain obligations of Old Chrysler under the NC-M Agreement as more fully described herein.

WHEREAS, certain matters have arisen between Metaldyne, Old Chrysler, and New Chrysler in connection with the NC-M Agreement, and Metaldyne's bankruptcy case, which matters the Parties have reconciled. As a result, the Parties have agreed to the provisions set forth in this Stipulation and Agreed Order and the Settlement Term Sheet (the "Settlement Terms"), a copy of which is attached to this Stipulation and Agreed Order as Exhibit A and all of which is hereby incorporated as if fully set forth herein.

WHEREAS, the Settlement Terms include a provision that, in exchange for consideration which the Parties acknowledge to be sufficient, including but not limited to the assignment to New Chrysler of Old Chrysler's Options under the NC-M Agreement as described in Section 2 of the Settlement Terms, New Chrysler has agreed to pay the amounts described in the Settlement Terms to satisfy certain obligations of Old Chrysler.

WHEREAS, the Parties agree that many of the provisions of the Settlement Terms constitute an ordinary course business transaction in the automotive industry, which may not

even be compromises subject to approval under Rule 9019 of the Federal Rules of Bankruptcy Procedure. In addition, Metaldyne submits that many of the provisions of the Settlement Terms, including the option to purchase Designated Equipment, were contemplated by the estates and specifically provided for in the Accommodation Agreement, which agreement has already been approved by this Court pursuant to an order entered on June 23, 2009 [Docket No. 296]. However, out of an abundance of caution, the Parties are seeking this Court's approval of the Settlement Terms.

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 Settlement Terms, including any and all schedules and exhibits thereto, are hereby approved *nunc pro tunc* to October 30, 2009, and shall bind the Parties.

2. Notice of this Stipulation and Agreed Order is deemed sufficient under the circumstances.

3. The Court shall retain exclusive jurisdiction to resolve any dispute arising from or relating to this Stipulation and Agreed Order and the Settlement Terms.

4. This Stipulation and Agreed 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

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/s/ Judy A. O'Neill

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500 Woodward Ave., Suite 2700
Detroit, MI 48226-3489
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ATTORNEYS FOR DEBTORS AND
DEBTORS IN POSSESSION

/s/ Brian F. Moore

TOGUT, SEGAL & SEGAL LLP
One Penn Plaza, Suite 3335
New York, New York 10119
Telephone: (212) 594-5000
Facsimile: (212) 967-4258
Attention: Brian F. Moore

ATTORNEYS OLD CARCO (f/k/a
CHRYSLER LLC)

/s/ James A. Plemmons

DICKINSON WRIGHT PLLC
500 Woodward Avenue, Suite 4000
Detroit, Michigan 48226
Telephone: (313) 223-3106
Facsimile: (313) 223-3598
Attention: James A. Plemmons

ATTORNEYS FOR CHRYSLER GROUP
LLC

IT IS SO ORDERED.

Dated: New York, New York
_____, 2009

UNITED STATES BANKRUPTCY JUDGE

EXHIBIT A
to Stipulation and Agreed Order among
Old Carco LLC, Chrysler Group LLC and NC-M Chassis Systems, LLC
***nunc pro tunc* to October 30, 2009**

SETTLEMENT TERMS

1. **Effective Date.**

1.1. These Settlement Terms (the "Agreement") will be effective (the "Effective Date") only upon occurrence of the following:

- (a) filing of the Stipulation and Agreed Order to approve this Agreement with the Chrysler Bankruptcy Court,¹ in lieu of full execution of this Agreement;
- (b) entry of a final order by the Metaldyne Bankruptcy Court approving this Agreement as a post-petition agreement (the "Approval Order"); and
- (c) entry of a final order by the Chrysler Bankruptcy Court approving this Agreement as a post-petition agreement (the "Chrysler Approval Order").

Notwithstanding the foregoing, upon satisfaction of the condition set forth in Section 1.1(a), Metaldyne, New Chrysler and Old Chrysler will perform their obligations under this Agreement, pending the entry of the Approval Order and the Chrysler Approval Order.

2. **Equipment Purchases and Options.**

2.1. New Castle Equipment. New Chrysler or its designee will purchase those assets listed on Exhibit A (the "Exhibit A Assets") at the purchase price listed on Exhibit A associated with the New Castle Facility, which represents the SRR appraised orderly liquidation value ("OLV"). Upon payment by New Chrysler or its designee of the OLV identified on Exhibit A, Metaldyne shall, pursuant to Section 4 of the "Order 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" issued by the Supplier Bankruptcy Court on July 7, 2009 (the "Miscellaneous Sale Order"), (x) transfer title to the Exhibit A Assets free and clear of all liens, claims, and encumbrances; (y) further document its transfer of full and complete title and ownership to the Exhibit A Assets by executing a bill of sale in substantially the form attached hereto as Exhibit D; and (z) fully cooperate with New Chrysler or its designees in dismantling, packaging, and removal of the Exhibit A Assets from Metaldyne's facility(ies), without further payment of any kind to Metaldyne. Metaldyne acknowledges that New Chrysler's purchase of the Exhibit A

¹ Capitalized terms not defined in this Agreement shall have the meaning set forth in the Stipulation and Agreed Order Among Old Carco LLC, Chrysler Group LLC, and NC-M Chassis Systems, LLC *nunc pro tunc* to October 30, 2009, filed in Metaldyne's Bankruptcy Court.

Assets will be deemed to be commercially reasonable in all respects, including method, time, place and terms.

2.2. NC-M Agreement Options. Any and all Options set forth in the NC-M Agreement are immediately exercisable by New Chrysler or its designee with regard to Dedicated Equipment (as defined in the NC-M Agreement) used at any Metaldyne facility, at a price (the "Exercise Price") of orderly liquidation value ("OLV") established pursuant to the most current SRR appraisal (the "SRR Appraisals"), or, in the event an item of Dedicated Equipment is not listed on one of the SRR Appraisals, at a mutually agreed-upon price. Upon payment by New Chrysler or its designee of the Exercise Price for any Dedicated Equipment, Metaldyne shall, pursuant to Section 4 of the Miscellaneous Sale Order; (x) transfer title to the Dedicated Equipment free and clear of all liens, claims, and encumbrances; (y) further document its transfer of full and complete title and ownership to the Dedicated Equipment being purchased by executing a bill of sale in substantially the form attached hereto as Exhibit D; and (z) fully cooperate with New Chrysler or its designees in dismantling, packaging, and removal of the Dedicated Equipment from Metaldyne's facility(ies), without further payment of any kind to Metaldyne; provided, however, New Chrysler and its designees shall not unreasonably interfere with Metaldyne's ongoing manufacturing operations. All other provisions of section 6 of the NC-M Agreement shall continue to remain in full force and effect and shall be enforceable by New Chrysler to the extent they do not contradict the terms of this Agreement. Notwithstanding anything in the NC-M Agreement or this Agreement to the contrary, the Designated Equipment Option granted pursuant to Section 6 of the NC-M Agreement shall expire if not exercised on or before 30 days after execution of this Agreement.

3. Disputed Tooling. A matter related to the ownership of certain items of Tooling located at New Castle and identified on Exhibit B (the "Exhibit B Assets") has arisen between New Chrysler and Metaldyne. New Chrysler and Metaldyne agree that the payment of \$33,000 to Metaldyne pursuant to Section 6(a) hereof, that matter shall be fully and finally resolved. Upon Metaldyne's receipt of the payment, Metaldyne shall, pursuant to Section 4 of the Miscellaneous Sale Order, (x) transfer title to the Exhibit B Assets free and clear of all liens, claims, and encumbrances; (y) further document its transfer of full and complete title and ownership to the Exhibit B Assets by executing a bill of sale in substantially the form attached hereto as Exhibit D; and (z) fully cooperate with New Chrysler or its designees dismantling, packaging, and removal of the Exhibit B Assets from Metaldyne's facility(ies), without further payment of any kind to Metaldyne.

4. Trailing Employee Benefit (IBNR) Costs. A matter related to the funding of Metaldyne's trailing liabilities associated with employee benefit plans has arisen in connection with Metaldyne's wind down of its operations at its New Castle Facility. New Chrysler and Metaldyne agree that with New Chrysler's payment of \$448,675 to Metaldyne (the "IBNR Payment") by wire transfer within five business days following the Effective Date, that matter shall be fully and finally resolved.

5. Escrowed Liquidation Expenses. With regard to the funds placed into escrow by Old Chrysler with AlixPartners, LLP pursuant to Section 2.4(b) of the NC-M Agreement, the parties agree to execute, or cause to be executed, the Escrow Final Release Letter attached to this Agreement as Exhibit C, thereby terminating such escrow arrangements, releasing

AlixPartners, LLP from liability and obligations, and instructing AlixPartners to release the remaining escrow balance of \$405,000 to Metaldyne.

6. **Foley Escrowed Amounts.** With regard to the funds placed into escrow by Old Chrysler with Foley & Lardner LLP (“Foley”), Foley shall (a) release the escrowed amount of \$330,948.00 as follows: (i) \$62,474 to New Chrysler, (ii) \$165,474 to Old Chrysler, and (ii) \$103,000 to Metaldyne (representing \$70,000 for payment of the outstanding payables described in Section 8 hereof and \$33,000 for the tooling amounts described in Section 3 hereof), and (b) release to Metaldyne the escrowed amount of \$64,805.00, which amount represents payment of Metaldyne’s 503(b)(9) claims through the end of the Production Period with respect to the New Castle Facility. The parties agree that Foley shall pay such amounts to Metaldyne upon the Effective Date, and upon payment of all escrowed amounts, all of Foley’s escrows under the NC-M Agreement and the Accommodation Agreement shall be terminated and Foley shall be released from all liability and obligations pertaining thereto.

7. **True Up of Operating Costs.** In connection with the true up of cash requirements pursuant to Section 2.5(c) of the NC-M Agreement, New Chrysler agrees, within five business days of the Effective Date, to wire \$103,000 to Metaldyne.

8. **Payables.** In satisfaction of all requirements of Section 2.1(b) and Section 2.1(c) of the NC-M Agreement, New Chrysler agrees that Metaldyne will be paid \$70,000 pursuant to Section 6(a) hereof.

9. **Amounts Received from Chrysler Suppliers.** Provided that such funds have not previously been wired from Metaldyne to New Chrysler, New Chrysler shall set off \$177,843 against the amounts owing from New Chrysler to Metaldyne under Section 4 of this Agreement, which represents amounts received by Metaldyne as a result of erroneously issuing invoices to Chrysler’s tier one suppliers for production under the NC-M Agreement.

10. **Release.** Upon New Chrysler's payment of the amounts set forth in Sections 2.1, and 3 through 5, New Chrysler and Metaldyne acknowledge full and final satisfaction of and Metaldyne releases New Chrysler, Old Chrysler, Chrysler Canada Inc., Chrysler Motors LLC, and Chrysler de Mexico S.A. de C.V., and each of their representatives, agents, employees, directors, officers, successors and assigns (collectively, the “Released Parties”) from any and all claims, rights, liabilities, or obligations owing to Metaldyne that arose prior to execution of this Agreement and under or pertain to the NC-M Agreement; provided, however, that the foregoing release shall not include the indemnity obligations under Section 2.1(d) of the NC-M Production Contract, which shall be assignable by Metaldyne to any purchaser of the New Castle Facility. Notwithstanding anything herein to the contrary, Metaldyne, New Chrysler and Old Chrysler represent and warrant that they have not received written notice of any indemnification claims arising from Section 2.1(d) of the NC-M Production Contract.

11. **Notice.** Any notice or other instrument to be given hereunder must be in writing and, except as otherwise provided in this Agreement, will be deemed to be duly given if mailed, delivered by hand or sent by facsimile to the party to whom such communication is intended to be given and any notice so delivered or sent will be deemed to have been duly given at the time

of service on the day on which it was so delivered or sent, and if mailed, will be deemed to be given three (3) days following the date of mailing. Until changed by notice in the manner described above, the addresses of the parties for the purpose of notice will be:

If to New Chrysler: Chrysler Group LLC
CIMS 484-01-26
800 Chrysler Drive
Auburn Hills, Michigan 48326-2766
Attention: Sigmund Huber
Facsimile: (248) 576-2191

With a copy to: Chrysler Group LLC
CIMS 485-14-78
1000 Chrysler Drive
Auburn Hills, Michigan 48326-2766
Attention: Kim R. Kolb
Facsimile: (248) 512-1771

and: Dickinson Wright PLLC
500 Woodward Avenue, Suite 4000
Detroit, Michigan 48226
Attention: James A. Plemmons
Facsimile: (313) 223-3598

If to Old Chrysler: 800 Chrysler Drive
Auburn Hills, Michigan 48326
Attention: Ronald Kolka

With a copy to: Togut Segal & Segal LLP
One Penn Plaza, Suite 3335
New York, New York t 10119
Attention: Frank A. Oswald
Facsimile: (212) 967-4258

If to Metaldyne: Metaldyne Corporation
47603 Halyard Drive
Plymouth, Michigan 48170-2429
Attention: Thomas Amato
Facsimile: (734) 207-6741

With a copy to: Foley & Lardner LLP
500 Woodward Avenue, Suite 2700
Detroit, MI 48226
Attention: Judy O'Neill
Facsimile: (313) 234 2800

12. **General Terms.**

12.1. This Agreement together with any exhibits to this Agreement constitute the entire understanding of the parties in connection with the subject matter hereof. This Agreement may not be modified, altered or amended except by an agreement in writing signed by all parties.

12.2. The parties executing this Agreement as representatives warrant that they have the power and authority to execute this Agreement on behalf of the corporation or entity that they represent and that their signatures bind said corporations or entities to the terms of this Agreement.

12.3. Metaldyne may not assign or transfer, directly or indirectly, any of its rights under this Agreement without the prior written consent of all the parties to this Agreement. Likewise, except with respect to the non-party entities named in Sections 5 and 9 of this Agreement, nothing herein is intended for the benefit of any third parties including any purchasers of Metaldyne's assets including, without limitation, other customers of Metaldyne.

12.4. No delay or failure of New Chrysler or Metaldyne to exercise any right, power or privilege hereunder will affect such right, power or privilege, nor will any single or partial exercise thereof preclude any further exercise thereof, nor the exercise of any other right, power or privilege.

12.5. Should any provision of this Agreement be held invalid or unenforceable, the remainder of this Agreement will not be affected thereby.

12.6. Metaldyne agrees that it will not enter into any other arrangements or agreements that would in any way materially impair New Chrysler's rights under this Agreement.

12.7. This Agreement may be executed in any number of duplicate originals or counterparts, each of such duplicate originals or counterparts will be deemed to be an original and taken together will constitute but one and the same instrument. The parties agree that their respective signatures may be delivered by facsimile or electronically with original signatures to follow, and that facsimile and electronic pdf signatures will be treated as originals for all purposes.

12.8. This Agreement is made in the State of Michigan and will be governed by, and construed and enforced in accordance with the laws of the State of Michigan, without regard to conflicts of law principles.

13. **REPRESENTATIONS. THE PARTIES ACKNOWLEDGE THAT THEY HAVE BEEN GIVEN THE OPPORTUNITY TO CONSULT WITH COUNSEL OF THEIR CHOICE BEFORE EXECUTING THIS AGREEMENT AND ARE DOING SO WITHOUT DURESS, INTIMIDATION, OR COERCION AND WITHOUT RELIANCE UPON ANY REPRESENTATIONS, WARRANTIES OR COMMITMENTS OTHER THAN THOSE REPRESENTATIONS, WARRANTIES OR COMMITMENTS SET FORTH IN THIS AGREEMENT.**

14. **JURY TRIAL WAIVER. THE PARTIES ACKNOWLEDGE THAT THE RIGHT TO TRIAL BY JURY IS A CONSTITUTIONAL RIGHT, BUT THAT THIS RIGHT MAY BE WAIVED. THE PARTIES EACH HEREBY KNOWINGLY, VOLUNTARILY AND WITHOUT DURESS, INTIMIDATION, OR COERCION, WAIVE ALL RIGHTS TO A TRIAL BY JURY OF ALL DISPUTES ARISING OUT OF OR IN RELATION TO THIS AGREEMENT OR ANY OTHER AGREEMENTS BETWEEN THE PARTIES EXECUTED IN CONNECTION WITH THIS AGREEMENT. NO PARTY WILL BE DEEMED TO HAVE RELINQUISHED THE BENEFIT OF THIS WAIVER OF JURY TRIAL UNLESS SUCH RELINQUISHMENT IS IN A WRITTEN INSTRUMENT SIGNED BY THE PARTY TO WHICH SUCH RELINQUISHMENT WILL BE CHARGED.**

Exhibits

Exhibit A – New Castle Equipment
Exhibit B – New Castle Disputed Tooling
Exhibit C – Escrow Final Release Letter
Exhibit D – Form of Bill of Sale