

IT IS SO ORDERED.

Dated: 04:22 PM October 25 2006



**IN THE UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF OHIO
EASTERN DIVISION**

In re:)	Case No. 06-51848
)	Jointly Administered
CEP Holdings, LLC, et al.,)	
)	Chapter 11
Debtors)	
)	Judge Marilyn Shea-Stonum
)	

**STIPULATED AND AGREED ORDER ON EMERGENCY MOTION FOR RELIEF
FROM STAY OF FORD MOTOR COMPANY**

This matter having come before the Court on the Emergency Motion of Ford Motor Company (“Ford”) for relief from the automatic stay authorizing Ford to exercise its available state law remedies for recovery of equipment in the possession of the Debtors (“Emergency Motion”);

The Parties having reached an amicable agreement resolving the issues raised in the Emergency Motion subject to the terms and provisions of this Stipulated and Agreed Order (the “Order”); and

On the basis of the statements and representations to which each party has stipulated as evidenced by its respective signature below, and the Court having been fully advised;

IT APPEARS TO THE COURT THAT:

1. The Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2). Venue of these chapter 11 cases and the Emergency Motion is proper pursuant to 28 U.S.C. §§ 1408 and 1409;

2. On September 20, 2006 (the “Petition Date”), Debtors CEP Holdings, LLC (“CEP”), Creative Engineered Polymer Products, LLC (“CEPP”), and Thermoplastics Acquisition, LLC (“TA” and, together with CEP and CEPP, the “Debtors”) commenced these jointly administered Chapter 11 cases upon the filing of voluntary Chapter 11 petitions;

3. Debtor CEPP¹ operates manufacturing operations in several locations, including one located in Canton, Ohio (the “Canton Facility”);

4. Pursuant to agreement, Ford owns certain tools (commonly referred to collectively as the “Blow Mold”) that currently sit at the Canton Facility.² CEPP has utilized Ford’s Blow Mold to form and manufacture “Console Heater Ducts” for use by Ford in all of Ford’s F-Series vehicles;

¹ Debtor CEPP and Ford are collectively referred to in this Order as the “Parties.”

² The Blow Mold consists of two cavity blow molds, a check fixture gauge, and all related secondary assembly equipment (the “Secondary Equipment”). CEPP believes it may have an ownership interest in some or all of the Secondary Equipment and would, therefore, be entitled to reimbursement for the same. Ford disagrees with this position. With respect to the Secondary Equipment, all rights and obligations, if any, that exist as between the Parties as of the date of this Order shall be preserved and remain unaffected by the removal of the Blow Mold.

5. The Canton Facility is one of the “Closing Facilities”³ that is being wound down to be sold at auction;

6. On October 18, 2006, Ford filed the Emergency Motion. In the Emergency Motion, Ford asserts, among other things, the following: that the Blow Mold is used to manufacture “Console Heater Ducts,” which are essential components of all Ford F-Series vehicles that are manufactured at plants in Dearborn, Michigan, Kansas City, Missouri, and Norfolk, Virginia; that CEPP is the only supplier of Console Heater Ducts; that Ford has identified another supplier that is prepared to install the Blow Mold at its plant and supply Ford with Console Heater Ducts; that it will take approximately four weeks from the time the Blow Mold is removed from the Canton Facility to the time the Blow Mold will be operational at the new supplier’s plant; and that even a temporary interruption in the supply of Console Heater Ducts will shut down the Dearborn, Kansas City, and Norfolk plants, causing worker layoffs and lost revenues for Ford;

7. Ford also asserts that the Blow Mold was built solely to Ford’s unique specifications, that CEPP has no need or use for the Blow Mold other than as it relates to Ford, and that there is no buyer, other than Ford, for the Console Heater Ducts;

8. CEPP contends that it has the right to retain the Blow Mold until Ford has paid in full all of its obligations to CEPP. Ford disagrees with this position. CEPP asserts a claim against an Australian affiliate of Ford (the “Ford of Australia Cancellation

³ As that term is defined in the Debtor’s Motion for Order (A) Granting Authority for the Sale of Assets pursuant to Section 363(b); (B) Approving the Assumption and Assignment of Certain Executory Contracts and Unexpired Leases in Connection with such Sale and Determining and Adjudicating Cure Amounts with respect to such Contracts and Leases pursuant to Section 365; (C) Establishing Bidding Procedures; (D) Setting Date for Auction and Hearing on Approval of Sale of Assets; and (E) Approving Form of Notice [docket # 103].

Claim”). Ford contends that the Ford of Australia Cancellation Claim, if any, is held against a separate legal entity, Ford Motor Company of Australia (“Ford Australia”);

9. A preliminary hearing on the Emergency Motion was held on October 19, 2006 (“Hearing”); and

10. Notice of the Emergency Motion and the preliminary Hearing thereon was provided to: (i) the Debtors; (ii) the United States Trustee, (iii) proposed counsel for the Official Committee of Unsecured Creditors, and (iv) any other party requesting notice of papers filed in these cases in accordance with the Case Management Order that was entered in these cases on September 28, 2006, and due and sufficient notice of the Emergency Motion and the preliminary Hearing thereon was given under the circumstances.

ON THE BASIS OF THE FOREGOING, THE PARTIES HAVE HEREBY STIPULATED AS FOLLOWS:

1. As a result of an exchange of information and arms length negotiations, the Parties have determined that CEPP will allow Ford or its designee to remove the Blow Mold from the Canton Facility and CEPP will cooperate fully with Ford to effectuate such removal by the end of business on October 25, 2006, or any business day thereafter;

2. CEPP shall exercise all reasonable care in having the Blow Mold properly placed and ready for pickup and shipment by Ford or its designee;

3. All rights and obligations—if any—that exist as between the Parties as of the date of the entry of this Order shall be preserved and remain unaffected by the removal of the Blow Mold;

4. Ford agrees to deposit in escrow the amount of \$50,000 (the “Escrow Funds”) pursuant to a mutually agreed upon escrow agreement, which is the amount that CEPP claims in good faith to be due from Ford for certain tooling, but which amount is disputed in good faith by Ford. With respect to the Escrow Funds, (i) the Parties shall have a reasonable period of time to try to resolve the dispute over the escrowed amount; and (ii) if the Parties fail to reach agreement on how to resolve the dispute, the Court shall determine the matter;

5. The Ford of Australia Cancellation Claim shall not be subject to any assertion of setoff by Ford, and Ford agrees that it will not assign, transfer, or otherwise affirmatively permit its claims, if any, to be asserted for any reason including setoff by a third party, including any Ford affiliates; provided however, that Ford’s rights, if any, for short shipments or defective product are specifically preserved with respect to parts picked up by Ford the week of October 16, 2006 or any time thereafter. The ability of CEPP to pursue the Ford of Australia Cancellation Claim or the ability of Ford Australia to assert any of its own rights of setoff or any other defenses or claims—to the extent they may exist—with respect to the Ford of Australia Cancellation Claim are preserved.

On the basis of the foregoing, as well as the stipulations of the Parties as evidenced by their respective signatures below, the Court having reviewed the Emergency Motion and having heard the statements of undersigned counsel with respect to the Emergency Motion at the preliminary Hearing, and after due deliberation and sufficient cause appearing therefore, it is hereby adjudged, decreed, and

ORDERED that Ford shall be and hereby is granted to the extent set forth in this Order immediate relief from the automatic stay imposed by Section 362 of the

Bankruptcy Code to the full extent necessary to recover the Blow Mold; and it is further

ORDERED that Debtor CEPP shall give all reasonable access to Ford or its designee to remove the Blow Mold by the end of business on October 25, 2006, or any business day thereafter, and CEPP shall exercise all reasonable care in having the Blow Mold properly placed and ready for pickup and shipment by Ford or its designee; and it is further

ORDERED that all rights and obligations—if any—that exist as between the Parties as of the date of the entry of this Order shall be preserved and remain unaffected by the removal of the Blow Mold; and it is further

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parts picked up by Ford the week of October 16, 2006 or any time thereafter. Nothing in this Order shall be construed to affect or impact the ability of CEPP to pursue the Ford of Australia Cancellation Claim or the ability of Ford Australia to assert any of its own rights of setoff or any other defenses or claims—to the extent they may exist—with respect to the Ford of Australia Cancellation Claim; and it is further

ORDERED that the Court shall retain jurisdiction to hear any matters or disputes arising from or related to this Order.

Jointly submitted by:

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