

**UNITED STATES BANKRUPTCY COURT  
NORTHERN DISTRICT OF OHIO  
EASTERN DIVISION (AKRON)**

In Re: CEP HOLDINGS, LLC, et al.,	)	CASE NO. 06-51848-mss
	)	(Jointly Administered)
	)	
Debtors.	)	CHAPTER 11
	)	
	)	Judge Marilyn Shea-Stonum
	)	

**CARLISLE COMPANIES INCORPORATED’S RESPONSE TO MOTION FOR ORDER  
(A) GRANTING AUTHORITY TO SELL CERTAIN EQUIPMENT LOCATED IN  
HERMOSILLO, MEXICO, PURSUANT TO SECTIONS 363(b) AND 541, AND  
(B) AUTHORIZING THE DEBTORS AS MAJORITY SHAREHOLDER TO DIRECT  
NONDEBTOR SUBSIDIARY TO DISPOSE OF ITS ASSETS IN  
HERMOSILLO, MEXICO**

Carlisle Companies Incorporated (“Carlisle”), the guarantor of the lease of certain real property where the Debtors’ facility in Hermosillo, Mexico is located, submits its Response to the Motion for Order (A) Granting Authority to Sell Certain Equipment Located in Hermosillo, Mexico, Pursuant to §§ 363(b) and 541, and (B) Authorizing the Debtors as Majority Shareholder to Direct Nondebtor Subsidiary to Dispose of its Assets in Hermosillo, Mexico (the “Motion”). For its Response, Carlisle submits the following:

1. Carlisle Mexico, S.A. de C.V. (“CEP Mexico”) was the original lessee of the real property where the Debtors’ Hermosillo, Mexico facility is located pursuant to a certain Lease Agreement between CEP Mexico and Santa Maria Industrial Partners, L.P. dated June 22, 2004 (the “Lease”). Carlisle guaranteed CEP Mexico’s obligations under the Lease in accordance with a Guaranty of Lease executed at that time (the “Guaranty”).

2. In conjunction with the August, 2005 sale transaction between Carlisle Engineered Products, Inc. (“CEPI”) and the Debtors, the Lease was effectively transferred to the Debtors as a result of their acquisition of the shares of CEP Mexico.

3. Carlisle’s Guaranty continued in effect following the transfer of the Lease to the Debtors, subject to the limitations contained therein.

4. Carlisle’s liability under the Guaranty after the Lease assignment is expressly confined to the lessee’s liabilities as they existed at the time of the August, 2005 sale transaction, absent Carlisle’s consent to any modification or extension of the Lease.

5. Carlisle supports the Motion and, accordingly, does not object to the sale of equipment and machinery related to the Hermosillo facility. Carlisle has asked to be released from further guarantor liability as part of this transaction; however, if necessary to effectuate the relief sought in the Motion, Carlisle does not object to the assignment of the Lease to Delphi Automotive Systems, LLC (“Delphi”), *provided that* the Lease is not modified, extended or renewed and Carlisle’s liability under the Guaranty is not expanded or otherwise affected.

WHEREFORE, Carlisle respectfully submits its Response to the Motion and requests that the Motion be granted subject to the conditions enumerated above.

Respectfully submitted,

/s/ Carrie M. Brosius

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*Attorneys for Carlisle Companies Incorporated*

**CERTIFICATE OF SERVICE**

I hereby certify that on November 22, 2006, a copy of the foregoing was filed electronically. Notice of this filing will be sent to all parties by operation of the Court's electronic filing system. Parties may access this filing through the Court's system. A Service List of the Parties receiving electronic notification is attached.

/s/ Carrie M. Brosius  
One of the attorneys for  
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