

IT IS SO ORDERED.

Dated: 05:11 PM November 28 2006



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

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In re: :
: Case No. 06-51848
CEP HOLDINGS, LLC, et al.,¹ : (Jointly Administered)
: :
Debtors. : Chapter 11
: :
: Honorable Marilyn Shea-Stonum
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**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**

CEP Holdings, LLC and its affiliated Debtors and Debtors-in-possession (each a “Debtor” and collectively, the “Debtors” or “CEP”) in the above-captioned Chapter 11 cases (the “Cases”) having moved (the “Motion”) before this Court for an Order: (a)

¹ The Debtors include: CEP Holdings, LLC, Creative Engineered Polymer Products, LLC (“CEPP”) and Thermoplastics Acquisition, LLC.

granting authority to sell certain equipment located in Hermosillo, Mexico pursuant to 11 U.S.C. §§ 363(b) and 541; and (b) authorizing the Debtors as shareholders to direct their nondebtor Mexican subsidiary, Composite Parts Mexico S.A. de C.V., formerly known as Carlisle Mexico S.A. de C.V. (“CEP Mexico”), to dispose of its assets in Hermosillo, Mexico (collectively, the “Asset Sale”) to Delphi Automotive Systems, LLC or its Mexican *maquiladora* subsidiary, Alambrados Y Circuitos Electricos S.A. de C.V., as the case may be (Delphi and its Mexican subsidiary collectively referred to for convenience purposes herein only as “Delphi”) pursuant to the terms of the Asset Purchase Agreement, dated November 8, 2006 (the “Purchase Agreement”) attached to the Motion; and the Debtors having provided sufficient notice of the Motion and proposed Asset Sale to all creditors asserting a security interest, lien, encumbrance or other interest against all or any portion of the CEPP Purchased Assets (as defined below), the Office of the United States Trustee, all parties who have requested notice in these Chapter 11 cases, and all other parties on the Master Service List maintained in this case, in accordance with the Federal Rules of Bankruptcy Procedure; and due proof of service thereof having been filed with this Court; upon review of the Motion and Certificate of Service with respect to the Motion; and a hearing (the “Sale Hearing”) concerning this matter having been held before this Court on November 28, 2006 at the United States Courthouse in Akron, Ohio; and all objections, if any, to the relief requested having been withdrawn or otherwise resolved; this Court makes the following:

**FINDINGS OF FACT AND CONCLUSIONS OF LAW SOLELY WITH
RESPECT TO THE DEBTORS' INTERESTS IN THIS PROCEEDING:**

A. The court has jurisdiction over the Motion pursuant to 28 U.S.C. §§ 157 and 1334, and this matter is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(A). Venue of these cases and the Motion in this district is proper under 28 U.S.C. §§ 1408 and 1409.

B. The statutory predicates for the relief sought in the Motion are sections 105(a), 363(b), (f), (m), and (n), 365, 541 and 1146(c) of the Bankruptcy Code and Fed. R. Bankr. P. 2002, 6004, 6006, and 9014.

C. Proper, timely, adequate and sufficient notice of the Motion, the Sale Hearing has been provided; and such notice was good and sufficient, and appropriate under the particular circumstances, and no other or further notice of the Motion or the Sale Hearing.

D. Sufficient cause exists to warrant the Asset Sale, which includes the sale of the Purchased Assets owned directly by CEPP, including, but not limited to, the Mexican M&E² at Hermosillo, and the inventory at Hermosillo owned by CEPP (collectively, the "CEPP Purchased Assets") and any remaining real and personal property rights and interests in leasehold improvements owned by CEP Mexico located at Hermosillo (the "CEP Mexico Purchased Assets").

E. The Debtors may sell the CEPP Purchased Assets free and clear of all liens, claims and encumbrances because, in each case, one or more of the standards set forth in 11 U.S.C. §§ 363(f)(1)-(5) has been satisfied.

² Capitalized terms not otherwise defined herein shall have the same meaning ascribed in the Motion.

F. The Asset Sale appears to be in the best interest of the Debtors, their estates and their creditors.

G. With respect to actions to be taken by the Debtors, the Asset Sale is a reasonable exercise of the Debtors' business judgment.

H. The Debtors have demonstrated that approval of the Purchase Agreement and consummation of the sale at this time is in the best interests of the Debtors, the estates and creditors. The Debtors have advanced good and sufficient business justification supporting the Asset Sale to the Purchaser pursuant to § 363(b) of the Bankruptcy Code, as set forth in the Motion, and it is a reasonable exercise of the Debtors' business judgment to consummate the Asset Sale on the terms and conditions set forth in the Purchase Agreement, and to execute, deliver and perform their obligations thereunder. Sound business judgment includes, but is not limited to, the fact that (i) there is a risk of immediate and irreparable loss of value of the CEPP Purchased Assets if the Asset Sale is not consummated, and (ii) the consummation of the transaction contemplated under the Purchase Agreement presents the best opportunity to realize the value of the CEPP Purchased Assets to avoid further decline and devaluation thereof, in that the sale is expected to maximize the value of Debtors' interest in the CEPP Purchased Assets and the Debtors' shares of CEP Mexico in the most expeditious way possible.

I. Notice of the Asset Sale has been properly and sufficiently given to provide the opportunity to maximize the value for the CEPP Purchased Assets.

J. The Debtors have full corporate power and authority to execute and deliver the Purchase Agreement, and documents contemplated thereby, and to perform

the transactions contemplated thereby, including but not limited to the authority of CEPP to vote its interest in CEP Mexico to have CEP Mexico enter into the Purchase Agreement; no consents or approvals, other than those expressly provided for in the Purchase Agreement and herein, are required for the Debtors to consummate the Asset Sale.

K. The consideration to be paid by Delphi under the Purchase Agreement constitutes adequate and fair value for the Purchased Assets, and the terms and conditions of the Purchase Agreement are fair and reasonable under the Bankruptcy Code and under the laws of the United States, any state, territory or possession of the United States of the District of Columbia.

L. The Debtors have good title to the Purchased Assets, and accordingly the transfer of such Purchased Assets, to Delphi pursuant to the Purchase Agreement will be a legal, valid and effective transfer of the Assets.

M. The Purchase Agreement was negotiated, proposed and entered into in good faith, from arm's-length bargaining positions by the Debtors and Delphi.

N. Delphi is entitled to the protections of a good faith purchaser pursuant to 11 U.S.C. § 363(m) of the Bankruptcy Code with respect to the transactions approved hereby.

O. The Debtors do not have any interest in Delphi or any party affiliated with Delphi. Delphi is not an "insider" of the Debtors or any party affiliated with Debtors, as that term is defined in 11 U.S.C. §§ 101.

P. No other or further notice of the Asset Sale is necessary.

**BASED UPON THE FOREGOING FINDINGS OF FACT AND
CONCLUSIONS OF LAW, IT IS HEREBY ORDERED THAT:**

1. The Recitals set forth above are hereby incorporated herein by reference in their entirety. The Motion is granted to the extent provided herein.
2. No objections to the Motion have been filed or presented.
3. The Debtors are hereby authorized to sell the CEPP Purchased Assets and otherwise consummate the Purchase Agreement with Delphi in accordance with the terms of the Purchase Agreement.
4. CEPP, as majority shareholder, is further authorized pursuant to section 363(b) of the Bankruptcy Code to vote its shares of CEP Mexico to direct CEP Mexico to enter into and perform under the Purchase Agreement and to direct CEP Mexico to deposit all proceeds of the CEP Mexico Purchased Assets in the same manner as described in Section 23 below. All Purchased Assets owned directly by CEP Mexico (the “CEP Mexico Purchased Assets”) are not subject to this Order and are being sold pursuant to the terms of the Purchase Agreement.
5. The CEPP Purchased Assets sold to Delphi shall be free and clear of all liens, claims, liabilities and encumbrances, and such CEPP Purchased Assets shall be sold as is, with or without warranty, representation or recourse of any kind or nature, express or implied, at law or in equity with respect to the CEPP Purchased Assets, without limitation, any representation or warranty with respect to the nature or extent of the Debtors’ interest in the CEPP Purchased Assets, merchantability or fitness for any particular purpose, and any and all such other representations and warranties are hereby expressly disclaimed.

6. The provisions of 11 U.S.C. §§ 363(b) and (f) have been complied with as to the CEPP Purchased Assets.

7. The Purchase Agreement (including all exhibits and schedules thereto and all terms and conditions thereunder), attached to the Motion as Exhibit “A”, is hereby approved in all respects, and the Asset Sale with respect to the Debtors pursuant to the Purchase Agreement is hereby authorized under 11 U.S.C. §§ 105, 363(b) and (f).

8. The Debtors are authorized and directed, (i) pursuant to 11 U.S.C. §§ 105, 363(b) and (f), to execute and deliver, and empowered to fully perform under, consummate and implement, the Purchase Agreement, together with all additional instruments and documents that may be reasonably necessary or desirable to implement the Purchase Agreement and to take all further actions as may be requested by Delphi for the purpose of assigning, transferring, granting, conveying and conferring to Delphi, or reducing to Delphi’s possession, any or all of the Purchased Assets, and (ii) to vote the Debtors’ interest in the shares of CEP Mexico (a) to consummate the transaction and (b) to direct CEP Mexico to deposit the proceeds of the CEP Mexico Purchased Assets in the same manner as described in Section 23 hereof.

9. Pursuant to 11 U.S.C. § 1146(c), the sale and transfer of any and all CEPP Purchased Assets pursuant to the Purchase Agreement are exempt from and shall not be taxed under any Federal, State or local law imposing a recording tax, stamp tax, transfer tax, or similar tax.

10. Neither the purchase of the CEPP Purchased Assets by Delphi - nor the transactions contemplated hereby will cause Delphi or any of its subsidiaries and affiliates to be deemed a successor in any respect to the Debtors’ business within the

meaning of any federal, state or local revenue, pension, ERISA, tax, labor or environmental law, rule or regulation or under any products liability law or doctrine with respect to Debtors' liability under such law, rules, regulations or doctrines. In addition, except as expressly provided in the Purchase Agreement, Delphi does not acquire or assume any of the Debtors' or any other person's liabilities, including, without limitation, any of the Debtors' obligations under any employment or collective bargaining agreement, and in no event shall Purchaser (a) be deemed the successor of the Debtors, (b) have, *de facto* or otherwise, merged with or into the Debtors or (c) be a mere continuation of the Debtors or the enterprises of the Debtors. To the greatest extent permitted by law, Delphi shall have no liability or obligation under the WARN Act (29 U.S.C. §§ 2101 et seq.) or the Comprehensive Environmental Response Compensation and Liability Act or any federal, state or local environmental law by virtue of Delphi's purchase of the CEPP Purchased Assets.

11. Upon the closing of the Asset Sale, pursuant to 11 U.S.C. § 363(f), as of the Closing and pursuant to the terms of the Purchase Agreement, the transfer of the CEPP Purchased Assets to Delphi will be a legal, valid, enforceable, and effective transfer of the CEPP Purchased Assets, and will vest Delphi with all right, title, and interest of the Debtors in the CEPP Purchased Assets free and clear of all liens, claims, liabilities, encumbrances and interests, including, but not limited to: (i) those relating to taxes arising under or out of, in connection with, or in any way relating to the operation of the Purchased Assets prior to the Closing, (including without limitation any and all liens which may arise under any state or federal law or statute by reason of Debtors' failure to comply with any otherwise applicable statute relating to bulk transfer or bulk

sale law), (ii) all mortgages, deeds of trust, security interests, conditional sale or other title retention agreements, pledges, liens, judgments, demands, encumbrances, options, rights of first refusal or charges of any kind or nature, if any, including, but not limited to, any restriction on the use, voting, transfer, receipt of income or other exercise of any attributes of ownership, (iii) all debts arising in any way in connection with any agreements, acts, or failures to act, of the Debtors or any of the Debtors' predecessors or affiliates, claims, obligations, liabilities, demands, guaranties, options, rights, contractual or other commitments, restrictions, interests and matters, of any kind and nature, whether known or unknown, contingent or otherwise, whether arising prior or subsequent to the commencement of these bankruptcy cases, and whether imposed by agreement, understanding, law, equity or otherwise, including but not limited to claims arising under doctrines of successor liability, with any liens or interests in such CEPP Purchased Assets to attach to the proceeds thereof in accordance with Section 23 hereof.

12. Except as may be expressly permitted by the Purchase Agreement, all persons and entities holding liens or interests of any kind and nature with respect to the CEPP Purchased Assets are hereby barred from asserting such liens or interests against Delphi, its successors or assigns, or the CEPP Purchased Assets.

13. If any person or entity that has filed financing statements or other documents or agreements evidencing encumbrances on the CEPP Purchased Assets of the Debtors shall not have delivered to the Debtors prior to the Closing (in proper form for filing and executed by the appropriate parties), termination statements, instruments of satisfaction, releases of all encumbrances that the person or entity has with respect to such CEPP Purchased Assets, Delphi is hereby authorized to execute and file such

statements, instruments, releases and other documents on behalf of the person or entity with respect to such CEPP Purchased Assets.

14. The foregoing notwithstanding, the provision of this Order authorizing the sale and assignment of the CEPP Purchased Assets free and clear of liens, encumbrances and interests shall be self-executing, and notwithstanding the failure of the Debtors, Delphi, or any other party to execute, file or obtain releases, termination statements, assignments, consents or other instruments to effectuate, consummate and/or implement the provisions hereof or the Purchase Agreement with respect to the sale and assignment of such CEPP Purchased Assets, all liens, encumbrances and interests on such CEPP Purchased Assets shall be deemed released and shall attach to the proceeds of the Asset Sale pursuant to this Order as set forth in Section 23 below.

15. This Order shall be binding upon and govern the acts of all United States of America entities, including without limitation, all filing agents, filing officers, title agents, title companies, recorders of mortgages, recorders of deeds, registrars of deeds, administrative agencies, governmental departments, secretaries of state, federal, state and local officials, and all other persons or entities who may be required by operation of law, the duties of their office or contract to accept, file, register or otherwise record or release any documents or instruments, or who may be required to report to or insure title or state of title in or to any of the CEPP Purchased Assets of the Debtors. Each and every federal, state and local governmental agency or department is hereby directed to accept any and all documents and instruments necessary and appropriate to consummate the transactions contemplated by the Purchase Agreement, including without limitation, documents and instruments for recording in any governmental agency or department

required to transfer to Delphi any and all licenses under the Debtors' ownership necessary for the operation associated with the CEPP Purchased Assets, and county and state offices wherein termination statements under the Uniform Commercial Code are authorized to be filed.

16. From and after entry of this Order, neither the Debtors nor any creditor or other party in interest within the jurisdiction of this Court shall take or cause to be taken any action that would interfere with the transfer of the CEPP Purchased Assets of the Debtors to Delphi in accordance with the terms of this Order.

17. No bulk sales law or any similar law of any state or other jurisdiction shall apply in any way to the transactions authorized herein.

18. Because the Court finds that Delphi is a good faith purchaser within the meaning of 11 U.S.C. §363(m), in the event that the parties to the Asset Sale consummate the transactions contemplated thereby while an appeal of this Order is pending, Delphi shall be entitled to rely upon the protections of 11 U.S.C. § 363(m), absent any stay pending appeal granted by a court of competent jurisdiction prior to such consummation.

19. The Purchase Agreement and any related agreements, documents or other instruments may be modified, amended or supplemented by the parties thereto in accordance with the terms thereof without further order of the Court, provided that any such modification, amendment or supplement is not material and adverse to the Debtors.

20. As the Asset Sale is non-collusive, fair and reasonable and conducted in good faith, and the transactions contemplated by the Purchase Agreement have been bargained for and undertaken by the Debtors and Delphi at arm's length and without

collusion, the Asset Sale and proposed distribution of sale proceeds approved by this Order is not subject to avoidance pursuant to 11 U.S.C. § 363(n) of the Bankruptcy Code.

21. Nothing contained in any plan of reorganization (or liquidation) confirmed in these cases or the order of confirmation confirming any plan of reorganization (or liquidation) shall conflict with or derogate from the provisions of the Purchase Agreement or the terms of this Order. Further, the provisions of this Order and any actions taken pursuant hereto shall survive the entry of any order which may be entered or converting the Debtors' case from Chapter 11 to a case under Chapter 7 of the Bankruptcy Case.

22. The terms and provisions of the Purchase Agreement, together with the terms and provisions of this Order, shall be binding in all respects upon, and shall inure to the benefit of, (a) the Debtors, its estate, any trustee appointed in this case (whether in Chapter 7 or Chapter 11), their creditors, (b) Delphi - and their respective affiliates, successors and assigns, and (c) any affected third parties, including but not limited to, any and all persons asserting a claim against or interest in the Debtors' estates or any of the Purchased Assets.

23. Notwithstanding anything to the contrary contained in this Order, pursuant to Section 16 of the Final Order Authorizing Debtors To: (A) Use Cash Collateral; (B) Incur Postpetition Debt; (C) Grant Adequate Protection And Provide Security And Other Relief To Wachovia Capital Finance Corporation (Central); And (D) Grant Certain Related Relief previously entered by the Court in this case, all rights, liens, claims, encumbrances and interests of all parties in interest (including, without limitation, Debtors, CEP Mexico, creditors of CEP Mexico, Wachovia Capital Finance Corporation

(Central) (“Lender”), the Committee and the Participating Customers) in respect of all assets located in Mexico and related to the business or operations of CEP Mexico (collectively, "Mexico Interests") are hereby expressly reserved. Debtors and Lender shall deposit, and Debtors shall cause CEP Mexico to deposit, all proceeds of the Asset Sale into a segregated, interest-bearing escrow account administered by Wachovia Bank, N.A. for the benefit of Debtors' and CEP Mexico's creditors ("CEP Mexico Escrow Account"). All Mexico Interests shall attach to the amounts deposited in the CEP Mexico Escrow Account to the same extent and with the same validity and priority as existed with respect to the underlying assets immediately prior to their sale.

24. Carlisle Companies Incorporated (“Carlisle”) has filed a response to the Motion seeking clarification of Carlisle’s guarantee of the real property lease at Hermosillo. The response has been resolved by agreement between Carlisle and Delphi. Pursuant to that agreement, in the event the subject lease is assigned, Carlisle's guaranty will be limited to the existing lease terms (without modification, renewal or extension). Carlisle's guaranty shall not extend to any new lease executed in conjunction with the Transaction.

25. As provided by Bankruptcy Rules 6004(g), 6006(d) and 7062, because time is of the essence, this Order shall be effective and enforceable as of entry of this Order and the ten (10)-day stay period provided for in Rule 6004(g) of the Federal Rules of Bankruptcy Procedure is hereby waived.

26. The provisions of this Order are non-severable and mutually dependent.

27. The closing of the Asset Sale shall occur no later than 11:59 p.m. on November 30, 2006, or on such later date as the Debtors and Delphi may agree in their sole discretion (the "Closing Date").

28. This Court shall and hereby does retain sole and exclusive jurisdiction to determine any dispute, issue or other matter arising in connection with the Debtors' interest in the Asset Sale or under this Order.

IT IS SO ORDERED

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