

**IT IS SO ORDERED.**

**Dated: 04:33 PM December 04 2006**



UNITED STATES BANKRUPTCY COURT  
NORTHERN DISTRICT OF OHIO  
EASTERN DIVISION

-----	x	Case Nos. 06-51848
In re	:	(Jointly Administered)
	:	
CEP HOLDINGS, LLC, <i>et al.</i> , <sup>1</sup>	:	Chapter 11
	:	Honorable Marilyn Shea-Stonum
Debtors.	:	
	:	Related to Doc No. 255
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**STIPULATED ORDER RESOLVING EMERGENCY MOTION TO ENFORCE OF DEBTORS AND DEBTORS IN POSSESSION TO (I) ENFORCE THE PERFORMANCE BONUS PLAN ORDER AND (II) COMPEL PARTICIPATING CUSTOMERS TO RELEASE FUNDS FROM THE BBK TRUST ACCOUNT SO THAT THE DEBTORS CAN MAKE APPROVED PAYMENTS UNDER THE PERFORMANCE BONUS PLAN**

This Stipulated Order by and among the Debtors, the Official Committee of Unsecured Creditors (the "Committee"), General Motors Corporation ("GM"), Visteon Corporation ("Visteon"), Delphi Automotive Systems, LLC ("Delphi" together with GM and Visteon, collectively the "Participating Customers"), Wachovia Capital Finance Corporation (Central) ("Wachovia") and the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union (the "USW") entered into by the parties this 1st day of December, 2006, hereby state and agree as follows:

<sup>1</sup> The Debtors are: CEP Holdings, LLC, Creative Engineered Polymer Products, LLC and Thermoplastics Acquisition, LLC.

WHEREAS, on October 20, 2006, the Debtors filed the *Motion of Debtors and Debtors in Possession, Pursuant to Sections 105(a), 363(b) and 503(c)(3) of the Bankruptcy Code, for Entry of an Order Authorizing Them to Adopt a Performance Bonus Plan and Make Payments Thereunder* (Docket No. 97) (the “**Performance Bonus Plan Motion**”).

WHEREAS, on October 24, 2006, the United States Bankruptcy Court for the Northern District of Ohio (the “Bankruptcy Court”) held an evidentiary hearing on the Performance Bonus Plan Motion.

WHEREAS, on October 26, 2006, the Bankruptcy Court issued an oral Order approving the Performance Bonus Plan Motion with respect to certain employees of the Debtors (the “**Performance Bonus Plan Order**”).

WHEREAS, on November 17, 2006, the Bankruptcy Court entered an Entry of Judgment with respect to the Performance Bonus Plan Motion memorializing the Performance Bonus Plan Order (Docket No. 242) (the “**Performance Bonus Plan Judgment**”).

WHEREAS, on November 27, 2006, the Debtors filed the *Emergency Motion of Debtors and Debtors in Possession to (I) Enforce the Performance Bonus Plan Order and (II) Compel Participating Customers to Release Funds from the BBK Trust Account so that the Debtors can Make Approved Payments Under the Performance Bonus Plan* (Docket No. 255) (the “**Motion to Enforce**”).

WHEREAS, on November 30, 2006, the Bankruptcy Court held a hearing on the Motion to Enforce (the “**Motion to Enforce Hearing**”).

WHEREAS, the parties hereto have agreed to resolve the issues related to the Motion to Enforce in a manner consistent with the record of the Motion to Enforce Hearing and as more fully set forth below.

BASED ON THE FOREGOING RECITALS which are incorporated as representations and warranties of the parties, and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the Debtors, the Committee, the Participating Customers, Wachovia and the USW agree as follows:

1. The Performance Bonus Plan Judgment is reaffirmed subject to the following provisions. The Performance Bonus Plan, as defined in the Performance Bonus Plan Motion, shall be funded as follows:

- a. **First**, an amount not to exceed One Hundred Fifty Thousand Dollars (\$150,000.00) from amounts of "Postpetition Debt" otherwise available under and as defined in the debtor-in-possession financing facility (authorized and approved by that certain *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* (Docket No. 192) (the "**DIP Order**")), subject to an availability calculation performed by Wachovia as of December 1, 2006, after taking into account any advance made to the Debtors for expenses due and payable in respect of the Middlefield, Ohio and Tuscaloosa, Alabama facilities on December 1, 2006. For purposes of clarity, in the event that such availability calculation as of December 1, 2006 determines excess availability (i.e., total availability in excess of outstanding loans) of less than \$150,000.00, such amount shall be drawn and utilized to fund the Performance Bonus Plan, and in the event that such availability calculation by Wachovia as of December 1, 2006 determines excess availability of an amount greater than \$150,000.00, only \$150,000.00 from availability shall be

drawn and utilized to fund and pay amounts due and owing under the Performance Bonus Plan.

- b. **Second**, all amounts required to fund the Performance Bonus Plan obligations in excess of the amount to be funded from availability in accordance with 1(a) hereof shall be funded exclusively by the Participating Customers from funds deposited with BBK, Ltd. ("BBK") in accordance with the DIP Order. All funding of Performance Bonus Plan obligations in accordance with this section 1(b) shall be treated as grants or cash infusions by the Participating Customers with no right of claim or repayment as against the Debtors or their bankruptcy estates by the Participating Customers with respect thereto.

2. The Participating Customers expressly reserve all of their existing rights and remedies against Wachovia, if any. In the event that the Participating Customers assert claims against Wachovia relating to the availability calculation performed as of December 1, 2006, the Participating Customers shall fully reimburse and pay to the Debtors' bankruptcy estates (within twenty (20) days of written request for reimbursement, which written request shall include proof of payment of indemnification obligations by the Debtors' bankruptcy estates to Wachovia) all amounts that the Debtors' bankruptcy estates pay to Wachovia in respect of the indemnification obligations of the bankruptcy estates under the DIP Order to Wachovia and relating to the availability calculation performed as of December 1, 2006. The Participating Customers shall only be entitled to recover such indemnification amounts reimbursed by the Participating Customers to the Debtors' bankruptcy estates from affirmative recoveries from Wachovia relating to the availability calculation by Wachovia.

3. BBK shall disburse the funds identified in section 1(b) above immediately upon entry of this Stipulated Order by the Bankruptcy Court and confirmation from

Wachovia of the amount of availability to be funded in accordance with section 1(a). All parties agree that upon entry of this Order the amount to be paid immediately under the November 17, 2006 Order is \$891,005.

4. Nothing contained in this Stipulated Order shall affect the rights of any party with respect to matters pending before the Bankruptcy Court on December 12, 2006 related to the Performance Bonus Plan Motion in accordance with that certain Order of Court dated November 28, 2006 relating thereto. Amounts relating to the Performance Bonus Plan awarded by the Bankruptcy Court consistent with the aforementioned Order of Court dated November 28, 2006 shall be paid exclusively from proceeds described in section 1(b) hereof. For purposes of clarity, once the one-time cap of \$150,000 set forth in section 1(a) has been met or if no further availability exists, any further amounts ordered to be paid by this Court under the Incentive Bonus Plan must be disbursed by BBK as set forth in section 1(b).

5. The USW, while not a moving party or proponent of the Motion to Enforce, does not object to the resolution that is the subject of this Stipulated Order. However, by doing so, the USW reserves all rights to refer or cite to the terms of this resolution and any other fact in connection with any further proceedings on the Performance Bonus Plan Motion or any other matter before the Bankruptcy Court in this proceeding or in any other matter.

**AGREED TO AND STIPULATED BY:**

<b>CEP Holdings, LLC</b>  <u>/s/ Joseph F. Hutchinson, Jr. (with permission via electronic mail)</u> By: Joseph F. Hutchinson, Jr. Its: Counsel	<b>General Motors Corporation</b>  <u>/s/ Aaron M. Silver (with permission via electronic mail)</u> By: Aaron M. Silver Its: Counsel
<b>Creative Engineered Polymer Products, LLC</b>  <u>/s/ Joseph F. Hutchinson, Jr. (with permission via electronic mail)</u> By: Joseph F. Hutchinson, Jr. Its: Counsel	<b>Visteon Corporation</b>  <u>/s/ Kristi A. Katsma (with permission via electronic mail)</u> By: Kristi A. Katsma Its: Counsel
<b>Thermoplastics Acquisition, LLC</b>  <u>/s/ Joseph F. Hutchinson, Jr. (with permission via electronic mail)</u> By: Joseph F. Hutchinson, Jr. Its: Counsel	<b>Delphi Automotive Systems, LLC</b>  <u>/s/ Thomas B. Radom (with permission via electronic mail)</u> By: Thomas B. Radom Its: Counsel
<b>The Official Committee of Unsecured Creditors</b>  <u>/s/ Mark E. Freedlander</u> By: Mark E. Freedlander Its: Counsel	<b>Wachovia Capital Finance Corporation (Central)</b>  <u>/s/ Jeremy M. Downs (with permission via electronic mail)</u> By: Jeremy M. Downs Its: Counsel

**NO OBJECTION:**

United Steel, Paper and Forestry,  
Rubber, Manufacturing, Energy, Allied  
Industrial and Service Workers International  
Union

/s/ David M. Fusco (with permission via electronic mail)  
By: David M. Fusco  
Its: Counsel

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