

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF OHIO

IT IS SO ORDERED.

In re:)
)
)
CEP HOLDINGS, LLC, et al.,)
Dated: 04:55 PM July 23 2007)
)
)
Debtors.)



MARILYN SHEA-STONUM JS
U.S. Bankruptcy Judge

STIPULATED AND AGREED ORDER SETTING CLAIM OF PARKER HANNIFIN CORPORATION RELATED TO BISHOPVILLE AND VANDALIA PREMISES

This matter came to be considered on the Motion (the "Motion") of the Debtors Pursuant to Rule 9019 of the Federal Rules of Bankruptcy Procedure for Approval of Stipulated and Agreed Order Setting Claim of Parker Hannifin Corporation ("Parker") Related to the Bishopville and Vandalia Premises.¹

1. In December 2005, Debtor Thermoplastics Acquisition Corporation ("Thermoplastics") purchased its business operations from Parker. As part of the purchase, the Debtors purchased manufacturing facilities in Bishopville, South Carolina and Vandalia, Ohio (collectively, the "Premises"). As part of the transaction, Thermoplastics leased the Premises pursuant to that certain Agreement of Lease - Bishopville, South Carolina, dated December 21, 2005, between Parker and Thermoplastics and that certain Agreement of Lease - Vandalia, Ohio, dated December 21, 2005 between Parker and Thermoplastics (collectively, the "Leases"). The Debtors aver that the Leases are properly secured finance leases.

2. The Debtors ceased manufacturing operations at each of the Premises on or about October 31, 2006. Shortly thereafter, the Debtors and Parker commenced settlement

¹ Capitalized but undefined terms used herein shall have the meaning given to such terms in the Motion.

negotiations regarding disposition of the Premises and Parker's claim arising from the termination of the Leases.

3. On May 1, 2007, Parker filed its Emergency Motion of Parker Hannifin Corporation for Relief from Automatic Stay and Abandonment (the "Relief Motion") pursuant to which Parker sought relief from stay and abandonment by the Debtors with respect to the Premises. This relief was based on purported sales of the Premises which Parker had negotiated and desired to close in May 2007.

4. The Debtors, Committee and Parker negotiated with respect to both disposition of the Premises and Parker's claim related to termination of the Leases. On May 22, 2007 the Debtors, Parker and Committee submitted a proposed order to the Court which requested relief from stay and abandonment by the Debtors with respect to the parties and which established and allowed Parker's secured and unsecured claims with respect to the Leases and Premises.

5. On May 30, 2007, the Court entered the Stipulated and Agreed Order (I) Granting Motion of Parker Hannifin Corporation for Relief from Automatic Stay and Abandonment as to Bishopville Premises; and (II) Modifying Relief previously Granted as to Vandalia Premises (the "Relief Order"). Although the Relief Order granted relief from stay and abandonment with respect to the Premises, the Relief Order did not contain the agreement of the Debtors, Committee and Parker regarding Parker's claim related to termination of the Leases.

6. On July 3, 2007, the Debtors filed the Motion seeking approval of the compromise between the Debtors, Committee and Parker regarding Parker's secured and unsecured claim related to the premises.

WHEREFORE, the Court finds that good cause exists for granting the relief requested in the Motion, and that good cause exists for approving the settlement of the parties as contained in this Agreed Order.

IT IS, THEREFORE, ORDERED THAT:

1. The Motion, and the relief requested therein, is hereby granted.
2. The Debtor, the Committee, and Parker hereby stipulate and agree that the total aggregate amount of Parker's secured and unsecured claims under the Leases equals \$3,962,899.00. The Debtor, the Committee, and Parker further stipulate and agree that Parker's claims asserted against the Debtors in the captioned matter under the Leases are to be allowed as follows: (a) With regard to the Vandalia Lease, \$2,002,500.00 (secured) and \$545,078.00 (unsecured); and (b) With regard to the Bishopville Lease, \$622,500.00 (secured) and \$792,821.00 (unsecured). Notwithstanding the foregoing, Parker's claims under the Leases shall be subject to the Debtor's, the Committee's, and any subsequently appointed trustee's rights under Section 502(d) of the Bankruptcy Code. Notwithstanding the admission (subject to section 502(d) rights) as to the allowed amounts of Parker's claims, nothing in this Agreed Order shall be deemed as an admission or waiver by the Debtors (and/or its successors), their bankruptcy estates and/or the Committee relating to any cause of action that may be asserted against Parker arising from or relating to the 2005 sale transaction between Parker and the Thermoplastics.
3. The amounts set forth in Paragraph 2 as the secured and unsecured claims of Parker related to the Leases are hereby deemed allowed pursuant to Section 502(a) of the Bankruptcy Code. Further, Parker's secured claims of \$2,002,500.00 for the Vandalia Lease and \$622,500.00 for the Bishopville Lease are hereby deemed fully satisfied by operation of the Relief Order and the abandonment of the Premises to Parker.

IT IS SO ORDERED.

###

STIPULATED AND AGREED TO BY:

/s/ Robert C. Folland
Robert C. Folland (0065728)
Sean A. Gordon (0074243)
Thompson Hine LLP
3900 Key Center
127 Public Square
Cleveland, Ohio 44114-1291
216-566-5629
216-566-5800 fax
rob.folland@thompsonhine.com
sean.gordon@thompsonhine.com

Attorneys for Parker Hannifin Corporation

/s/ Joseph F. Hutchinson, Jr.
Joseph F. Hutchinson, Jr. (0018210)
Thomas M. Wearsch (0078403)
Baker & Hostetler LLP
3200 National City Center
1900 East 9th Street
Cleveland, Ohio 44114-3485
216-621-0200
216-696-0740 fax
jhutchinson@bakerlaw.com

*Counsel for the Debtors and Debtors-in-
possession*

/s/ Mark E. Freedlander
Mark E. Freedlander (PA#70593)
McGuireWoods LLP
625 Liberty Ave, 23rd Floor
Pittsburgh, PA 15222
412-667-6000
412-667-6050 fax
mfreedlander@mcguirewoods.com

*Counsel to the Official Committee of Unsecured
Creditors*