

**UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF MICHIGAN  
SOUTHERN DIVISION**

In re:

OXFORD AUTOMOTIVE, INC., et al.

Debtors.

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Case No.: 04-74377  
Chapter 11  
(Jointly Administered)  
Hon. Steven W. Rhodes

**STIPULATED ORDER RESOLVING CLAIM OF  
MICHIGAN DEPARTMENT OF ENVIRONMENTAL QUALITY**

The Michigan Department of Environmental Quality (“MDEQ”), by its counsel, James L. Stropkai, Assistant Attorney General, Oxford Automotive, Inc., *et al.* (“Debtors”), by their counsel, Pepper Hamilton LLP, and Leon Szlezinger, the Liquidation Trustee (“Trustee”) under that certain Liquidation Trust Agreement and Declaration of Trust (“Trust Agreement”) between the Trustee and the Post-Effective Date Committee (“PED Committee”), by his counsel, Jaffe Raitt Heuer & Weiss, P.C., have resolved the Proof of Claim, Claim No. 2091, filed by MDEQ (“MDEQ Claim”), and in support of this Stipulated Order Resolving Claim of the Michigan Department of Environmental Quality (“Stipulated Order”) state as follows:

1. On or about April 1, 2005, MDEQ filed the MDEQ Claim for alleged environmental contamination associated with two sites owned and/or operated by the Debtors or to which the Debtors were alleged to be a potentially responsible party (“PRP”): (i) the Alma Iron and Metal/Smith Farms Property site (“Alma Iron Site”), to which the MDEQ alleged that Lobdell Emery Corporation (“Lobdell Emery”), one of the affiliates and jointly administered Debtors, located in St. Louis, Gratiot County, Michigan, was a PRP, and (ii) the Lobdell Emery

Manufacturing site (“Lobdell Site,” and collectively, with Alma Iron Site, the “Sites”), owned by Lobdell, located in Alma, Gratiot County Michigan.

2. The total amount of the MDEQ Claim for the Sites approximates \$4.1 million, and is comprised of three (3) components: (i) a priority claim in the approximate amount of \$5,559.48 for post-petition amounts (including salaries and wages, contractual expenses, indirect costs and travel) actually expended by the MDEQ for investigation and/or remediation of the Lobdell Site; (ii) unsecured claims for \$1,344,377.69 and \$274,904.51 actually expended by the MDEQ for remediation at the Alma Iron Site, pre-petition and post-petition, respectively; and (iii) a claim for estimated contingent future costs to be expended by the MDEQ for remediation of the Sites in the approximate aggregate amount of at least \$2.5 million.

3. The Order of Confirmation was entered by this Court on March 9, 2005 (“Confirmation Order”), confirming the Debtors’ Second Amended Chapter 11 Plan Dated February 28, 2005 (“Plan”). The Plan became effective on March 24, 2005 (“Effective Date”). The Plan and the Confirmation Order set an initial bar date for the Debtors to object to secured and priority claims and for the Trustee to object to unsecured claims of June 22, 2005 (that being 90 days after the Effective Date). The bar date for the Trustee to object to unsecured claims was subsequently extended to August 22, 2005. The Debtors and the MDEQ agreed to extend the bar date for the Debtors to object to the priority portion of the MDEQ Claim while the parties were negotiating over the resolution of all parts of the MDEQ Claim.

4. The parties have reached a resolution of the MDEQ Claim that as a result of the entry of this Stipulated Order will fully and finally resolve all claims, defenses and issues between the parties as relates to the MDEQ Claim.

5. The MDES acknowledges that it timely received notice of this bankruptcy proceeding and the bar date for governmental entities to file claims, which was June 6, 2005.

NOW, THEREFORE, the Court having read same and being fully and duly advised in the premises, ORDERS as follows:

IT IS ORDERED THAT the MDEQ shall have an allowed priority claim against the Debtors' estates in the amount of \$5,559.48 ("Allowed MDEQ Priority Claim").

IT IS FURTHER ORDERED THAT the MDEQ shall have an allowed unsecured claim in the amount of \$1,736,787.71, which is comprised of the following components: (i) \$1,306,077.59 in actual remediation costs expended pre-petition by the MDEQ on the Alma Iron Site, (ii) \$274,909.51 in actual remediation costs expended post-petition by the MDEQ on the Alma Iron Site, (iii) \$5,559.48 expended post-petition by the MDEQ on the Lobdell Site, (iv) \$275,241.13 for future work (consisting of a 5-year monitoring program, tree planting and various reports) to be performed by the MDEQ on the Alma Iron Site, and (v) a credit of \$125,000 based on funds contributed by another PRP and received by the MDEQ for remediation costs in connection with the Alma Iron Site ("Allowed MDEQ Unsecured Claim").

IT IS FURTHER ORDERED THAT the proceeds received by the MDEQ on the MDEQ Priority Claim shall be offset dollar for dollar against the distribution to be received by the MDEQ on the MDEQ Unsecured Claim for the benefit of the North American General Unsecured Claims (as defined in the Plan).

IT IS FURTHER ORDERED THAT the MDEQ, for itself and any governmental entity or agency for which its acts by or through, waives all claims against the Debtors, their estates, the Plan Administrator (as defined in the Plan) and the Trust, their predecessors, successors and assigns, affiliates, agents, accountants, attorneys, shareholders, officers, directors, partners,

limited partners and members (“Released Parties”) and the MDEQ hereby releases, remises and forever discharges each of the Released Parties, of and from any and all claims, actions, damages, causes of action, manner of actions, causes of action, suits, proceedings, debts, dues, contracts, judgments and demands whatsoever in law or equity, which the MDEQ ever had, now has or which the MDEQ’s, predecessors, successors and assigns hereafter can, shall, or may have for or by reasons of any matter, cause or thing whatsoever, for any remediation and/or environmental claims, recovery or costs, whether asserted or unasserted, known or unknown, current or future, related to the Alma Iron Site and the Lobdell Site, if any, it being the intent of the parties that all such claims, of any kind or nature, are resolved by this Stipulated Order, except to the extent that there may be Insurance Policies (as defined below) for environmental coverage at the Sites being assigned by the Debtors hereunder. However, nothing contained herein shall waive or release any claim which MDEQ may have against any purchaser of assets that were previously owned by Debtors.

IT IS FURTHER ORDERED THAT the Debtors and the Trustee hereby waive any right to assert a claim for offset or otherwise with respect to any additional amounts subsequently received by the MDEQ from any other PRPs related to the Sites not otherwise addressed in this Stipulated Order.

IT IS FURTHER ORDERED THAT the Debtors shall assign any and all insurance policies that they have relative to the Sites (“Insurance Policies”), but only to the extent that they cover alleged environmental contamination at the Sites, to the MDEQ upon entry of this Stipulated Order (“Assignment”); provided however, by making this Assignment the Debtors are not representing or warranting that (i) they have any such policies; (ii) they have the right to make the Assignment of the Insurance Policies; (iii) the Insurance Policies provide any

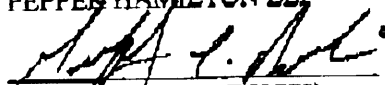
environmental coverage, (iv) the Insurance Policies permit claims to be asserted against them at this time or in the future, or (v) the Debtors or the Trustee should have or timely asserted claims against the Insurance Policies for claims asserted by the MDEQ or others related to environmental contamination or remediation costs and recovery

  
United States Bankruptcy Judge


AUG - 5 2005  
Dated August 5, 2005

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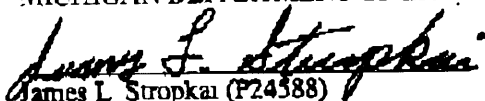
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United States Bankruptcy Judge

Dated: August \_\_, 2005

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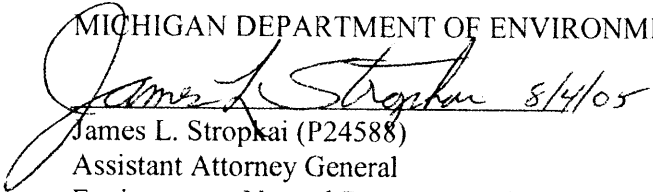
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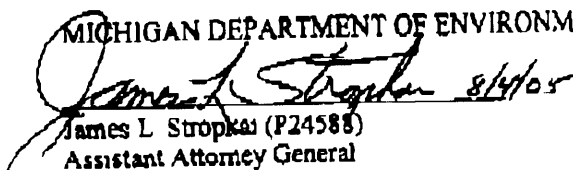
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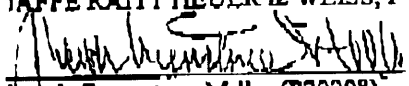
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