

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

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In re : Chapter 11
Old Carco LLC :
(f/k/a Chrysler LLC), *et al.*, : Case No. 09-50002 (AJG)
Debtors. : (Jointly Administered)
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**AGREED ORDER, PURSUANT TO SECTIONS 105, 361, 362 AND 363
OF THE BANKRUPTCY CODE, BANKRUPTCY RULES 2002 AND 4001
AND LOCAL BANKRUPTCY RULE 4001-2, (A) AUTHORIZING
DEBTORS TO USE CASH COLLATERAL OF THE PREPETITION SECURED
LENDERS IN SUPPORT OF THE ADMINISTRATION AND
DISPOSITION OF THEIR COLLATERAL AND (B) GRANTING RELATED RELIEF**

This matter coming before the Court on the Motion of Debtors and Debtors in Possession for Entry of the Agreed Order, Pursuant to Sections 105, 361, 362 and 363 of the Bankruptcy Code, Bankruptcy Rules 2002 and 4001 and Local Bankruptcy Rule 4001-2, (A) Authorizing Debtors to Use Cash Collateral of the Prepetition Secured Lenders in Support of the Administration and Disposition of Their Collateral and (B) Granting Related Relief (the "Motion"),¹ filed by the above-captioned debtors and debtors in possession (collectively, the "Debtors"); the Court having reviewed the Motion and having considered the statements of counsel and the evidence adduced with respect to the Motion at a final hearing before the Court (the "Hearing"); and the Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein;

¹ Capitalized terms not otherwise defined herein have the meanings given to them in the Motion.

THE PARTIES HEREBY STIPULATE AND AGREE, AND THE COURT
HEREBY FINDS AND DETERMINES THAT:

Background

A. On April 30, 2009 (the "Petition Date"), Old Carco LLC f/k/a Chrysler LLC ("Old Carco") and 24 of its affiliated Debtors (collectively, the "Original Debtors") commenced their reorganization cases by filing voluntary petitions for relief under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code") with the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court"). On May 19, 2009, Debtor Alpha Holding LP commenced its reorganization case by filing a voluntary petition under chapter 11 of the Bankruptcy Code with the Bankruptcy Court. By orders of the Bankruptcy Court (Docket Nos. 97 and 2188), the Debtors' chapter 11 cases have been consolidated for procedural purposes only and are being administered jointly.

B. The Debtors are authorized to continue to operate their businesses and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

C. On May 5, 2009, the Office of the United States Trustee for the Southern District of New York appointed the Official Committee of Unsecured Creditors in these cases (the "Creditors' Committee"), pursuant to section 1102 of the Bankruptcy Code.

D. On May 20, 2009, the Bankruptcy Court entered the Order, Pursuant to Sections 105(a) and 331 of the Bankruptcy Code, Bankruptcy Rule 2016(a) and Local Bankruptcy Rule 2016-1, Establishing Procedures for Interim Monthly Compensation for Professionals (Docket No. 1334) (the "Interim Compensation Procedures").

E. On June 18, 2009, the Bankruptcy Court entered the Order, Pursuant to Sections 105, 363 and 365 of the Bankruptcy Code, Approving Procedures to Sell Certain *De*

Minimis Assets, Free and Clear of Liens, Claims and Encumbrances, and to Pay Market Rate Commissions and Fees in Connection with Such Sales Without Further Court Approval (Docket No. 4122) (the "De Minimis Asset Sale Order").

Fiat Transaction

F. In connection with the commencement of these cases, Old Carco and its Debtor subsidiaries, Fiat S.p.A. ("Fiat") and New Chrysler (as defined below) entered into a Master Transaction Agreement dated as of April 30, 2009 (as amended and collectively with other ancillary and supporting documents, the "Purchase Agreement"). The Purchase Agreement provided, among other things, that: (1) Old Carco would transfer the majority of its operating assets to New CarCo Acquisition LLC (n/k/a Chrysler Group LLC) ("New Chrysler"), a newly established Delaware limited liability company formed by Fiat; and (2) in exchange for those assets, New Chrysler would assume certain of the Debtors' liabilities and pay to Old Carco \$2 billion in cash (collectively with the other transactions contemplated by the Purchase Agreement, the "Fiat Transaction").

G. On May 31, 2009, the Bankruptcy Court issued: (1) an Opinion Granting the Debtors' Motion Seeking Authority to Sell, Pursuant to § 363, Substantially All of the Debtors' Assets (Docket No. 3073) (the "Sale Opinion"); and (2) an Opinion and Order Regarding Emergency Economic Stabilization Act of 2008 and Troubled Asset Relief Program (Docket Nos. 3074 and 3229) (together with the Sale Opinion, the "Opinions"). On June 1, 2009 and consistent with the Sale Opinion, the Bankruptcy Court entered an Order authorizing the Fiat Transaction (Docket No. 3232) (the "Sale Order"). On June 5, 2009, the United States Court of Appeals for the Second Circuit affirmed the Opinions and the Sale Order. Consistent with the Sale Order, the Fiat Transaction was consummated on June 10, 2009 (the "Closing Date").

H. In furtherance of the Fiat Transaction, Old Carco entered into that Transition Services Agreement, dated June 10, 2009, by and between Old Carco and New Chrysler (as amended, the "TSA").

Jurisdiction

I. The Bankruptcy Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157(b) and 1334. Venue is proper before the Bankruptcy Court pursuant to 28 U.S.C. §§ 1408 and 1409. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2).

Adequate Notice

J. Notice of the Motion, the Hearing and the relief granted herein was provided to all parties on the General Service List and the Special Service List in these cases, all parties that hold a filed or scheduled claim in these cases asserting a secured status and the relevant state and federal environmental authorities in any First Lien Collateral (as defined below). Under the circumstances, the notice given by the Debtors of the Motion, the relief granted herein and the Hearing constitutes due and sufficient notice thereof and (1) complies with Bankruptcy Rules 2002 and 4001(b), Local Bankruptcy Rule 4001-2 and any other applicable rules and (2) is consistent with the Order Shortening the Notice Period on Motion of Debtors and Debtors In Possession for Entry of Agreed Order, Pursuant to Sections 105, 361, 362 and 363 of the Bankruptcy Code, Bankruptcy Rules 2002 and 4001 and Local Bankruptcy Rule 4001-2, (A) Authorizing Debtors to Use Cash Collateral of the Prepetition Secured Lenders in Support of the Administration and Disposition of Their Collateral and (B) Granting Related Relief.

Prior Financing Orders

K. On May 20, 2009, the Bankruptcy Court entered the Final Order Pursuant to Bankruptcy Code Sections 105(a), 361, 362, 363, 364 and 507 and Bankruptcy Rules 2002,

4001 and 6004, (A) Approving a DIP Credit Facility and Authorizing the Debtors to Obtain Post-Petition Financing Pursuant Thereto, (B) Granting Related Liens and Super-Priority Status, and (C) Granting Adequate Protection to Certain Pre-Petition Secured Parties (Docket No. 1309) (the "DIP Financing Order"). Pursuant to the DIP Financing Order, the Debtors were authorized to obtain postpetition financing pursuant to the terms and conditions set forth in the Second Lien Secured Priming Superpriority Debtor-in-Possession Credit Agreement dated as of May 5, 2009, by and among Old Carco, as borrower, and the United States Department of the Treasury (the "U.S. Treasury") and Export Development Canada, as lenders (collectively, the "DIP Lenders"), as amended, and related documents (the "DIP Financing Agreement"), up to a maximum aggregate amount of \$4.96 billion. As part of the DIP Financing Agreement and the DIP Financing Order, the DIP Lenders received adequate protection, including senior liens on certain of the Debtors' assets as set forth in the DIP Financing Order.

L. Also on June 1, 2009, the Bankruptcy Court entered a Final Order Under 11 U.S.C. §§ 105, 361, 362, 363 and Fed. R. Bankr. P. 2002, 4001 and 9014 (I) Authorizing Debtors to Use Cash Collateral and (II) Granting Adequate Protection to Prepetition Secured Parties (Docket No. 3127) (the "Cash Collateral Order"). Pursuant to the Cash Collateral Order, the Debtors were authorized to use certain cash collateral that secured the obligations of the Debtors under the Amended and Restated First Lien Credit Agreement, dated as of November 29, 2007 (as may be amended, restated, supplemented or otherwise revised from time to time, and together with all related agreements and documents, the "Credit Agreement"), by and among Carco Intermediate Holdco II LLC, Chrysler LLC n/k/a Old Carco LLC, the lenders party thereto (collectively, the "First Lien Lenders") and JPMorgan Chase, N.A., as administrative agent (in such capacity, the "First Lien Agent") in accordance with a budget and on the terms and

conditions set forth in the Cash Collateral Order. The Debtors' rights to use cash collateral under the Cash Collateral Order terminated on or about July 3, 2009.

First Lien Lenders' Collateral

M. Attached hereto as Exhibit A and incorporated herein by reference is a nonexclusive schedule (the "Collateral Schedule") identifying, by category, the assets (or proceeds thereof) that constitute the collateral of the First Lien Lenders that were (1) in the Debtors' estates as of September 1, 2009 and (2) for which the First Lien Lenders have a first priority lien under the Credit Agreement, subject to any Permitted Liens (as defined below) (collectively, the "First Lien Collateral"). For the avoidance of doubt, the Collateral Schedule also identifies, under a column labeled "UST" the categories of assets in the Debtors' estates for which the DIP Lenders have a first priority lien under the DIP Financing Agreement (subject to any tax liens and other permitted liens thereunder) (the "DIP Collateral"). The Collateral Schedule is identical to the schedule attached to the Winddown Order.

N. If, after the entry of this Agreed Order, additional assets are identified as First Lien Collateral or DIP Collateral outside of categories identified on the Collateral Schedule or if assets identified as First Lien Collateral or DIP Collateral are determined by this Court (prior to any distribution of the proceeds of such assets to the First Lien Agent) not to be First Lien Collateral or DIP Collateral (as applicable), the Collateral Schedule may be amended or supplemented by the Debtors on notice to all of the parties on the General Service List and the Special Service List in the Debtors' chapter 11 cases and any other party known to have a particular interest in the property at issue (collectively, the "Notice Parties") and by express notice to the DIP Lenders and the First Lien Agent. If no objection to such a notice is filed with the Court within ten days after service, the Collateral Schedule will be deemed amended or supplemented as proposed. If an objection is timely filed and is not resolved by the parties, such

objection may be scheduled to be heard and determined by the Court unless otherwise resolved by agreement of the objecting party, the Debtors, the First Lien Agent and the DIP Lenders.

O. The First Lien Lenders have valid, perfected, unavoidable, first priority security interests in and to the First Lien Collateral (the "First Lien Lender Security Interests"), subject only to any tax liens and other permitted liens under the Credit Agreement (collectively, the "Permitted Liens") to the extent senior to the First Lien Lenders' interests in the First Lien Collateral under applicable non-bankruptcy law.

P. Consistent with the terms of this Agreed Order and the Winddown Order, the Creditors' Committee has agreed to waive its rights reserved under paragraph 19 of the Cash Collateral Order ("Challenge Rights"), including, without limitation, the Creditors' Committee's rights to challenge the liens with respect to the approximately 7,600 Chrysler-, Dodge- and Jeep-branded vehicles owned by the Debtors as of the Closing Date that previously were designated for use for various company purposes and the proceeds thereof (collectively, but excluding any lease revenue associated therewith, the "Company Cars").

Q. The DIP Lenders have valid, perfected, unavoidable, first priority security interests in and to the DIP Collateral (the "DIP Lender Security Interests") as and to the extent detailed in the DIP Financing Order, and but for the waiver of such Challenge Rights as set forth herein, the DIP Lender Security Interests would have included the proceeds (if any) of any Challenge Rights that could have been initiated.

R. Any cash proceeds of the First Lien Collateral (the "Cash Collateral") constitute cash collateral of the First Lien Lenders within the meaning of section 363(a) of the Bankruptcy Code.

Overall Approach to This Agreed Order

S. The Debtors acknowledge that the Debtors' estates have no equity in the First Lien Collateral, and the First Lien Lenders are the primary economic stakeholders with respect to the First Lien Collateral. As such, the determination of the appropriate course to pursue with respect to the First Lien Collateral is largely within the discretion of the First Lien Agent (on behalf of the First Lien Lenders), subject to the requirements, conditions and restrictions of bankruptcy law and other applicable law. The Debtors agree to honor the determination of the First Lien Lenders on these matters, subject to the terms and conditions of this Agreed Order and consistent with their fiduciary duties. The First Lien Agent (on behalf of the First Lien Lenders) acknowledges that, as long as any First Lien Collateral remains property of the Debtors' estates, (1) it will be the obligation of the Debtors to maintain and preserve such property and to dispose of, liquidate or otherwise administer such property and (2) the First Lien Lenders will fund the Covered Costs (as defined below) of these activities, including the fees and expenses of the Debtors' professionals, subject to the terms of this Agreed Order.

Use of Collateral

T. The terms of the use of the First Lien Collateral (including Cash Collateral) pursuant to this Agreed Order are fair and reasonable, reflect the Debtors' exercise of prudent business judgment consistent with their fiduciary duties and constitute reasonably equivalent value and fair consideration.

U. The terms of the use of the First Lien Collateral (including the Cash Collateral) set forth herein have been the subject of extensive negotiations conducted in good faith and at arm's length among the Debtors and the First Lien Agent and pursuant to sections 105, 361 and 363 of the Bankruptcy Code, the First Priority Agent, the Collateral Trustee and the First Priority Secured Parties (as such terms are defined in the Credit Agreement) are hereby

found to be entities that have acted in "good faith" in connection with the negotiation and entry of this Agreed Order.

V. The Debtors have requested entry of this Agreed Order pursuant to, among others, Bankruptcy Rule 4001(b)(2) and Local Bankruptcy Rule 4001-2. The use of the First Lien Collateral (including the Cash Collateral) in accordance with this Agreed Order is in the best interest of the Debtors' estates.

W. The First Lien Agent has consented to the use of the Cash Collateral and the other First Lien Collateral on the terms set forth herein.

X. The First Lien Lenders are entitled to adequate protection of their interests in the Cash Collateral and the other First Lien Collateral, pursuant to sections 361 and 363(c)(2) of the Bankruptcy Code. The terms and conditions for the use of the First Lien Collateral hereunder, including the provisions providing for the indefeasible payment of collateral proceeds or other transfer of collateral to the First Lien Agent, together with the other terms of this Agreed Order, provide adequate protection of the First Lien Lenders' interests in and to the Cash Collateral and the other First Lien Collateral. The First Lien Lenders have agreed to the adequate protection provided hereunder.

NOW, THEREFORE, THE PARTIES FURTHER AGREE, AND THE COURT HEREBY ORDERS THAT:

1. Authority to Use Collateral. The Motion is GRANTED as set forth herein. The Debtors are hereby authorized to use the Cash Collateral and the other First Lien Collateral on the terms and conditions set forth herein.

2. Liquidation of Collateral. The Debtors and the First Lien Agent shall agree on an overall plan (as amended or supplemented from time to time, the "Liquidation Plan") for the liquidation of the First Lien Collateral consistent with the terms hereof.

3. Covered Period and Covered Costs.

(a) The agreements set forth herein to fund the Liquidation Plan and permit the use of the Cash Collateral and other First Lien Collateral shall apply during the period commencing on September 1, 2009 and ending on the earlier of (a) March 31, 2010 (or such later date to which the Debtors and the First Lien Agent may agree) (the "Outside Termination Date") and (b) the first date that none of the First Lien Collateral remains in the Debtors' estates, or such other date as the Debtors and the First Lien Agent may agree upon from time to time in writing (the "Covered Period").

(b) As used herein, "Covered Costs" shall mean (i) the actual out-of-pocket costs (including the reasonable fees and expenses of the Debtors' professionals) incurred by the Debtors from and after September 1, 2009 for the sole purposes of preparing the Liquidating Plan and related activities; liquidating or otherwise disposing of or preserving the First Lien Collateral; and, pending liquidation or other disposition, preserving the First Lien Collateral, in each case whether such First Lien Collateral ultimately is sold for value, returned to the Collateral Trustee or abandoned (until such asset becomes an Excluded Asset hereunder); and (ii) the actual out-of-pocket costs (including the reasonable fees and expenses of the Debtors' professionals) that were incurred by the Debtors prior to September 1, 2009, but that have not yet been paid (estimated to be no more than \$1.2 million), relating to preservation or liquidation of the First Lien Collateral, including, without limitation, the fees incurred relating to the First Lien Collateral as identified in paragraph 4 of the Order Approving First Interim Fee Application of Jones Day, Counsel for the Debtors, for Allowance of Compensation for Professional Services

Rendered and for Reimbursement of Actual and Necessary Expenses Incurred for the Period April 30, 2009 Through August 31, 2009 (Docket No. 5853) (the "Jones Day Fee Order") and paragraph 3 of the Order Approving First Interim Application of Capstone Advisory Group, LLC, as Financial Advisors for Debtors and Debtors In Possession, for Allowance of Compensation for Professional Services Rendered and for Reimbursement of Actual and Necessary Expenses Incurred for the Period April 30, 2009 Through August 31, 2009 (Docket No. 5852) (the "Capstone Fee Order"). The treatment of Covered Costs with respect to the Company Cars shall be subject to the terms of paragraph 14 below.

(c) For the avoidance of doubt, the Covered Costs shall include all Bankruptcy Court-approved fees and expenses incurred by the Debtors' retained professionals with respect to the First Lien Collateral, consistent with the Liquidation Plan and the terms hereof (but not the professional costs of the Creditors' Committee or any other party).

(d) Covered Costs shall exclude costs otherwise paid by New Chrysler under the TSA; *provided that*, (i) if the First Lien Lenders fund a cost later paid by New Chrysler, the amounts received from New Chrysler will be used to replenish the Reserve (as defined below); or (ii) if the First Lien Lenders fund a cost payable (but not yet paid) by New Chrysler under the TSA, the First Lien Agent shall have the right to pursue such claim, in the estate's name but for the sole benefit of the First Lien Lenders, against New Chrysler.

Notwithstanding anything herein to the contrary, if requested by the First Lien Agent, the Debtors shall use commercially reasonable efforts (including, where appropriate, by seeking relief in the Bankruptcy Court) to seek and obtain payment from New Chrysler of Covered Costs payable by New Chrysler before seeking payment pursuant to the terms hereof, and the Debtors' costs in pursuing New Chrysler shall be Covered Costs.

(e) The Debtors' professionals will confer with the First Lien Agent's professionals on a weekly basis to discuss the current and projected costs of implementing the Liquidation Plan.

(f) For the avoidance of doubt, the parties agree that Covered Costs shall not include the costs incurred by the Debtors in connection with resolving claims and liabilities other than those claims and liabilities with liens on First Lien Collateral that are senior to the liens of the First Lien Lenders or that constitute Closing Costs (as defined below) that must be paid or satisfied to consummate a sale of an asset hereunder.

4. Establishment and Use of the Reserve. The Debtors shall establish a reserve equal to \$15 million (the "Reserve") from the existing proceeds of First Lien Collateral. The Reserve will be used to use to pay Covered Costs as set forth herein and, during the Covered Period, shall be subject to a minimum amount of \$3 million or such other higher amount necessary to ensure that the size of the Reserve is not disproportionate to the total estimated remaining costs of liquidation, as agreed by the Debtors and the First Lien Agent (in either case, the "Minimum Amount"). Unless otherwise agreed by the Debtors in writing, no portion of the Reserve will be paid to the First Lien Agent or used for any purpose other than to pay the Covered Costs, *provided that* the Debtors will notify the First Lien Agent in writing by the 60th day after the end of the Covered Period of any Covered Costs that have been incurred but not yet paid ("Unpaid Costs") and any remaining amounts in the Reserve (net of Unpaid Costs) shall be indefeasibly paid to the First Lien Agent for distribution to the First Lien Lenders. No costs, other than Covered Costs, may be charged to the First Lien Collateral or the proceeds thereof with respect to the preservation or liquidation of the First Lien Collateral. Further, the Covered Costs shall be paid solely from proceeds of the First Lien Lenders' collateral in the Reserve or

generated from sales of First Lien Collateral, and the First Lien Lenders shall not be required to fund any additional amounts out-of-pocket. The funds in the Reserve shall remain subject to the First Lien Lenders' first priority liens and security interests until such proceeds are used to pay Covered Costs as set forth herein.

5. Payment of Closing Costs. Costs of closing any sale of First Lien Collateral (such as broker fees, transfer taxes, liens solely to the extent that they have priority senior to the First Lien Lenders' liens and other amounts typically paid at closing) (collectively, "Closing Costs") in an Estate Transaction (as defined below) will be paid (a) directly from sale proceeds at such time as any remaining net proceeds (net of any amounts necessary to replenish the Reserve up to the Minimum Amount) are indefeasibly paid to the First Lien Agent or (b) in part from the sale proceeds and in part from the Reserve in the event that the sale proceeds at closing are insufficient to cover all Closing Costs. Closing Costs are Covered Costs.

6. Information Sharing. To assist in keeping the First Lien Lenders informed regarding the status of their collateral and related matters, the Debtors' professionals will confer with the First Lien Agent and its professionals on a weekly basis (or such other periodic basis as agreed upon by the Debtors and the First Lien Agent) to review the status of the Liquidation Plan. The Debtors and their professionals will cooperate with the First Lien Agent's professionals to provide information about the First Lien Collateral that remains in the Debtors' estates to be administered, including, where appropriate, information obtained from New Chrysler. In addition, if and to the extent agreed upon by New Chrysler, the First Lien Agent may engage in direct discussions with New Chrysler with respect to the First Lien Collateral remaining in the Debtors' estates, *provided that* the Debtors are notified in advance and are provided an opportunity to participate. The Debtors' professionals will work with the

professionals for the First Lien Agent to provide information and access to third party brokers, counterparties, prospective purchasers for First Lien Collateral as First Lien Agent may reasonably determine is necessary to adequately protect the First Lien lenders' interests in First Lien Collateral that remains in the Debtors' estates; *provided, however*, that as long as any First Lien Collateral remains in the Debtors' estates, the First Lien Agent may not direct the activities of these parties, nor may the First Lien Agent or its professionals otherwise represent or act as an agent of the Debtors' estates.

7. Asset Designations by the First Lien Agent. For each asset (or type of asset) that constitutes part of the First Lien Collateral listed on the Collateral Schedule other than the Company Cars (each, a "Covered Asset"), the First Lien Agent will make one of the following designations in writing to the Debtors and the U.S. Treasury (each, an "Asset Designation"):

(a) Estate Asset Designation. The First Lien Agent may designate a Covered Asset as one that is to be administered and liquidated by the Debtors' estates in accordance with the requirements, conditions and restrictions of bankruptcy law and other applicable law (each, an "Estate Asset"). Any transaction involving an Estate Asset is referred to herein as an "Estate Transaction." The Debtors will provide a weekly status report to the First Lien Agent and the U.S. Treasury regarding the administration of the Estate Assets in form reasonably acceptable to the parties. The Debtors will provide interim updates to the First Lien Agent and the U.S. Treasury of any significant developments with respect to any potential Estate Transaction and will consult with the First Lien Agent on any significant decisions (including the retention of any brokers, execution of Asset Purchase Agreements and the like). Representatives of the First Lien Agent may attend meetings and negotiations relating to the disposition of Estate

Assets. The Debtors also may consult with other parties in interest in these cases on such matters relating to the Estate Assets as they determine is necessary or appropriate. With respect to any Estate Transaction involving the sale of an Estate Asset, the First Lien Lenders may credit bid on any Estate Asset pursuant to section 363(k) of the Bankruptcy Code and thereby purchase such asset free and clear of other claims, liens and interests in accordance with sections 363(f) and 363(m) of the Bankruptcy Code, *provided that* the Reserve will be utilized to pay the Covered Costs of such transaction. At any time, on not less than two business days' written notice, the First Lien Agent may redesignate any Estate Asset as a Foreclosed Asset or an Excluded Asset. All carrying costs (including professional fees) for Estate Assets pending sale are Covered Costs.

(b) Foreclosed Asset Designation. The First Lien Agent may designate a Covered Asset as one that is to be transferred from the Debtors' estate to the Collateral Trustee or its designee by consensual foreclosure, deed in lieu or similar mechanism, or by such other means as reasonably determined by the First Lien Agent (each, a "Foreclosed Asset"). If the First Lien Lender does not seek a transfer free and clear of claims, liens and interests, then within three business days of receiving an Asset Designation identifying a Foreclosed Asset, the Debtors will file a notice of agreed foreclosure with the Bankruptcy Court identifying the particular Foreclosed Assets at issue (a "Foreclosure Notice") and will serve the Foreclosure Notice on the Notice Parties. Upon the filing of the Foreclosure Notice, the automatic stay imposed by section 362 of the Bankruptcy Code will be deemed modified to the extent necessary to permit foreclosure under applicable non-bankruptcy law or otherwise to transfer all of the estates' right, title and interest in and to the Foreclosed Asset to the Collateral Trustee (or such other entity as the First Lien Agent shall designate). If the First Lien Agent seeks a transfer of a Foreclosed Asset free and clear of other claims, liens and interests in

accordance with sections 363(f) and 363(m) of the Bankruptcy Code (by credit bid or otherwise), the Debtors shall provide notice of the proposed free and clear transfer, and an opportunity for parties in interest to be heard, consistent with the requirements of the Bankruptcy Code, the Bankruptcy Rules and applicable orders of the Bankruptcy Court. For the avoidance of doubt, such free and clear transfers may be accomplished by credit bid sale, on notice, pursuant to the terms, conditions and procedures set forth in the *De Minimis* Asset Sale Order (without regard to the amount of the credit bid). The First Lien Lenders will fund from the Reserve all Covered Costs incurred to accomplish the transfer of any Foreclosed Asset to the Collateral Trustee (or its designee). Without limiting the foregoing, the First Lien Lenders shall pay or satisfy from the Reserve (a) all liens on the Foreclosed Asset with priority over the First Lien Lenders' liens if transfer is accomplished by a free and clear transfer, (b) all carrying costs (including the Debtors' professional fees) for such Foreclosed Asset pending completion of the transfer to the Collateral Trustee (or its designee) and (c) any other Closing Costs associated with a free and clear transfer. Upon the transfer of a Foreclosed Asset to the Collateral Trustee (or its designee), the Debtors and their estates shall have no further responsibility for such asset or any costs related thereto. The transfer of a Foreclosed Asset to the Collateral Trustee or its designee shall result in a reduction in the outstanding debt owed under the Credit Agreement in the amount of the credit bid or other third party bid at foreclosure or, in the absence of any such bid, the stated book value of the asset in the Debtors' books and records or most recent appraised value, if different.

(c) Excluded Asset Designation. The First Lien Agent may designate a Covered Asset as one that it neither wishes to fund as an Estate Asset nor as a Foreclosed Asset (an "Excluded Asset"); *provided that* such asset will continue to be treated as an Estate Asset until the earlier of (a) 15 days after the date of such designation (or, if such date is not a business

day, the first business day thereafter) or (b) the Debtors' abandonment or other disposition of the asset (the "Abandonment Period"). Upon receiving a designation of an asset as an Excluded Asset, the Debtors may immediately move to abandon such asset. The First Lien Lenders will continue to fund the Covered Costs of the Excluded Asset, including any legal costs associated with preparing, filing and obtaining approval of pleadings seeking abandonment (but not the cost of litigating any contested abandonment issues or settling claims asserted against the Debtors or any Excluded Asset sought to be abandoned), as set forth herein until the conclusion of the Abandonment Period. The First Lien Lenders shall have no obligations to fund any costs of an Excluded Asset after the conclusion of the Abandonment Period. For the avoidance of doubt, the First Lien Lenders and the DIP Lenders will retain their liens on any Excluded Asset, unless they otherwise determine in accordance with applicable non-bankruptcy law. If the Debtors are able to sell any Excluded Asset for value, the First Lien Lenders agree that the proceeds of such sale may be used to pay the Closing Costs and other Covered Costs, *provided that* the net proceeds of sale are indefeasibly paid to the First Lien Agent.

8. Timing for Asset Designations. The First Lien Agent shall make an initial Asset Designation for each Covered Asset on the attached Collateral Schedule as soon as reasonably practicable, *provided that*, absent further agreement of the parties, any remaining Estate Assets as of the date that is 15 days prior to the Outside Termination Date shall be treated as if designated as Excluded Assets as of that time and the Abandonment Period for each such asset shall commence.

9. Newark Property. Notwithstanding anything above, the Newark Assembly Plant at 550 S. College Avenue, Newark, Delaware, and the other property related thereto (collectively, the "Newark Property") is designated as an Estate Asset. The First Lien

Agent consents to the Debtors' pursuit an Estate Transaction involving the sale of the Newark Property to the University of Delaware in a private sale transaction as sought pursuant to the Motion of Debtors and Debtors In Possession, Pursuant to Sections 105 and 363 of the Bankruptcy Code and Bankruptcy Rules 2002 and 6004, for an Order Authorizing the Sale of Newark, Delaware Assembly Plant Free and Clear of All Liens, Claims, Interests and Encumbrances (Docket Nos. 5827), provided that the net proceeds of sale (after paying Closing Costs) are indefeasibly paid at closing to the First Lien Agent.

10. TSA Licenses. None of the licenses granted to New Chrysler under the TSA, or any other provisions of the TSA or agreements with Old Carco entered in connection therewith that relate to or affect the First Lien Collateral may be modified by the Debtors without the prior written consent of the First Lien Agent.

11. Professional Time and Expense Records. The Debtors' professionals will maintain separate time and expense records for all Covered Costs (by asset category to the extent practicable and as agreed by the professional and the First Lien Agent), which will be paid pursuant to the interim compensation procedures approved in the Debtors' chapter 11 cases by the Interim Compensation Procedures. Copies of the professionals' invoices will be delivered to the First Lien Agent. If the First Lien Agent disputes a request for payment of an item identified as a "Covered Cost," it may raise an objection consistent with the Interim Compensation Procedures, which disputes will be determined by the Bankruptcy Court if not otherwise resolved. For the avoidance of doubt, the activities of the Debtors' professionals shall at all times be on behalf of the estate, under the direction of the Debtors' management and subject to the supervision of the Bankruptcy Court; at no time shall these professionals represent the First Lien

Agent, the Collateral Trustee, the First Lien Lenders or any other party with respect to these activities.

12. Fees and Expenses of First Lien Agent and Collateral Trustee. All Lenders' Costs incurred on or after September 1, 2009, or that were incurred prior to September 1, 2009 but remain unpaid, will be paid by the First Lien Agent from proceeds received under this Agreed Order, and not from any other proceeds (including proceeds of the DIP Collateral), and the First Lien Agent in its discretion may deposit such proceeds from time to time in a cash collateral account as it deems appropriate to cover anticipated fees and expenses of the First Lien Agent and the Collateral Trustee. As used herein, "Lenders' Costs" means the reasonable fees, costs and charges incurred by the First Priority Agent or the Collateral Trustee (including professionals' fees), consistent with the terms of the Cash Collateral Order.

13. Fees and Expenses of the Creditors' Committee for Daimler Litigation Costs. With respect to the Cash Collateral held by the Debtors' estates other than in the Reserve, in consideration for the waiver in paragraph 16 (c) below, \$5 million (the "First Lien Daimler Contribution") will be used to fund the Daimler Litigation Costs and will be transferred to the Daimler Fund as set forth in paragraph 15 below. The proceeds of the First Lien Daimler Contribution shall be increased, on a dollar-for-dollar basis, up to \$7 million, to the extent that the Committee Car Proceeds (as defined in the Winddown Order) generate less than \$2 million in funding for the Daimler Litigation Costs. As used herein, "Daimler Litigation Costs" shall mean the actual out-of-pocket costs, disbursements and litigation expenses of the Creditors' Committee (including the reasonable expenses of the Creditors' Committee's professionals, expert witnesses or other non-legal professionals, but excluding attorneys' fees) incurred from and after September 1, 2009 for the sole purposes of prosecuting the adversary proceeding styled

The Official Committee of Unsecured Creditors of Old Carco LLC (f/k/a Chrysler LLC) v. Daimler AG (f/k/a DaimlerChrysler AG), et al., Adv. No. 09-00505-AJG (Bankr. S.D.N.Y) (the "Daimler Litigation"). The Creditors' Committee's professionals will maintain separate records of expenses for all Daimler Litigation Costs, which will be paid pursuant to the interim compensation procedures approved in the Debtors' chapter 11 cases by the Interim Compensation Procedures, as well as any applicable orders that may be entered by the Court. If, at the conclusion of the Daimler Litigation, the aggregate Daimler Litigation Costs shall have totaled less than \$7 million, the unused balance of the Daimler Fund shall be repaid to the First Lien Agent in proportion to the portion of the Daimler Fund that was funded by as a result of the First Lien Daimler Contribution, and the balance of the Daimler Fund shall be released to the Debtors' estates (or any successor thereto).

14. Company Cars. Notwithstanding anything to the contrary contained herein, the following shall apply to the Company Cars:

(a) The Debtors' Company Cars shall be treated as an Estate Asset, provided that none of the Company Cars may be redesignated as a Foreclosed Asset or an Excluded Asset without the written agreement of the First Lien Agent and the DIP Lenders.

(b) Proceeds from the liquidation or other disposition of the Debtors' Company Cars shall be distributed as follows: (a) 80% of the net proceeds of the Company Cars (the "First Lien Share") shall promptly be indefeasibly paid to the First Lien Agent, and (b) 20% of the net proceeds of the Company Cars (the "Remaining Share") shall, upon the liquidation or other disposition, be deemed proceeds of the DIP Collateral, and shall be held by the Debtors subject to treatment under the Winddown Order.

(c) The Car Amounts, as defined in Jones Day Fee Order and the Capstone Fee Order, shall be paid from the proceeds of the Company Cars before distribution to the First Lien Agent or any other party under paragraph 14(b) above.

(d) Other than the Car Amounts addressed in paragraph 14(c) above, (a) 80% of all Company Cars Costs will be paid by the First Lien Agent from the First Lien Share or other Cash Collateral (but not from the DIP Collateral); and (b) 20% of all Company Cars Costs will be paid from the Remaining Share or other DIP Collateral (but not from the Cash Collateral or other First Lien Collateral), pursuant to a mechanism to be agreed upon by the parties.

(e) As used herein, "Company Car Costs" shall mean the actual out-of-pocket costs (including the reasonable fees and expenses of the Debtors' professionals) incurred by the Debtors for the purpose of liquidating (or otherwise disposing of) or preserving the Company Cars. For the avoidance of doubt, the extinguishment of the Creditors' Committee's Challenge Rights in paragraph 16 below shall include its Challenge Rights (if any) with respect to the Company Cars.

15. Payment of Proceeds of Collateral to the First Lien Agent. With respect to the Cash Collateral held by the Debtors' estates as of the date of entry of this Agreed Order from prior asset sales, liquidations or collections of assets subject to the asserted first liens of the First Lien Lenders, (a) \$15 million of proceeds will be used to fund the Reserve, as described above; (b) proceeds in the amount of the First Lien Daimler Contribution will be segregated for the sole purpose of funding the Daimler Litigation Costs as part of a \$7 million fund comprised of the First Lien Daimler Contribution and the first \$2 million of the Committee Car Proceeds (collectively, the "Daimler Fund"); (c) the proceeds of Company Cars shall be treated as set forth

in paragraph 14 above; and (d) all other proceeds shall promptly be indefeasibly paid to the First Lien Agent. Other than the proceeds of Company Cars subject to paragraph 14 above, the net proceeds of the sale of any Covered Assets (after paying any Closing Costs) will promptly be indefeasibly paid to the First Lien Agent as set forth in this Agreed Order; *provided that*, if the Reserve has fallen below the Minimum Amount, the net proceeds will be used first to replenish the Reserve to the Minimum Amount before any remaining net proceeds are paid to the First Lien Agent (it being agreed that the Debtors will provide a calculation of the balance in the Reserve on a monthly basis to the First Lien Agent). Any amounts remaining in the Reserve and the Daimler Fund after used for their intended purposes hereunder will be promptly paid to the First Lien Agent as described herein. Any and all payments made to the First Lien Agent hereunder shall be received free and clear of any claim, charge, assessment or other liability.

16. Reservation or Waiver of Rights.

(a) Notwithstanding the occurrence of the Termination Date (as defined in the Cash Collateral Order), the Debtors may continue to use the First Lien Lenders' cash collateral during the Covered Period in accordance with the terms hereof. Except as expressly provided herein, the rights of the First Lien Agent and the First Lien Lenders under the Cash Collateral Order are expressly preserved and not in any way modified or prejudiced by the terms hereof, *provided, however*, the First Lien Agent (on behalf of itself and the First Lien Lenders) hereby expressly waives any rights the First Lien Lenders may have (if any) to assert a superpriority claim (in accordance with the Cash Collateral Order or otherwise) for Adequate Protection Obligations (as defined in the Cash Collateral Order) or any other superpriority claim.

(b) If the Reserve falls below the Minimum Amount, the Debtors reserve the right (if any) to pursue a surcharge claim under section 506(c) of the Bankruptcy Code to replenish the Reserve or otherwise to pay the Covered Costs.

(c) The Challenge Rights of the Creditors' Committee under paragraph 19 of the Cash Collateral—including, without limitation, any rights of the Creditors' Committee to challenge the liens on the Company Cars or to assert claims under section 506(c) or 552(b) of the Bankruptcy Code—are deemed waived and extinguished.

(d) The rights (if any) of the DIP Lenders under the DIP Financing Order, as well as any rights of the DIP Lenders with respect to the Company Cars reserved in the Order, Pursuant to Sections 105 and 363 of the Bankruptcy Code and Bankruptcy Rules 2002 and 6004, (A) Authorizing the Sale of Certain of the Debtors' Company Cars to Chrysler Group LLC, Free and Clear of Liens, Claims and Encumbrances and (B) Granting Certain Related Relief (Docket No. 5474), are deemed resolved on the terms set forth herein.

17. Reporting. Other ongoing reporting mechanisms will be established by agreement of the parties.

18. Effectiveness. This Agreed Order shall constitute findings of fact and conclusions of law and shall take effect immediately upon entry as of September 1, 2009. There shall be no stay of the effectiveness of any aspect of this Agreed Order under Bankruptcy Rule 4001(a)(3) or otherwise.

19. Retention of Jurisdiction. The Bankruptcy Court shall retain jurisdiction to hear and determine all matters arising from or related to the implementation or interpretation of this Agreed Order.

Dated: _____, 2009
New York, New York

UNITED STATES BANKRUPTCY JUDGE

AGREED AS TO FORM AND SUBSTANCE:

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ATTORNEYS FOR DEBTORS
AND DEBTORS IN POSSESSION

EXHIBIT A

Old Carco LLC
Re: Allocation of Collateral

	1st Lien Lender Collateral	UST Collateral
Company Vehicles		
Company Vehicle Sales	80%	20%
Company Vehicle Lease Revenue	X	
Manheim Auction proceeds	80%	20%
Tax Receivables		
Tax Periods ending Pre-Petition	X	
Tax Periods ending Post-Petition		X
Derivative Settlements		
Commodity	X	
Derivatives	X	
Rented Facilities		
Magna (monthly rent)		X
Beijing Lease - Security Deposit	X	
Miscellaneous		
Professional Fee Reimbursements - funded Pre-Petition	X	
Professional Fee Reimbursements - funded Post-Petition		X
Prepaid Assets/Deposits - funded Pre-Petition	X	
Prepaid Assets.Deposits - funded Post-Petition		X
Interest Income		X
Insurance Recovery	X	
Safeco Bonds		X
Receipt for Carlsbad Prop. Sale Legal Fees		X
FKS - Lebanon	X	
Closure of Comerica Payroll		X
Rabbi Trusts	X	
Utility Assurance Deposit		X
Litigation Claims - Contractual Filed Pre-Petition	X	
Litigation Claims - Tort Filed Pre-Petition		X
Litigation Claims - Contractual Filed Post-Petition	X	
Litigation Claims - Tort Filed Post-Petition		X
Litigation Avoidance Actions (including Daimler)		X
Surety Bonds - Funded Pre-Petition	X	
Pre-Petition Letters of Credit	X	
Stock Interest in Non-Debtors	X	
Guarantees & Warranties Made by Third Parties	X	
Rights Under Equipment/IT Leases	X	
Permits	X	

Old Carco LLC
Re: Allocation of Collateral

	1st Lien Lender Collateral	UST Collateral
Real Property incl. PP&E		
Newark Assembly Plant	X	
Newark PDC	X	
Twinsburg	X	
Sterling Heights Assembly Plant	X	
St. Louis North	X	
St. Louis South	X	
Detroit Axle	X	
Plymouth Road Engineering Center	X	
Mark Twain Warehouse (PROC)	X	
Kenosha	X	
Mt. Elliot Vacant Land	X	
Featherstone Road Engineering Center	X	
Oakland Technology Park		X
Mound Road Parking Lot		X
Indy Foundry		X
Blue Lake South		X
Warman Vacant Lot, Indianapolis		X
New Venture Gear		X
Ballinger, Texas		X
Huntsville		X
Toledo Jeep Parkway		X
(Other Properties)		
Sale of Robotic Equipment - Newark	X	
Kankakee Warehouse		X
Hybrid JV - M&E Settlement	X	