



Capstone Advisory Group, LLC
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April 27, 2009

Ronald E. Kolka
Executive Vice President and Chief Financial Officer
Chrysler LLC
1000 Chrysler Drive
Auburn Hills, MI 48326

Re: Chrysler, LLC

Dear Ron:

1) This letter confirms the engagement of Capstone Advisory Group, LLC (“we” or “Capstone”) by Chrysler LLC (“you” or “the Company”). Such consulting services will include financial analysis in connection with the Company’s application for government sponsored support programs, an evaluation of potential restructuring proceedings, as well as certain other services enumerated below. This letter amends and restates in its entirety the original engagement agreement between Capstone and the Company, dated November 10, 2008.

2) In connection therewith, you have requested us to provide the following professional services:

- (a) Analyzing and reviewing the Debtors' businesses and financial projections, including in connection with the proposed Fiat Transaction;
- (b) Assisting the Debtors in their efforts to negotiate with Fiat, the UAW, Canadian Government and the U.S. Treasury and other parties regarding the Fiat Transaction, and to obtain approval of, consummate and implement the Fiat Transaction or similar sale transaction with a competing buyer;
- (c) Assisting the Debtors in evaluating and negotiating of any third party bids received;
- (d) Assisting the Debtors in providing potential third parties with financial and operational information and providing explanations thereon;
- (e) Advising and assisting the Debtors in analyzing projections related to liquidity and borrowing needs;
- (f) Assisting and managing the development of information and projections required for negotiations with public or private lenders regarding financial support;
- (g) Assisting in the preparation of the Debtors' Schedules of Assets and Liabilities and Statement of Financial Affairs;
- (h) Assisting the Debtors in preparing Monthly Operating Reports;

- (i) Assisting the Debtors in communications with the Debtors' lenders, the government, the Debtors' equityholders, any official committees appointed in these chapter 11 cases and other constituencies, and their respective professionals, including by preparing financial and operating information for such parties as requested by the Debtors;
 - (j) Assisting in the development and evaluation of various alternative capital structure scenarios available to the Debtors;
 - (k) Advising and assisting management in negotiating and developing a chapter 11 plan or plans;
 - (l) Analyze the range of recoveries available to creditors in the event of an orderly liquidation of Chrysler;
 - (m) Provide a report evaluating the merits of an alliance between Chrysler and Fiat;
 - (n) Assisting the Debtors in evaluating claims, resolving claim disputes and otherwise providing support for the claims process;
 - (o) Providing testimony, as necessary, in connection with the foregoing or other relevant matters in the Debtors' chapter 11 cases; and
 - (p) Performing such other services as may be requested from time to time.
- 3) In addition to these specific services, we understand that we may be requested to participate (and if requested we will participate), at your request and to the extent appropriate, in meetings and discussions with the Company, the government, the Company's lenders, its majority shareholders other constituencies, and with their respective professionals.
- 4) We understand that Capstone will act at the direction of and under the supervision of the senior management of the Company. We recognize that our exclusive client in this agreement is the Company and we will consider all work done with respect to this engagement to be confidential.
- 5) In order for us to perform our services, it will be necessary for our personnel to have access to certain books, records and reports from the Company, and have discussions with its personnel. Accordingly, we understand that the Company has agreed to cooperate with our personnel, and to make available its personnel and any books, records and other sources from which data can be obtained.
- 6) We will perform our services in a manner which, we believe, will permit the business operations of the Company to proceed in an orderly manner, subject to the requirements of this engagement; our personnel may need to be on site to review data located at the offices of the Company and to discuss matters with its personnel.
- 7) Our reports will encompass only matters that come to our attention in the course of our work that we perceive to be significant in relation to the objectives of our engagement. Because of the

time and scope limitations implicit in our engagement and the related limitations on the depth of our analyses and the extent of our verification of information, we may not discover all such matters or perceive their significance. Accordingly, we will be unable to and will not provide assurances in our reports concerning the integrity of the information used in our analyses and on which our findings and advice to you or the Company may be based. We understand that we are not being requested to perform an audit or to apply generally accepted auditing standards or procedures. We understand that we are entitled, in general, to rely on the accuracy and validity of the data disclosed to us or supplied to us by employees and representatives of the Company. We will not, nor are we under any obligation to, update data submitted to us or review any other areas unless you specifically request us to do so.

8) Our work will be performed on a “level-of-effort” basis; that is, the circumstances of our engagement may cause our advice to be limited in certain respects based upon, among other matters, the extent of sufficient and available data and the opportunity for supporting investigations in the time period.

9) We understand that the Company has agreed to treat any information received from Capstone, whether orally or in writing, with the utmost confidentiality and, except as provided in this letter, will not publish, distribute or disclose in any matter any information developed by or received from us without our prior or written approval. Such approval shall not be unreasonably withheld. Our approval is not needed if (a) the information sought is required to be disclosed by an order binding on Capstone, issued by a court having competent jurisdiction over Capstone (unless such order specifies that the information to be disclosed is to be placed under seal) (b) such information is otherwise publicly available, (c) such information is shared with the Company’s lenders, or (d) such information should be disclosed to obtain government support for the Company.

10) In the event that the Company is or becomes a debtor under chapter 11 of the Bankruptcy Code, the Company shall use its best efforts to apply promptly to the Bankruptcy Court for, and obtain, the approval pursuant to sections 327 and 328 of the Bankruptcy Code of this agreement and Capstone’s retention by the Company under the terms of this agreement, which retention shall be subject to the standard of review provided in section 328(a) of the Bankruptcy Code and not subject to any other standard of review under section 330 of the Bankruptcy Code or otherwise. The Company shall supply Capstone with a draft of such application and any proposed order authorizing Capstone’s retention sufficiently in advance of the filing of such application and proposed order to enable Capstone and its counsel to review and comment thereon. Capstone shall have no obligation to provide any services under this agreement unless Capstone’s retention under the terms of this agreement is approved under section 328(a) of the Bankruptcy Code by a final order of the Bankruptcy Court no longer subject to appeal, rehearing, reconsideration or petition for certiorari, and which order is acceptable to the Capstone in all respects. Capstone acknowledges that in the event that the Bankruptcy Court approves its retention by the Company, Capstone’s fees and expenses shall be subject to the jurisdiction and approval of the Bankruptcy Court under section 328(a) of the Bankruptcy Code and any applicable fee and expense guideline orders. In the event that the Company becomes a debtor under the Bankruptcy Code and Capstone’s engagement hereunder is approved by the Bankruptcy Court, the Company shall pay all fees and expenses of Capstone hereunder as promptly as practicable in accordance with the terms hereof and any applicable orders of the



Bankruptcy Court. If Capstone's retention is not approved by the Bankruptcy Court on terms acceptable to Capstone then this agreement shall immediately terminate and Capstone will be entitled to payment of only fees earned to the date of termination, except as otherwise provided in Sections 17 and 22 hereof. In so agreeing to seek Capstone's retention under Section 328(a) of the Bankruptcy Code, the Company acknowledges that it believes that Capstone's general mergers and acquisitions expertise, as well as Capstone's restructuring experience, will inure to the benefit of the Company in pursuing certain transactions, that the value to the Company of Capstone's services hereunder derives in substantial part from that expertise and experience and that, accordingly, the structure and amount of the fees is reasonable regardless of the number of hours to be expended by Capstone's professionals in the performance of the services to be provided hereunder.

11) Our fees will be based on the actual hours charged at our standard hourly rates which are in effect when the services are rendered; our rates are revised annually on January 1st. We will also be reimbursed for our reasonable out-of-pocket expenses including, but not limited to, costs of reproduction, typing, research, communications, computer usage, our legal counsel, any applicable sales or excise taxes and other direct expenses. Our current hourly rates are as follows:

Executive Director	\$570 - \$795
Staff	\$250 - \$550
Support Staff	\$110 - \$170

12) In addition, Capstone will be paid fees associated with the consummation of a transaction (the "Transaction Fees") whether or not in a bankruptcy as set forth as follow:

- (a) Should the Company be successful in effectuating a restructuring or sale of a majority of its assets, an additional fee shall be earned and paid as set forth below:
 - 1. A transaction fee of \$8 million; plus
- (b) Capstone will be paid a fee for securing new financing for a restructured Chrysler or the entity acquiring a majority of its assets. Such fee will be calculated at .001% (one-tenth of 1%) of the total new financing provided to the entity to which the assets are sold or transferred.

13) We will submit monthly invoices to the Company for all services rendered and expenses incurred; our invoices are payable upon receipt. It is our understanding that all invoices will be paid by the Company.

14) It is our policy in these cases to hold a retainer. Given the magnitude and scope of the requested services, we believe that a retainer of \$2.0 million would be appropriate in this instance. The retainer will be applied to fees and expenses incurred and replenished as it is depleted; any balance will be returned to the Company upon payment in full of all of our outstanding invoices, or applied to any outstanding invoices at the conclusion of our engagement.

15) Capstone will keep confidential all nonpublic, confidential or proprietary information obtained from the Company in connection with this engagement (the “Information”), and neither Capstone nor its employees, directors, managers, officers, agents or professionals will disclose the Information to any other person or entity. If access to any of the materials in our possession relating to this engagement is sought by a third party, we will promptly notify the Company of such action and cooperate with you concerning our response thereto. Capstone agrees that it will only disclose Information as required by law based on the advice of counsel. In the event that we are subpoenaed as the result of any work performed in connection with this engagement, the Company agrees that it will compensate us for our reasonable time involved in responding to such a subpoena(s).

16) We confirm that no principal or staff member of Capstone has any financial interest or business connection with the Company, and we are aware of no conflicts in connection with this engagement.

17) The Company shall indemnify Capstone, and hold it harmless against any and all claims for losses, damages or liabilities (including without limitation reasonable attorneys fees and expenses in connection with this matter and the cost of Capstone’s professional time, reimbursed at its standard hourly rates) to which Capstone may become subject arising in any manner out of or in connection with the rendering of services by Capstone hereunder in a lawful manner, unless it is finally judicially determined that such losses, claims, damages or liabilities resulted from the gross negligence or willful misconduct of Capstone. The terms of this paragraph shall survive the termination of this agreement, and such commitments shall extend upon the terms set forth in this paragraph to any controlling person, director, officer, employee or affiliate of Capstone, all of whom, together with Capstone, are third-party beneficiaries of this agreement with the right to enforce this Section 17..

18) Capstone, the Company and any of their assignees or successors agrees that they shall not (a) seek a jury trial in any lawsuit, proceeding, counterclaim or any other action based upon, or arising out of or in connection with the engagement of Capstone or any services rendered pursuant to such engagement, or (b) seek to consolidate any such action with any other action in which a jury trial cannot be or has not been waived. Neither the Company nor Capstone has agreed with or represented that the provisions of this section will not be fully enforced in all instances.

19) The Company and Capstone hereby irrevocably and unconditionally agree to (a) submit themselves and their properties in any legal action or proceedings relating to the engagement of Capstone or any services rendered pursuant to such engagement, to the non-exclusive general jurisdiction of the Courts of the State of New York, the Courts of the United States of America for the Southern District of New York, and appellate courts therefrom; provided that in the event the Company becomes a debtor under chapter 11 of the Bankruptcy Code, during any such case, any such claims shall be heard and determined by the bankruptcy court having jurisdiction over the chapter 11 case or cases (the “Bankruptcy Court”); (b) consent that any such action or proceedings may be brought in such courts and waive any objection that it may now or hereafter have regarding the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same; (c) agree that service of process in any such action or proceeding may be effected by mailing a

copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, to the Company and Capstone at their addresses set forth above or at such other addresses of which the Company and Capstone shall have been notified pursuant hereto; (d) agree that nothing herein shall affect the right to effect service of process in any other manner permitted by law or shall limit the right to sue in any other jurisdiction; and (e) waive, to the maximum extent not prohibited by law, any right they may have to a claim or recovery in any legal action or proceeding referred to in this subsection any special, exemplary or punitive or consequential damages.

20) It is understood that if any of the employees of Capstone are required to testify at any administrative or judicial proceedings relating to this matter, including without limitation those before the Bankruptcy Court, Capstone will be compensated by the Company at our regular hourly rates, in effect at the time, and reimbursed for reasonable out-of-pocket expenses (including reasonable counsel fees).

21) Pursuant to Capstone's document retention policy, in general, short-term documents will be destroyed when no longer relevant to the related matter (such as when a draft report has been superseded or if the information is available publicly or from the Company). Ongoing client files will be retained, in either hard copy or electronic format, for six (6) months following the conclusion of our engagement, after which time you and the Company will be provided written notice that the file will be scheduled for destruction. You and the Company may obtain copies of all or any portion of your file at any time prior to its destruction.

22) We understand that either party may terminate this agreement on three days written notice. If this engagement is terminated, the Company will not be responsible for fees that accrued after the date of termination, other than those fees and expenses related to any requirement to testify at any administrative or judicial proceeding related to this matter or perform related investigation as specified above. If a successful restructuring is completed within 180 days of the termination of this agreement, Capstone will be entitled to its entire Success Fees under Section 12.

23) This Agreement (a) constitutes the entire agreement of the parties with respect to the subject matter hereof and supersedes any other communications, understandings or agreements (both written and oral) among the parties with respect to the subject matter hereof, and (b) may be modified, amended or supplemented only by written agreement among all the parties hereto.

24) It is our intention to work closely with you and to discuss our engagement regularly. This should facilitate our progress and serve to confirm or modify the scope of our engagement on an ongoing basis.


25) We look forward to working with you on this matter. Please sign and return a copy of this engagement letter signifying your agreement with the terms and provisions herein. If you have any questions, please call Bob Manzo at 201-741-5968 or Ed Ordway at 201-587-7114.

[signature page follows]




Respectfully submitted,

Capstone Advisory Group, LLC

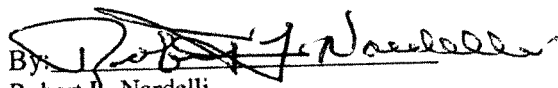
By: 
Peter Chadwick
Executive Director

Agreed by:

Chrysler LLC

By: 
Ronald E. Kolka
Executive Vice President and Chief Financial Officer

Confirmed by:

By: 
Robert D. Nardelli
Chairman and Chief Executive Officer