

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re)	Chapter 11
)	
DURA AUTOMOTIVE SYSTEMS, INC.,)	Case No. 06-11202 (KJC)
<u>et al.</u> , ¹)	
)	Jointly Administered
Debtors.)	
)	

Dear Class 3 Senior Noteholders:

You have received this letter and the enclosed materials because you are entitled to vote on the above-captioned *Debtors' Joint Plan of Reorganization Under Chapter 11 of the Bankruptcy Code*, as it may be amended from time to time (the "Plan").²

The following materials constitute the Debtors' "Solicitation Package" and consist of:

- (a) the *Notice of (A) Objection and Voting Deadlines, (B) Solicitation and Voting Procedures, and (C) Hearing to Confirm the Plan of Reorganization* (the "Confirmation Hearing Notice");
- (b) the Ballot(s), Master Ballot(s) and Voting Instructions;
- (c) the Subscription Agreement (which may be transmitted to you under separate cover);
- (d) a pre-addressed, postage prepaid return envelope;
- (e) the Plan (which is attached as Exhibit A to the Disclosure Statement);
- (f) a letter from the Creditor' Committee supporting confirmation of the Plan (attached to the Disclosure Statement as Exhibit L);
- (g) the Disclosure Statement, as approved by the Bankruptcy Court (with all exhibits thereto, including the Plan) and any other supplements or amendments to these documents which may be filed with the Bankruptcy Court; provided, however, the Plan Supplement will not be distributed. The Plan Supplement will be filed with

¹ The "Debtors" comprise the entities set forth in the order entered by the Court on October 31, 2006, jointly administering these cases pursuant to Rule 1015(b) of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules").

² Capitalized terms not defined in this letter have the meaning given to them in the Plan.

the Bankruptcy Court no later than 25 business days before the Confirmation Hearing. You may obtain a copy of the Plan Supplement by accessing the Debtors' website at <http://dura.kccllc.net/dura>, or by contacting the Debtors' Claims and Solicitation Agent in writing at Dura Automotive Systems, Inc., c/o Kurtzman Carson Consultants LLC, 2335 Alaska Avenue, El Segundo, CA 90245 or by sending an email to durainfo@kccllc.com, or calling (800) 820-0985;

- (h) any supplemental solicitation materials the Debtors may file with the Bankruptcy Court or that the Bankruptcy Court orders to be made available;
- (i) the *Order (A) Approving Disclosure Statement, (B) Fixing the Voting Record Date, (C) Scheduling Certain Hearing Dates and Deadlines in Connection with the Proposed Confirmation of the Debtors' Proposed Plan of Reorganization, and (D) Approving the Amended Solicitation Procedures and Form of Solicitation Package and Notices* (the "Disclosure Statement Order") (without exhibits except for Exhibit 2 (Solicitation Procedures)); and
- (j) this letter.

As a holder of a Class 3 Senior Notes Claim you are entitled to elect one of four different treatments under the Plan. A simplified summary of each election is detailed below. To the extent there is a difference between this letter and the Plan, the Plan shall control. For a more extensive explanation of the elections available below see Article XV.B of the Disclosure Statement. All elections require that the underlying Senior Notes position be delivered into the appropriate election account by your Nominee.

<u>Alternative</u>	<u>Estimated Cash Amount</u>	<u>Estimated New Common Stock</u>	<u>Notes</u>
A. Class 3A Voting Only	None	New Common Stock: approximately 56 Shares per \$1,000 of principal amount with an additional 2 shares on account of accrued interest	<u>If you make this election, you will be bound by the terms of the Registration Rights Agreement and Stockholders' Agreement attached as Exhibit A and Exhibit B, respectively, to the Beneficial Owner Ballot.</u>
B. Class 3A Voting and Participating in the Rights Offering	None	New Common Stock: approximately 56 Shares per \$1,000 of principal amount with an additional 2 shares on	In order to make this election, you must arrange for your Nominee to deliver your Senior Notes position into the appropriate election account and, among other things, return a completed Ballot, through your Nominee, to the Subscription Agent on or before the Voting Deadline. <u>If you make this election, you will be bound by</u>

		account of accrued interest Rights Offering Shares: approximately 44 Shares per \$1,000 of principal amount	<u>the terms of the Subscription Agreement (which incorporates the Registration Rights Agreement and Stockholders' Agreement and is attached to the Beneficial Owner Ballot as Exhibit C)</u>
C Class 3B Convenience Class Election with Look-back	\$555 per \$1,000 of principal amount with an additional recovery of approximately \$26 on account of interest accrued prepetition The maximum recovery is \$42,450.24.	None	NOTE: THIS ELECTION MAY NOT BE MADE UNLESS YOU HOLD THE SAME AMOUNT OF SENIOR NOTES CLAIMS WHEN YOU DELIVER AND VOTE AS YOU HELD ON SEPTEMBER 4, 2007. If a Senior Notes Claim who holds the same amount of Senior Notes Claims as of the Delivery Date as the Claimant held on September 4, 2007 , and has \$75,000 or less in Senior Notes principal amount (equal to a Senior Notes Claim of \$78,504) identified in Item 1 elects the Convenience Class Election with Look-back and may ELECT to have its Senior Notes Claims treated as a Class 3B Senior Notes Claim under the Plan.
D Class 3B Convenience Class Election without Look-back	\$555 per \$1,000 of principal amount with an additional recovery of approximately \$26 on account of interest accrued prepetition The maximum recovery is \$42,450.24.	None	The holder of the Class 3 Senior Notes Claim who has \$75,000 or less in Senior Notes principal amount (equal to a Senior Notes Claim of \$78,504) elects the Convenience Class Election without Look-back and thereby elects and agrees to have its Senior Notes Claims treated as a Class 3B Senior Notes Claim under the Plan. <u>The Debtors will only honor this election if the Debtors determine, in consultation with the Creditors' Committee, that such holder of Senior Notes Claim did not acquire its Senior Notes Claim from an affiliate for the purpose of creating one or more Senior Notes Claims having a principal amount of \$75,000 or less.</u>

If the Special Voting Agent does not receive a properly completed and duly executed Beneficial Owner Ballot by the Voting Deadline with respect to a Senior Notes Claim, such Claim shall receive either:

1. If such Senior Notes Claim is \$75,000 or less in Senior Notes principal amount:

- (a) Cash on the same terms as described above in Election D if the Debtors determine, in consultation with the Creditors' Committee, Backstop Party and the Senior Notes Indenture Trustee, that such holder of Senior Notes Claim did not acquire its Senior Notes Claim from an affiliate for the purpose of creating one or more Senior Notes Claims having a principal amount of \$75,000 or less; or
 - (b) New Common Stock subject to the restrictions in the Stockholders Agreement and Registration Rights Agreement; or
2. If such Senior Notes Claim is more than \$75,000 in Senior Notes principal amount such claim shall receive New Common Stock subject to the restrictions in the Stockholders Agreement and Registration Rights Agreement.
3. Notwithstanding anything to the contrary herein, the Debtors and Reorganized Debtors shall have the right, after consultation with the Creditors' Committee, in order to keep the number of holders of New Common Stock as of the Effective Date below 300, to designate a Senior Notes Claim not otherwise classified as a Class 3B Senior Notes Claim as a Class 3B Senior Notes Claim, subject to the consent of the holder of such Claim.
4. Pursuant to the Plan, any remaining Senior Notes that have not been delivered into one of the election accounts as of the Voting Deadline **MUST** be delivered by the Nominee into the default account, on an individual VOI basis, within two (2) Business Days after the Debtors deliver notice of such requirement. If a Senior Notes holders' Nominee does not deliver such holders' Senior Notes position into an election account or the default account at DTC, such Senior Notes holder **MUST** contact Financial Balloting Group at (646) 282-1800 in order to receive their distribution under the Plan. See Plan at Article.IV.E.5.

The Debtors strongly recommend that each Class 3 Senior Noteholder vote to accept the Plan. If the Plan is confirmed, you, as a Class 3 Senior Noteholder, and the Debtors and other interested parties, will benefit in several ways:

- your recovery under the Plan is likely to be better, because of opportunity to participate in the Rights Offering, than it would be if some other plans were to be proposed;
- the Plan provides for a better recovery than would occur if the Debtors were to be liquidated in a chapter 7 proceeding; and
- the Debtors will have their best opportunity to be rehabilitated with an improved capital structure.

The Debtors have approved the filing and solicitation of the Plan and the transactions contemplated thereby. In addition to the reasons listed above, the Debtors believe that the Plan is preferable to any of the other alternatives described in the Disclosure Statement because any

alternative other than confirmation of the Plan could result in extensive delays and increased administrative expenses resulting in smaller distributions to the Holders of Claims.

THE DEBTORS THEREFORE RECOMMEND THAT ALL CREDITORS ENTITLED TO VOTE SUBMIT A TIMELY BALLOT VOTING TO ACCEPT THE PLAN.

The materials in the Solicitation Package are intended to be self-explanatory. If you should have any questions, however, please feel free to contact the Debtors' Special Voting Agent, Financial Balloting Group, at **(646) 282-1800**

