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UNITED STATES BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA
LOS ANGELES DIVISION

In re PACIFIC INSULATION COMPANY, Debtor.	Case No. 02:07-bk-20016-BB Chapter 11 (Jointly Administered with Case No. LA 2:07-bk-19271-BB Case No. 2:07-bk-19271-BB (Case Closed)
In re THORPE INSULATION COMPANY, Debtor.	**FIFTH ANNUAL REPORT AND ACCOUNTING, AUDITED FINANCIAL STATEMENTS, AND CLAIM REPORT** **Hearing**: Hearing Date: June 3, 2015 Hearing Time: 2:00 p.m. Place: Courtroom 1475 255 E. Temple St., 14th Floor Los Angeles, CA 90012

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TO THE HONORABLE UNITED STATES BANKRUPTCY JUDGE AND OTHER PARTIES IN INTEREST:

The Trustees of the Thorpe Insulation Company Asbestos Settlement Trust by and through their counsel, Levene, Neale, Bender, Yoo & Brill, hereby file the Fifth Annual Report and Accounting, Audited Financial Statements, and Claim Report.

DATED: April 29, 2015

Respectfully submitted,

By: //s// *Eve H. Karasik*
EVE H. KARASIK
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Bankruptcy Counsel for the Thorpe Insulation Company Asbestos Settlement Trust

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FIFTH ANNUAL REPORT AND ACCOUNTING OF THORPE INSULATION COMPANY ASBESTOS SETTLEMENT TRUST

The Trustees of the Thorpe Insulation Company Asbestos Settlement Trust ("Trust") hereby submit this Fifth Annual Report and Accounting (the "Annual Report") covering Trust activities that occurred during the period from January 1, 2014 to and including December 31, 2014 (the "Accounting Period") and cover certain activities of the Trust that took place outside the Accounting Period. This Annual Report is submitted to the United States Bankruptcy Court for the Central District of California, Los Angeles Division, *In re Thorpe Insulation Company, In re Pacific Insulation Company, Debtors*, Case Nos. 2:07-19271-BB and 2:07-20016-BB (jointly administered under Case No. 2:07-20016-BB) in accordance with the *Sixth Amended Joint Plan of Reorganization of Thorpe Insulation Company and Pacific Insulation Company* [Docket No. 3418] (the "Plan"); *Order Confirming Sixth Amended Joint Plan of Reorganization of Thorpe Insulation Company and Pacific Insulation Company (Following Remand)* [Docket No. 3429] ("2013 Confirmation Order") dated May 8, 2013; the Trust Agreement, Bylaws, Trust Distribution Procedures, and Case Valuation Matrix, as amended from time to time, established pursuant to the Plan,[1] and pursuant to the laws of the State of Nevada, where the Trust is organized and where it resides. The Trust Agreement states in Section 7.9 that the Trust is governed by Nevada law. Section 164.015 of the Nevada Revised Statutes allows the Trust to render an accounting and seek approval for its past actions. The factual statements in this Annual Report are supported by the Declaration of Sara Beth Brown, Executive Director, in Support of Motion to Approve and Settle Thorpe Insulation Settlement Trust's Fifth Annual Report and Accounting, Audited Financial Statements, and Claim Report as described in paragraphs 7, 8, and 9 *infra*. Capitalized terms not defined herein are as defined in Article 1 of the Plan. This Court has approved each Annual Report beginning in 2010.

[1] The Appendix includes the Plan; 2013 Confirmation Order; Eighth Amendment to and Complete Restatement of Thorpe Insulation Company Asbestos Settlement Trust Agreement ("Trust Agreement"); Second Amendment to and Complete Restatement of Thorpe Insulation Company Asbestos Settlement Trust Bylaws ("Trust Bylaws"); Third Amendment to and Complete Restatement of Thorpe Insulation Company Asbestos Settlement Trust Case Valuation Matrix ("Matrix"); Fourth Amendment to and Complete Restatement of Thorpe Insulation Company Asbestos Personal Injury Settlement Trust Distribution Procedures ("TDP"); other controlling documents approved by this Court; and other documents as indicated.

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1. Effective Date: On February 1, 2010, this Court entered the "Order Confirming Fifth Amended Joint Plan of Reorganization" (the "2010 Confirmation Order"). Following remand of certain issues upheld on appeal as described in the Trust's Fourth Annual Report, this Court entered the 2013 Confirmation Order on May 8, 2013. The Plan became effective on July 9, 2013.

2. Final Decree and Closing of Thorpe Insulation Company Bankruptcy Case: As described in the Trust's Fourth Annual Report, pursuant to the Plan and 2013 Confirmation Order, the bankruptcy case of Thorpe Insulation Company (Case No. LA 07-19271-BB) was closed and the Bankruptcy Court entered its Final Decree [Docket No. 3447]. The Plan and 2013 Confirmation Order further provided that the Pacific Insulation Company case (Case Number LA 07-20016-BB) would remain open for purposes of administering the Trust.

3. Appointment of Trustees: In the 2010 Confirmation Order, this Court approved the appointment of Mr. John F. Luikart and Dr. Sandra R. Hernandez as the Trustees of the Trust, who have acted in that capacity since the Effective Date of the Trust.

Pursuant to Section 4.1 of the Trust Agreement, the number of Trustees was increased to three (3) on January 11, 2011, and on February 17, 2011, Mr. Stephen M. Snyder was appointed to serve as the third Trustee. Mr. Snyder has acted as a Trustee of the Trust since February 17, 2011. Further, on April 21, 2011, in accordance with Section 4.1 of the Trust Agreement, Mr. Snyder was designated by the other two Trustees as Managing Trustee, with the consent of the Trust Advisory Committee and Futures Representative.

4. Appointment of Trust Advisory Committee ("TAC"): Pursuant to Section 6.1 of the Trust Agreement, Alan R. Brayton, Ron C. Eddins, David McClain, Jerry Neil Paul, and David A. Rosen were designated as the initial members of the TAC. Mr. Brayton was elected Chair of the TAC by its members on October 25, 2010, and has served in that capacity since that time. As described in the Trust's Fourth Annual Report, the selection of Peter A. Kraus to succeed the late Mr. Eddins as a member of the TAC was approved by this Court on July 11, 2012. Messrs. Kraus, McClain, Paul and Rosen continued to serve as members of the TAC during the Accounting Period.

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5. Appointment and Continuation of Futures Representative: The Honorable Charles B. Renfrew, retired, was appointed as the Futures Representative in the Bankruptcy Case on December 20, 2007 and has continued to act in that capacity since the Effective Date of the Trust.

6. Fiscal Year and Tax Obligations: The Trust is required by the Internal Revenue Code to account for and report on its activities for tax purposes on a calendar-year basis. Therefore, the Trust's fiscal year is the calendar year. Section 2.2(b) of the Trust Agreement requires the Trustees to file income tax and other returns and statements in a timely manner, and comply with all withholding obligations as legally required, including fulfilling requirements to maintain the Trust's status as a Qualified Settlement Fund. The 2013 federal tax return was filed by its extended due date of September 15, 2014 and the 2014 federal tax return will be filed by its extended due date of September 15, 2015. The Trust resides in Nevada, and Nevada has no state income tax. Although the Trust is not subject to tax in California, the Trustees file a tax return in California, attaching a copy of the Trust's federal tax return but showing no California taxable income or state tax liability.

7. Annual Report: Section 2.2(c)(i) of the Trust Agreement provides in pertinent part:

> The Trustees shall cause to be prepared and filed with the Bankruptcy Court . . . an annual report containing financial statements of the Trust (including, without limitation, a statement of the net claimants' equity of the Trust as of the end of such fiscal year and a statement of changes in net claimants' equity for such fiscal year) audited by a firm of independent certified public accountants selected by the Trustees and accompanied by an opinion of such firm as to the fairness of the financial statements' presentation of the equity presently available to current and future claimants and as to the conformity of the financial statements with accounting principals generally accepted in the United States, except for the special-purpose accounting methods . . . .

The Trust's financial statements are prepared using special-purpose accounting methods that depart from Generally Accepted Accounting Principles (GAAP) in certain respects in order to better disclose the amount and changes in net claimants' equity.

8. Financial Report: In accordance with the requirements of Section 2.2(c)(i) of the Trust Agreement, the Trust has caused its accounts to be audited by independent certified public accountants, Grant Thornton, LLP. The Trust's audited financial statements ("Audited Financial

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Statements") are attached hereto as Exhibit "A". These include a Statement of Net Claimants' Equity, a Statement of Changes in Net Claimants' Equity, a Statement of Cash Flows and explanatory Notes. The Statement of Net Claimants' Equity, which is the equivalent of a corporate balance sheet, reflects total assets of the Trust at market value and on the other comprehensive basis of accounting utilized by the Trust. These Audited Financial Statements show, among other things, that as of December 31, 2014, total Trust assets were $534,021,310, total liabilities were $5,543,156, and Net Claimants' Equity was $528,478,154.

9. Claim Report: Section 2.2(c)(ii) of the Trust Agreement provides that along with the Audited Financial Statements, the Trustees shall file with the Court a report containing a summary regarding the number and type of claims disposed of during the period covered by the financial statements. The Thorpe Insulation Settlement Trust Claim Report As Of December 31, 2014 ("Claim Report") is attached hereto as Exhibit "B". During the Accounting Period, the Trust received 324 claims, paid 412 claims, and made settlement offers on 428 claims. Since the Trust received its first Trust Claim,[2] the Trust has received 3,310 Trust Claims, paid 1,817 Trust Claims, and 943 Trust Claims have been withdrawn.[3]

Section 5.4 of the TDP provides that, "As soon as practicable after the Effective Date, the Trust shall pay all Trust Claims that were liquidated by (i) a settlement agreement entered into prior to the Petition Date for the particular claim, or (ii) a judgment of any kind entered on or before October 15, 2007 (collectively, the "Pre-Petition Liquidated Claims"). As described in the Trust's First Annual Report, all Pre-Petition Liquidated Claims were paid by the end of January 2011 in trust to the representative law firms for disbursement to the claimants upon the Trust's receipt and approval of a properly executed release.

10. Public Inspection: In compliance with Section 2.2(c)(iii) of the Trust Agreement, the Annual Report, including the Audited Financial Statements and Claim Report, has been provided to the TAC and Futures Representative, filed with the United States Bankruptcy Court

[2] "Trust Claims" are any claims submitted to the Trust after the Effective Date.

[3] "Withdrawn Claims" include claims which are not qualified and/or claims with deficiencies that have not been cured beyond a certain time period, and/or claims that have remained on hold beyond a certain time period.

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for the Central District of California, Los Angeles Division, served on the Office of the United States Trustee with responsibility for the Central District of California, Los Angeles Division, and made available for inspection by the public.

11. Trustees' Meetings: Article II, Section 4 of the Trust Bylaws provides that the Trustees shall meet in Nevada, or a state other than California, at least four times a year, as close as practicable on a quarterly basis. The Trustees held six meetings during the Accounting Period (January 13, 2014, February 20-21, 2014, March 25, 2014, April 17, 2014, September 22-23, 2014, and November 20-21, 2014). The January, February, April, September and November meetings were held in Nevada, and the March meeting was held in Arizona.

12. Arbitrations: During the accounting period, no arbitrations were held pursuant to Section 5.9 of the Trust Distribution Procedures.

13. Term Sheet Settlements: As described in the Trust's Fourth Annual Report, this court entered its Order Approving Term Sheet For Settlement Of Pre-Petition Assignment Claim [Docket No. 2998] ("Term Sheet Settlement") which settlement authorized those claimants to assert their claims for 250% of the face value of their settlements under Section 5.4 of the Trust Distribution Procedures and as against specified insurers that were not yet included as Settled Asbestos Insurers as of May 2010. [Docket No. 2905]. The Trust subsequently settled with all known insurers. In order to facilitate those settlements, at the Trustees' meeting on February 7, 2013, the Trustees authorized placing 250% of the face value of the Term Sheet Settlement claims or $22,000,000 in reserves out of those subsequent settlements to preserve the status quo with respect to the pre-petition claimants' rights under the Term Sheet Settlement. This was memorialized in an agreement between the Trust and Term Sheet Settlement claimants on February 13, 2013. During the Trustees' meeting on April 17, 2014, the Trustees approved the resolution of the Term Sheet Settlement claims as follows: (1) the 164 Term Sheet Settlement claimants would forgo any rights to additional payments from the Trust with respect to their claims (e.g. such as increases in the Funds Received Ratio); (2) these claimants will be paid an additional collective lump sum payment of $4,635,221.02 which when paid, will result in these claimants having been paid the current Funds

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Received Ratio of 250% of the face value of their settlements including payments for inflation through 2013; and (3) the Trust is authorized to release the remaining funds from the above described reserve. The Trust paid the additional amounts to the Term Sheet Settlement claimants on May 10, 2014.

14. Funds Received Ratio: Section 4.2 of the TDP provides for the Trustees to reconsider the Funds Received Ratio on the first day of each January after the Plan has been confirmed. As described in the Trust's First Annual Report, on November 17, 2010, based upon the analysis and advice of the Trust's expert economist, the Trust, with the consent of the TAC and Futures Representative, set the Initial Funds Received Ratio at 17.5%. On September 11, 2013, the Trustees approved an increase in the Funds Received Ratio to 30.5%. The Funds Received Ratio remained at 30.5% during the Accounting Period.

15. Maximum Annual Payment: Section 2.4 of the TDP requires that the Trust calculate a maximum annual payment for claims (the "Maximum Annual Payment") based upon a model of the amount of cash flow anticipated to be necessary over the entire life of the Trust to ensure that funds will be available to treat all present and future claimants as similarly as possible. At the November 20, 2014 meeting, the Maximum Annual Payment for 2015 was set at $34,800,000, plus the amount of $42,617,180 of excess funds carried over from 2014, which Section 2.5 of the TDP requires to be rolled over and remain dedicated to the respective "Disease Category" in the "Jurisdiction" (as such terms are described in the TDP) to which they were originally located.

16. Inflation Adjustment: Section 5.3(d) of the TDP requires that all claims payments be adjusted for inflation annually beginning with the calendar year after the Effective Date of the Trust. Beginning in 2011, all claims payments made during a calendar year include a cost of living adjustment based upon the Federal Bureau of Labor Statistics' *Consumer Price Index for Urban Wage Earners and Clerical Workers* (CPI-W) announced in January each year. At the November 20, 2014 meeting, the CPI-W to be published in January 2015 was approved for use by the Trust in making the 2015 cost of living adjustment for claims payments. The CPI-W of 0.3% was issued on January 16, 2015. Consequently, all claims payments made during the 2015 calendar

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year will have a compounded inflation rate of 8.66% added to the payment amount.

17. Budget and Cash Flow Projection: Section 2.2(d) of the Trust Agreement requires the Trust to prepare a budget and cash flow projections prior to the commencement of each fiscal year covering such fiscal year and the succeeding four fiscal years. The Trustees approved the 2015 budget and the required four-year budget and cash flow projections on November 21, 2014. Pursuant to the Trust Agreement, these were provided to the TAC and Futures Representative. The budget for operating expenses, including investment fees, in 2015 totals $3,452,400.[4]

18. Trust Facilities and Services Sharing Agreement with Western Asbestos Settlement Trust: As initially described in the Trust's First Annual Report, the Trust and Western Asbestos Settlement Trust ("Western Trust") entered into a Trust Facilities and Services Sharing Agreement. The Trust agreed to pay a negotiated monthly amount. Such arrangement was approved by this Court in the order approving the Trust's First Annual Report. As described in the Trust's Fourth Annual report, pursuant to the annual reconciliation of fees presented on February 20, 2014, the Trust and the Western Trust agreed to set the advance payments at $32,000 per month for 2014. Pursuant to an interim reconciliation of fees presented on September 23, 2014, the Trust and the Western Trust revised the amount of the advance payments to $29,000 per month as of October 1, 2014.

Pursuant to the annual reconciliation of fees presented on February 27, 2015, the Trust and the Western Trust agreed that the advance payments shall be $37,000 per month for 2015. The total amount paid by the Trust to the Western Trust, after accounts were reconciled for 2014, was $440,455.

At the beginning of 2015, the Trusts each consulted with outside counsel concerning the continued viability and fairness of the Trust Facilities and Services Sharing Agreements by and between Western Trust and this Trust, and based on advice of counsel, the Trust and the Western Trust determined that the formula and methodology being used should continue and was fair to this

[4] This figure excludes claimant payments budgeted for $34,800,000 and extraordinary legal fees budgeted for $600,000. Budgeted investments fees were previously reported as a reduction to investment income. The 2015 operating expense budget includes investment fees of $1,973,000.

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Trust and the Western Trust.

19. Custodial Accounts: The Trust established a custody relationship and opened accounts with Wells Fargo Bank, N.A. to act as custodian for the Trust.

20. Settlement Fund: The Settlement Fund was established at Wells Fargo Bank, N.A. to pay valid claims.

21. Operating Fund: The Operating Fund was established at Wells Fargo Bank, N.A., to pay anticipated operating expenses of the Trust.

22. Indemnity Fund (Self-Insured Retention): Section 4.6 of the Trust Agreement provides that the Trust shall indemnify the Trustees, the Trust's officers and employees, the Futures Representative, the TAC and each of their respective agents. The Trustees, the Futures Representative, the TAC and their respective agents have a first priority lien upon the Trust's assets to secure the payment of any amounts payable to them pursuant to Section 4.6 of the Trust Agreement.

In addition to the first priority lien on all the Trust's assets, in November of 2010, the Trust established an indemnity fund in the amount of $5,000,000, as described in the Trust's First Annual Report. All interest earned by the fund is returned to the Trust quarterly. During the Accounting Period, no claims were made against the fund and nothing was paid from the fund.

Additionally, as described in the Trust's Fourth Annual Report, at the September 11, 2013 meeting, an increase in the amount of the fund to $25,000,000 was approved.

23. Legal Dispute: As initially described in the Third Annual Report, on September 19, 2012, the Trust filed its *Complaint for Declaratory Judgment* [Docket No. 1] and on October 24, 2012, its *First Amended Complaint for (I) Declaratory Judgment and (II) Equitable Relief* [Docket No. 18] (the "Amended Complaint") in the Bankruptcy Court (Adversary Case No. 2:12-ap-02182-BB) (the "Adversary Proceeding") against Michael J. Mandelbrot and the Mandelbrot Law Firm (collectively, "Mandelbrot"). The Amended Complaint (i) requested a declaratory judgment from the Bankruptcy Court "confirming that the Investigation to determine whether the Defendants have engaged in a pattern or practice of submitting unreliable evidence to the J.T.

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Thorpe Trust is authorized and appropriate under the circumstances," and (ii) sought related equitable relief.

The Adversary Proceeding was procedurally consolidated with a similar adversary proceeding brought by the J.T. Thorpe Settlement Trust (collectively with the Thorpe Insulation Company Asbestos Settlement Trust, the "Trusts") in the Bankruptcy Court. The docket for the consolidated actions was maintained in the J.T. Thorpe Settlement Trust adversary proceeding , case number 2:12-ap-02182-BB. In addition, the Western Trust commenced a similar adversary proceeding against Mandelbrot in its bankruptcy case pending in the United States Bankruptcy Court for the Northern District of California. All three trusts are supervised by the same Trustees and the same Futures Representative, and all three trusts evaluate and process claims through the same facility and processing staff.[5]

On the morning of trial on January 23, 2014, Mandelbrot, the Trusts, as well as the Western Trust and the Plant Insulation Settlement Trust, entered into an agreement that resolved the Adversary Proceeding. The terms of the agreement and settlement were read in to the record and agreed to by all parties, including Mandelbrot. The Trusts prepared an Order, Findings of Fact and Conclusions of Law and a Judgment that set forth the terms and effect of the agreement. Several days later, but before the Trusts were able to lodge any of these draft documents, Mandelbrot's attorney withdrew as counsel, Mandelbrot substituted himself as counsel into the Adversary Proceedings and then attempted to repudiate the agreement laid on the record on January 23, 2014. The Trusts provided copies of the Order, Findings of Fact and Conclusions of Law and Judgment to Mandelbrot and filed them, along with a Notice of Dispute [Docket No. 197] on February 11, 2013. Mandelbrot filed written objections to the agreement on or about February 12, 2014.

At the Trusts' request, this Court set a hearing and briefing schedule for enforcement of the stipulated agreement. The hearing was held on March 27, 2014 and this Court ruled that the agreement was enforceable. The Order Granting Motion To Enforce January 23, 2014 Stipulated

[5] The Western Trust adversary proceeding against Mandelbrot was dismissed without prejudice on October 30, 2013. [Docket No. 109]

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Agreement [Docket No. 232] ("Enforcement Order") and Order Following Trial On Adversary Complaints And Motion For Instructions [Docket No. 233] ("Order After Trial") were entered.

The Order After Trial ordered, among other things, that Mandelbrot: (1) "effective immediately" shall file no new claims with the Trusts; (2) "effective immediately, Mandelbrot shall cease all activity with respect to claims ("Pending Claims") for the Trusts and shall transfer each Pending Claim and all past claims made against the Trusts to an attorney who will take responsibility; and (3) that if the Trusts do not receive a notice of transfer for the Pending Claims and past claims by July 23, 2014, then those claims shall be deemed withdrawn and Mandelbrot agreed that all such claims with respect to this Trust may be deemed withdrawn. All of this was reduced to a Judgment, entered on April 7, 2014, resolving the adversary proceedings. [Docket No. 234]. This Court issued its Findings of Fact and Conclusions of Law supporting its Order after Trial [Docket No. 235] on April 9, 2014. The Trust has implemented the stipulated agreement found to be enforceable by this Court. Following entry of Judgment, Mandelbrot has filed a notice of appeal, and likewise filed a motion to stay enforcement of the Judgment pending appeal. On May 27, 2014, this Court heard and denied Mandelbrot's motion to stay enforcement judgment and order following trial. Thereafter, in early June 2014, Mandelbrot filed a motion to stay enforcement of the judgment and order pending appeal before the Honorable Virginia A. Phillips of the United States District Court for the Central District of California, who has been assigned to hear Mr. Mandelbrot's appeal of the judgment and order. Prior to the hearing on the motion, which was scheduled for July 7, 2014, Judge Phillips denied Mr. Mandelbrot's motion on the grounds that Mr. Mandelbrot had failed to meet his burden of establishing an abuse of discretion by the Bankruptcy Court in denying the requested stay.[6]

[6] Attached hereto as Exhibit "C" is the Honorable Virginia A. Phillips' Minute Order (1) Denying Motion to Stay Enforcement of Judgment and Order following Trial (Doc. No. 10) and (2) Vacating July 7, 2014 Hearing (in Chambers) (Document 26). In her Order, Judge Phillips noted that even if she were to engage in a *de novo* consideration, she would agree with the decision of the Bankruptcy Court on the merits of the motions brought before the Bankruptcy Court.

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Thereafter, on June 18, 2014, and pursuant to a briefing schedule established by the United States District Court, Mr. Mandelbrot filed his District Court brief. Briefing on Mr. Mandelbrot's appeal was completed on July 15, 2014, and no decision has been issued.

As a result of the stipulation, and consistent with its terms, the Trust is not accepting claims from Mandelbrot and all claims previously submitted by Mandelbrot have been transferred to new counsel.

24. Claim with Manville Personal Injury Trust: The Trust is pursuing a potential claim with the Manville Personal Injury Trust ("Manville Trust"). The Trust alleges it has the right to pursue Thorpe Distributor Indemnity claims against the Manville Trust for asbestos related losses it sustained in a case which has been finally resolved by settlement, judgment or otherwise. The Trust filed a claim in November of 2014 and is currently in discussions with the Manville Trust.

25. Amendments to the Trust Documents: As described in the Trust's Fourth Annual Report, the Bylaws were amended on February 20, 2014, and amendments to the Trust Distribution Procedures and Matrix were approved on March 25, 2014. Copies of the Second Amendment to and Complete Restatement of Thorpe Insulation Company Asbestos Settlement Trust Bylaws, Fourth Amendment to and Complete Restatement of Thorpe Insulation Company Asbestos Personal Injury Settlement Trust Distribution Procedures, and Third Amendment to and Complete Restatement of Thorpe Insulation Company Asbestos Settlement Trust Case Valuation Matrix are included in the Appendix filed herewith.

On November 20, 2014, sections 4.5(a) and 6.6(b) of the Trust Agreement were amended to allow for an annual increase in Trustee and TAC compensation based upon the Federal Bureau of Labor Statistics' *Consumer Price Index for Urban Wage Earners and Clerical Workers* (CPI-W) announced in January each year. A copy of the Eighth Amendment to and Complete Restatement of Thorpe Insulation Company Asbestos Settlement Trust Agreement is included in the Appendix filed herewith.

26. Notifications to Beneficiaries: During the Accounting Period and, additionally, from January 1, 2015 to and including April 16, 2015, the following notifications were

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placed on the Trust's Web site:

a. Notice of Suspension of Pro Bono Evaluation Procedures (posted January 14, 2014);

b. Notice of settlement of Mandelbrot adversary proceeding (posted January 31, 2014);

c. Notice of claims processing FTP server maintenance (posted February 18, 2014);

d. Notice of computer system incursion (posted February 21, 2014);

e. Notice/update regarding computer system incursion (posted March 6, 2014);

f. Notice regarding submission of claims in paper form (posted March 14, 2014);

g. Notice/update regarding settlement of Mandelbrot adversary proceeding (posted April 16, 2014);

h. Notice/update regarding submission of claims (posted April 25, 2014);

i. Notice of hearing on the Trust's Fourth Annual Report and Accounting (posted April 30, 2014);

j. Notice of approved modifications to the TDP and Matrix (posted May 1, 2014);

k. Notice/update regarding settlement of Mandelbrot adversary proceeding (posted May 5, 2014);

l. Notice/update regarding settlement of Mandelbrot adversary proceeding (posted May 12, 2014);

m. Notice/update regarding submission of claims (posted July 10, 2014); and

n. Notice regarding compliance with court order in Mandelbrot adversary proceeding (posted March 6, 2015).

27. Attempt to Place False Claim in the Western Trust Database/Overhaul of Network Infrastructure: On February 18, 2014, Western Trust staff discovered that an attempt had

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been made to place a fictitious claim within the Western Trust database on or about February 15, 2014. In response to the incursion, the Trust unplugged its system from the internet and took it off-line. A cyber-security firm was hired to conduct a forensic investigation. The Trust also hired a law firm that specialized in the legal requirements, if any, related to the false claim placement. The cyber-security firm's investigation revealed no evidence of exfiltration of data on or from the Trust's server. There was also no evidence that the intruder accessed any personally identifiable information or protected health information contained elsewhere in the Trust's system. Based on the cyber-security firm's findings, the law firm determined that potentially applicable state and federal data breach notification laws did not require notice to any third parties of the attempted false claim placement. In an abundance of caution, the following law enforcement agencies were contacted to report the data breach: the Reno Police Department, the Monterey Park Police Department (where the private post office box for the fictitious law firm was located), and the Las Vegas office of the Federal Bureau of Investigation. All three agencies noted the data breach but did not pursue an investigation despite follow up by the law firm. The Trust began again accepting claims in paper form on March 14, 2014, and the Trust also began accepting claims on CD on April 25, 2014.

As a result of this false claim placement attempt, the Trust determined that it needed an independent information technology company to review the Trust's network infrastructure and security. After consultation with other trusts across the country, the Trust retained the information technology firm of STF Consulting of Atlantic Highlands, NJ in June of 2014. By the end of June, 2014, STF Consulting had implemented increased security measures so that on July 10, 2014, the Trust opened up its system to again allow electronic filing of claims. STF Consulting has completed a total overhaul of the Trust's core network infrastructure and has continued to refine the network throughout the remainder of 2014 and the first quarter of 2015.

28. System Development: During the Accounting Period, the Trust entered into a contract with an outside vendor to develop an updated claims processing system and move to a new platform, which is expected to be completed within weeks.

29. Filing Fee: Pursuant to Section 6.4 of the TDP, the filing fee was reviewed at

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the September 22, 2014 meeting and there were no recommended changes to the existing $250.00 fee during the Accounting period or as of the date hereof.

30. Trustees' Compensation: Section 4.5(c) of the Trust Agreement requires the Trust to report the amounts paid to the Trustees for compensation and expenses. During the Accounting Period, the Trustees each received per annum compensation in the amount of $40,000 paid in quarterly installments. The total paid to all Trustees for hourly compensation and for reimbursement of expenses was $143,361 and $3,708, respectively.

31. Significant Vendors: Although the Trust has many vendors, those who were paid more than $100,000 during the Accounting Period are listed alphabetically below:

a. BlackRock Financial Management: One of eight investment managers for the Trust described in paragraph 32, *infra*;

b. Eagle Capital Management: One of eight investment managers for the Trust described in paragraph 32, *infra*;

c. Fergus, a Law Office: Counsel to the Honorable Charles Renfrew, Futures Representative;

d. Harding Loevner, LP: One of eight investment managers for the Trust described in paragraph 32, *infra*;

e. Klee, Tuchin, Bogdanoff & Stern LLP: Counsel to the Debtors and now counsel to the Trust in the appeals as described in paragraph 23, *supra*;

f. Molland Law: Co-counsel for the Mandelbrot litigation described in paragraph 23(e), *supra*;

g. Morgan Lewis & Bockius LLP: Counsel to Debtors and now counsel to the Trust in the litigation, as described in paragraph 23, *supra*;

h. Silvercrest Asset Management Group LLC: One of eight investment managers for the Trust described in paragraph 32, *infra*;

i. Stutman, Treister & Glatt P.C.: former bankruptcy counsel to the Trust;

j. Western Asbestos Settlement Trust for shared services pursuant to the Trust

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Facilities and Services Sharing Agreement, as described in paragraph 18, *supra*; and

k. Westwood Management Corporation: One of eight investment managers for the Trust described in paragraph 32, *infra*.

32. Trust Investment Management: Article 3 of the Trust Agreement authorizes the Trust to administer the investment of funds in the manner in which individuals of ordinary prudence, discretion and judgment would act in the management of their own affairs, subject to certain limitations. The Trust closely monitors any market volatility with its investment advisors and continues to be in compliance with its Investment Policy Statement. Callan Associates, Inc. continued to assist the Trust during the Accounting Period as its investment consultant. BlackRock Financial Management, Inc., Eagle Capital Management, LLC, Harding Loevner, LP, Segall Bryant & Hamill, Silvercrest Asset Management Group, Standish Mellon Asset Management Company, LLC, State Street Global Advisors, and Westwood Management Corporation have continued to act as investment managers to the Trust.

Additionally, the Trust's Investment Policy Statement was amended on November 20, 2014 and February 27, 2015, copies of which are included in the Appendix filed herewith.

***

The Trustees submit that the Annual Report and attached exhibits demonstrate that the Trust acted prudently and expeditiously in executing its legal obligations during the Accounting Period and up to and including the date hereof. The Trust conscientiously worked to execute equitable claims procedures and process Trust Claims with due diligence during the Accounting Period and up to and including the date hereof. Moreover, the Trust worked with its accountants and financial advisors to preserve and grow Trust assets in order to fulfill the purpose of the Trust--paying valid asbestos claims. In so doing, the Trust carefully complied with all Plan Documents and the mandates of this Court.

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EXHIBIT A

EXHIBIT "A"



Grant Thornton

Financial Statements and Report of Independent Certified Public Accountants

Thorpe Insulation Settlement Trust

December 31, 2014 and 2013

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Report of Independent Certified Public Accountants

Trustees
Thorpe Insulation Settlement Trust

We have audited the accompanying financial statements of Thorpe Insulation Settlement Trust ("the Trust"), organized in the State of Nevada, which comprise the statements of net claimants' equity as of December 31, 2014 and 2013, and the related statements changes in net claimants' equity and cash flows for the years then ended, and the related notes to the financial statements.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the Trust's other basis of accounting; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Trust's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Grant Thornton

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets and liabilities of Thorpe Insulation Settlement Trust as of December 31, 2014 and 2013, and the changes in net claimants' equity and cash flows for the years then ended in accordance with the Trust's other basis of accounting.

Basis of accounting

We draw attention to Note A.2 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the Trust's other basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Supplementary information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Operating Expense for the years ended December 31, 2014 and 2013 is presented for purposes of additional analysis and is not a required part of the financial statements. Such supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures. These additional procedures included comparing and reconciling the information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Restriction on use

Our report is intended solely for the information and use of the management of the Trust and Trustees, the beneficiaries of the Trust, the Futures Representative, the Futures Counsel, the members of the Trust Advisory Committee, and the United States Bankruptcy Court for the Central District of California, Los Angeles Division and is not intended to be and should not be used by anyone other than these specified parties.

Grant Thornton LLP

Reno, Nevada
April 15, 2015

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Thorpe Insulation Settlement Trust

STATEMENTS OF NET CLAIMANTS' EQUITY

December 31,

	2014	2013
ASSETS		
Cash and cash equivalents and investments available-for-sale		
Restricted	$ 25,000,000	$ 25,000,000
Unrestricted	495,317,949	499,136,708
Total cash and cash equivalents and investments	520,317,949	524,136,708
Accrued interest and dividend receivables	2,021,361	2,091,722
Deferred tax asset	11,682,000	19,422,000
Total assets	$ 534,021,310	$ 545,650,430
LIABILITIES		
Accrued expenses	$ 461,490	$ 3,197,598
Claim processing deposits	194,250	383,500
Unpaid claims (Note D)		
Outstanding offers	4,479,416	6,763,135
Facility and staff sharing agreement payable	408,000	384,000
Total liabilities	$ 5,543,156	$ 10,728,233
NET CLAIMANTS' EQUITY	$ 528,478,154	$ 534,922,197

The accompanying notes are an integral part of these statements.

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Thorpe Insulation Settlement Trust

STATEMENTS OF CHANGES IN NET CLAIMANTS' EQUITY

For the years ended December 31,

	2014	2013
Net claimants' equity, beginning of year	$ 534,922,197	$ 144,697,237
Additions to net claimants' equity		
Initial funding	1,400,000	456,743,296
Investment income	8,849,033	8,836,456
Provision for income taxes, deferred	-	8,420,000
Net decrease in outstanding claim offers	2,283,719	-
Net realized/unrealized gains on available-for sale securities	16,917,998	11,235,613
Total additions	29,450,750	485,235,365
Deductions from net claimants' equity		
Operating expenses	4,422,922	40,555,818
Court ordered bankruptcy fees	-	1,910,997
Claims settled	23,707,871	50,381,088
Net increase in outstanding claim offers	-	2,126,502
Provision for income taxes, deferred	7,740,000	-
Net increase in facility and staff sharing agreement	24,000	36,000
Total deductions	35,894,793	95,010,405
Net claimants' equity, end of year	$ 528,478,154	$ 534,922,197

The accompanying notes are an integral part of these statements.

Thorpe Insulation Settlement Trust

STATEMENTS OF CASH FLOWS

For the years ended December 31,

	2014	2013
Cash inflows:		
Initial funding	$ 1,400,000	$ 456,743,296
Investment income receipts	8,919,394	7,471,840
Net realized gains on available-for-sale securities	1,532,481	153,441
Total cash inflows	11,851,875	464,368,577
Cash outflows:		
Claim payments made	23,707,871	50,381,088
Disbursements for Trust operating expenses	7,348,280	38,417,488
Disbursements for Court ordered bankruptcy fees	-	1,868,664
Total cash outflows	31,056,151	90,667,240
Net cash outflows	(19,204,276)	373,701,337
Non-cash changes:		
Net unrealized gains on available-for-sale securities	15,385,517	11,082,174
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(3,818,759)	384,783,511
Cash, cash equivalents, and investments available-for-sale, beginning of year	524,136,708	139,353,197
Cash, cash equivalents, and investments available-for-sale, end of year	$ 520,317,949	$ 524,136,708

The accompanying notes are an integral part of these statements.

Thorpe Insulation Settlement Trust

NOTES TO FINANCIAL STATEMENTS

December 31, 2014 and 2013

NOTE A - SUMMARY OF ACCOUNTING POLICIES

1. Description of Trust

The Thorpe Insulation Settlement Trust (the Trust), organized pursuant to the laws of the state of Nevada with its office in Reno, Nevada, was established pursuant to the Pacific Insulation Company and Thorpe Insulation Company (collectively the "Debtors") Sixth Amended Joint Plan of Reorganization (the "Plan," following Remand), dated May 1, 2013. The Trust was formed to assume the Debtors' liabilities resulting from pending and potential litigation involving individuals exposed to asbestos who have manifested asbestos-related diseases or conditions, for which the Debtors have legal responsibility; liquidate, resolve, pay and satisfy all valid asbestos-related claims in accordance with the Plan, preserve, hold, manage and maximize the Trust assets for use in paying and satisfying allowed asbestos-related claims, prosecute, settle and manage the disposition of the asbestos in-place insurance coverage, and prosecute, settle and manage asbestos insurance coverage actions. Upon the effective date of the Plan, the Trust assumed liability for existing and future asbestos-related claims against the Debtors. The Trust became effective on October 22, 2010. The Trust's Confirmation Remand Effective Date occurred on July 9, 2013.

The Trust was initially funded with cash, notes receivable and insurance settlement proceeds. The Trust's funding is dedicated solely to the settlement of asbestos-related claims and the related costs thereto, as defined in the Plan.

The Trust processes and pays all asbestos-related claims in accordance with the Thorpe Insulation Settlement Trust Agreement, as amended and restated, the Case Valuation Matrix, as amended and restated, (Matrix) and Trust Distribution Procedures, as amended and restated, (TDP) (collectively, the Trust Documents).

2. Special-Purpose Accounting Methods

The Trust's financial statements are prepared using special-purpose accounting methods that differ from accounting principles generally accepted in the United States. The special-purpose accounting methods were adopted in order to present the amount of equity available for payment of current and future claims. These special-purpose accounting methods are as follows:

- The financial statements are prepared using the accrual basis of accounting, as modified below.
- The funding received from Thorpe Insulation Company, Pacific Insulation Company, Farwest Insulation Contracting and their liability insurers is recorded directly to net claimants' equity. These funds do not represent income of the Trust. Offers for asbestos-related claims are reported as deductions from net claimants' equity and do not represent expenses of the Trust.
- Costs of non-income producing assets, which will be exhausted during the life of the Trust and are not available for satisfying claims, are expensed when incurred. These costs include acquisition costs of computer hardware, software and software development.
- Future fixed liabilities and contractual obligations entered into by the Trust are recorded directly against net claimants' equity. Accordingly, the future minimum commitments outstanding at period end for non-cancelable obligations have been recorded as deductions from net claimants' equity.

Thorpe Insulation Settlement Trust

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2014 and 2013

NOTE A - SUMMARY OF ACCOUNTING POLICIES - Continued

2. Special-Purpose Accounting Methods - Continued

- The liability for unpaid claims reflected in the statement of net claimants' equity represents settled but unpaid claims and outstanding offers. A claims liability is recorded once an offer is made to the claimant at the amount equal to the expected pro rata payment. No liability is recorded for future claim filings and filed claims on which no offer has been made. Net claimants' equity represents funding available to pay present and future claims on which no fixed liability has been recorded.
- Available-for-sale securities are recorded at fair value. All interest and dividend income on available-for-sale securities is included in investment income on the statements of changes in net claimants' equity. Realized and unrealized gains and losses on available-for-sale securities are recorded as separate components on the statements of changes in net claimants' equity
- Realized gains/losses on available-for-sale securities are recorded based on the security's amortized cost. At the time a security is sold, all previously recorded unrealized gains/losses are reversed and recorded net, as a component of other unrealized gains/losses in the statement of changes in net claimants' equity

3. Cash and Cash Equivalents

Cash and cash equivalents include demand deposit accounts and cash invested in money market funds.

4. Investments

Fair value measurements are determined through the use of an independent, nationally recognized pricing service. For securities that have quoted prices in active markets, market quotations are provided. For securities that do not trade on a daily basis, the pricing service provides fair value estimates using a variety of inputs including, but not limited to, benchmark yields, reported trades, broker/dealer quotes, issuer spreads, bids, offers, reference data, prepayment spreads and measures of volatility. The Trust reviews on an ongoing basis the reasonableness of the methodologies used by the pricing service, as well as determines the aggregate portfolio price performance and reviews it against applicable indices.

5. Deposits

Claims processing deposits represent filing fees collected for each unliquidated claim, which fees are refunded by the Trust if the claim is paid.

Thorpe Insulation Settlement Trust

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2014 and 2013

NOTE A - SUMMARY OF ACCOUNTING POLICIES - Continued

6. Use of Estimates

The preparation of financial statements in conformity with the special-purpose accounting methods described above requires the Trust to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of additions and deductions to net claimants' equity during the reporting period. Actual results could differ from those estimates.

7. Concentration of Risk

Financial instruments that potentially subject the Trust to concentrations of risk consist of cash and cash equivalents. Cash equivalents consist of money market accounts. Cash equivalents and demand deposits are in excess of Federal Deposit Insurance Corporation limits.

The Trust utilizes risk controls to meet investment objectives authorized by its Trustees. Such risk controls include the use of outside investment advisors meeting predetermined criteria, and third-party quantitative and qualitative risk measurement evaluation tools. The Trust believes its risk control practices are appropriate to meet investment objectives.

Investment securities, in general, are exposed to various risks, such as interest rates, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect the amounts reported in the financial statements.

8. Income Taxes

The Trust's policy is to recognize interest and penalties accrued on any unrecognized tax benefits as a component of income tax expense. As of December 31, 2014, the Trust did not have any accrued interest or penalties associated with any unrecognized tax benefits, nor did it incur any interest and penalties expense with any unrecognized tax benefits for the year then ended. The Trust is unaware of information concerning any tax positions for which a material change in the unrecognized tax benefit or liability is reasonably possible within the next twelve months. The Trust files income tax returns in the United States. Although the Trust owes no tax to the State of California, it files an annual tax return in California reporting no taxable income or tax owed. The Trust is no longer subject to United States federal tax examinations for years before 2011 and state examinations before 2010.

9. Reclassification

Certain prior year amounts have been reclassified to current year presentation. These reclassifications had no impact on net claimants' equity.

Thorpe Insulation Settlement Trust

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2014 and 2013

NOTE B - CASH, CASH EQUIVALENTS AND INVESTMENTS

The Trust has classified its investments as available-for-sale, and recorded the securities at estimated fair value, as follows:

	December 31, 2014	
	Cost	Fair Value
Restricted		
Cash equivalents	$ 1,096,357	$ 1,096,357
U.S. Government obligations	13,490,377	13,560,687
Municipal bonds	258,891	252,174
Asset backed securities	1,026,623	1,012,413
Corporate and other debt	9,104,752	9,078,369
	$ 24,977,000	$ 25,000,000
Unrestricted		
Cash demand deposits	$ 240,903	$ 240,903
Cash equivalents	137,824,849	137,824,849
Equity securities	183,804,520	213,671,342
U.S. Government obligations	12,349,264	12,355,639
Municipal bonds	116,586,342	118,081,761
Asset backed securities	1,154,650	1,132,196
Corporate and other debt	12,094,887	12,011,259
	$ 464,055,415	$ 495,317,949

	December 31, 2013	
	Cost	Fair Value
Restricted		
Cash equivalents	$ 10,347,157	$ 10,347,157
U.S. Government obligations	6,702,708	6,554,521
Municipal bonds	239,137	230,883
Asset backed securities	624,502	621,131
Corporate and other debt	7,349,653	7,246,308
	$ 25,263,157	$ 25,000,000
Unrestricted		
Cash demand deposits	$ 266,832	$ 266,832
Cash equivalents	223,213,185	223,213,185
Equity securities	86,503,564	104,481,334
U.S. Government obligations	10,274,652	9,927,841
Municipal bonds	80,667,597	80,418,689
Asset backed securities	990,431	979,684
Corporate and other debt	81,018,569	79,849,143
	$ 482,934,830	$ 499,136,708

Thorpe Insulation Settlement Trust

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2014 and 2013

NOTE B - CASH, CASH EQUIVALENTS AND INVESTMENTS - Continued

The Trust accounts for investments according to a fair value hierarchy that distinguishes between assumptions based on market data (observable inputs) and the Trust's assumptions (unobservable inputs). The hierarchy consists of three broad levels as follows:

Level 1 - Quoted market prices in active markets for identical assets or liabilities.

Level 2 - Quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; or valuations based on models where significant inputs are observable or can be corroborated by observable market data.

Level 3 - Valuations based on models where significant inputs are not observable, and for which the determination of fair value requires significant management judgment or estimation. The Trust does not hold any Level 3 investments as of December 31, 2014 and 2013.

Assets and liabilities measured at fair value on a recurring basis, including financial instruments for which the Trust accounts, were as follows at:

	December 31, 2014	
	Level 1	Level 2
Assets		
Cash demand deposits	$ 240,903	$ -
Cash equivalents	138,921,206	-
Equity securities	213,671,342	-
U.S. Government obligations	5,593,277	20,323,049
Municipal bonds	-	118,333,935
Asset-backed securities	-	2,144,609
Corporate and other debt	21,089,628	-
	$ 379,516,356	$ 140,801,593

	December 31, 2013	
	Level 1	Level 2
Assets		
Cash demand deposits	$ 266,832	$ -
Cash equivalents	233,560,342	-
Equity securities	104,481,334	-
U.S. Government obligations	8,167,816	8,314,548
Municipal bonds	-	80,649,572
Asset-backed securities	-	1,600,815
Corporate and other debt	87,095,451	-
	$ 433,571,773	$ 90,564,935

The Trust's policy is to recognize transfers in and out of levels within the fair value hierarchy at the actual date the event or change in circumstance caused the transfer. Between the measurement dates of December 31, 2013 and December 31, 2014, no securities were transferred between Level 1 and Level 2.

Thorpe Insulation Settlement Trust

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2014 and 2013

NOTE B - CASH, CASH EQUIVALENTS AND INVESTMENTS - Continued

The maturities of the Trust's available-for-sale securities at market value are as follows as of December 31, 2014:

	Less than 1 Year	After 1 Year Through 5 Years	After 5 Years Through 10 Years	After 10 Years
U.S. Government obligations	$ -	$ 7,782,514	$ 4,503,253	$ 13,630,559
Municipal bonds	7,662,433	61,057,266	42,465,955	7,148,281
Asset backed securities	-	1,415,822	246,158	482,629
Corporate	1,460,639	8,859,830	9,856,580	840,004
	$ 9,123,072	$ 79,115,432	$ 57,071,946	$ 22,101,473

NOTE C - FIXED ASSETS

The cost of non-income producing assets that will be exhausted during the life of the Trust and are not available for satisfying claims are expensed as incurred. Since inception, the cost of fixed assets expensed, net of disposals, includes:

Acquisition of computer equipment	$ 16,886
Acquisition of computer software	100,912
	$ 117,798

These items have not been recorded as assets, but rather as operating expenses and direct deductions from net claimants' equity in the accompanying financial statements. The cost of fixed assets that were expensed during the years ended December 31, 2014 and 2013 was $63,484 and $0, respectively. Total depreciation expense related to asset acquisition using accounting principles generally accepted in the United States would have been approximately $9,500 and $15,500 for the years ended December 31, 2014 and 2013, respectively.

NOTE D - CLAIM LIABILITIES

Pursuant to the Trust Documents, the Trust distinguishes between claims that were liquidated prior to the establishment of the Trust (Pre-Petition Liquidated Claims) and claims processed after the creation of the Trust (Trust Claims). The Pre-Petition Liquidated Claims are grouped into two categories: settlement and judgment claims.

The cases underlying the Pre-Petition Liquidated Claims were stayed by the court until the Plan became effective. The Trust reviewed, processed and paid each Pre-Petition Liquidated Claim at the approved Funds Received Ratio. The Pre-Petition Liquidated Claims were paid in trust to the representative law firms for disbursement to the claimants upon the Trust's receipt and approval of a properly executed release.

For all Trust claims, a liability for unpaid claims is recorded at the time the offer is extended. Funds are mailed after the approved release is signed, received, and approved by the Trust. Unpaid claims liabilities remain on the Trust's books until the offer is accepted, rejected, withdrawn or expires after six months. Offers may be extended an additional six months upon written request and good cause. As of the years ended December 31, 2014 and 2013, there were no expired offers.

All claimants are entitled to the full liquidated value of their claim. Under the TDP, claimants receive an initial pro rata payment equal to the approved Funds Received Ratio of the claim's liquidated value. The remaining obligation for the unpaid portion of the liquidated amount is not recorded and is not a liability of the Trust, unless the Funds Received Ratio is increased. In that instance, the Trust would be obligated to retroactively pay the increased percentage to all previously paid claimants (see Note G).

In the interest of treating all claimants equitably in accordance with the Plan and pursuant to the TDP, all payments made during each calendar year ended December 31, 2010 through December 31, 2014 and future years shall include a Cost of Living Adjustment for inflation based upon the Federal Bureau of Labor Statistics' *Consumer Price Index for Urban Wage Earners and Clerical Workers* (CPI-W). Claims liabilities at year end are adjusted for any approved Inflation Adjustments. Inflation Adjustments are cumulative. Cumulative Inflation Adjustments of 8.66% and 8.34% are included in outstanding claims liabilities as of December 31, 2014 and 2013, respectively.

The Trust processed and approved approximately $16,788,931 and $17,670,611 of Trust Claims during the years ended December 31, 2014 and 2013, respectively.

NOTE E - LEGAL FEES - COVERAGE LITIGATION

For the years ended December 31, 2014 and 2013, the Trust incurred a total of $542,370 and $35,137,490, respectively, of contingent and hourly fees for coverage litigation. As of December 31, 2014 and 2013, $0 and $2,579,351 were reported in accrued expenses on the accompanying Statement of Net Claimants' Equity.

Thorpe Insulation Settlement Trust

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2014 and 2013

NOTE F - FACILITY AND STAFF SHARING AGREEMENT

The Trust has entered into a facilities and staff sharing agreement with the Western Asbestos Settlement Trust, (the Western Trust). The two trusts are related through common trustees. Under the agreement, and in exchange for advance monthly payments, the Western Trust provides use of its facilities and services relating to administration and claims processing. The monthly payment of $29,000 was in place through December 31, 2013. The average monthly payment in 2014 was $31,250; and provisions allow for automatic renewals for additional one-year periods unless either party provides written notice. The amounts of advance monthly payments are agreed upon between the trusts from time to time. As of December 31, 2014, the equitable amount agreed upon is based on the required written calendar year reconciliation of annual services that is performed by the Western Trust. The reconciliation is performed and recorded in the period subsequent to the reconciliation period. The reconciliation performed for the year ended December 31, 2014 resulted in an additional payment to the Western Trust of approximately $65,377. The reconciliation performed for the year ended December 31, 2013 resulted in an additional payment to the Western Trust of approximately $68,955. The monthly payment for 2015 was increased to $37,000. A portion of the future payments under this agreement has been recorded as a liability on the accompanying statement of net claimants' equity.

NOTE G - NET CLAIMANTS' EQUITY

The Trust was created pursuant to the Plan confirmed by the United States Bankruptcy Court for the Central District of California, Los Angeles Division. The TDP was adopted pursuant to the Plan and concurrently with the Trust Agreement. It is designed to provide fair and equitable treatment for all Trust claims that may presently exist or may arise in the future. The TDP prescribes certain procedures for distributing the Trust's limited assets, including pro rata payments and initial determination of claim value based on scheduled disease values, and individual factual information concerning each claimant as set forth in the Trust Documents.

Under the TDP, the Trust forecasts its anticipated annual sources and uses of cash until the last projected future claim has been paid. A pro rata Funds Received Ratio is calculated such that the Trust will have no remaining assets or liabilities after the last future claimant receives his/her pro rata share.

The Trustees, with the consent of the Trust Advisory Committee ("TAC") and Futures Representative, set the Initial Funds Received Ratio at 17.5%, based upon the analysis and advice of the Trust's expert economist. The TDP requires the Trustees, with the consent of the TAC and the Futures Representative, to periodically review the Funds Received Ratio and, if appropriate, propose additional changes in the pro rata Funds Received Ratio based on updated assumptions regarding the Trust's future assets and liabilities and if appropriate, propose additional changes in the Funds Received Ratio. The Funds Received Ratio was increased by the Trustees to 30.50% in September 2013. This change was made with the consent of the TAC and Futures Representative. The increase was retroactive for claims approved since inception.

NOTE H - RESTRICTED CASH, CASH EQUIVALENTS AND INVESTMENTS

To avoid the high costs of director and officer liability insurance, and pursuant to the Trust Agreement, the Trust has elected to be self-insured and has established a segregated security fund. These funds are devoted exclusively to securing the obligations of the Trust to indemnify the current Trustees and officers, employees, agents and representatives of the Trust. The funds are held in a separate Trust bank account; and interest income accrues to the benefit of the Trust. As of December 31, 2014 and 2013, cash, cash equivalents and investments of $25,000,000 were restricted for these purposes.

Thorpe Insulation Settlement Trust

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2014 and 2013

NOTE I - INCOME TAXES

For federal income tax purposes, the Trust is taxed as a Qualified Settlement Fund (QSF). Income and expenses associated with the Trust are taxed in accordance with Section 468B of the Internal Revenue Code. The statutory income tax rate for the Trust is 39.6% for the year ended December 31, 2014 and 2013.

The Trust records deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the book and tax basis of assets and liabilities.

The Trust has recorded a deferred tax asset of approximately $12 million reflecting the benefit of approximately $61 million in loss carryforwards, which expire in varying amounts between 2030 and 2033. Realization is dependent on generating sufficient taxable income prior to expiration of the loss carryforwards. Although realization is not assured, the Trust believes it is more likely than not that all of the deferred tax asset will be realized. The amount of the deferred tax asset considered realizable, however, could be reduced if estimates of future taxable income during the carryforward period are reduced.

The provision for income taxes consists of the following for the years ended December 31, 2014 and 2013:

	2014	2013
Federal income tax – current	$ -	$ -
Deferred income tax (expense)/benefit	(7,740,000)	8,420,000
	$ (7,740,000)	$ 8,420,000

The components of the deferred income tax asset, as presented in the statements of net claimants' equity consisted of the following at December 31, 2014 and 2013:

	2014	2013
Deferred tax asset (liability)		
Depreciation and amortization	$ 54,000	$ 33,000
Unrealized appreciation	(12,410,000)	(6,317,000)
Loss carryforward	24,038,000	25,706,000
	$ 11,682,000	$ 19,422,000

NOTE J - SUBSEQUENT EVENTS

The Trust evaluated subsequent events through April 15, 2015, the date the financial statements were available to be issued. There were no material subsequent events that required recognition or disclosure.

SUPPLEMENTAL INFORMATION

Thorpe Insulation Settlement Trust

SCHEDULE OF OPERATING EXPENSES

For the years ended December 31,

	2014	2013
Accounting	$ 51,740	$ 52,969
Claims processing/claims system development	109,510	95,827
Computer equipment	7,027	-
Futures representative	270,838	767,777
Information technology support	23,528	34,796
Investment expense	1,714,883	778,956
Legal fees	861,034	2,797,474
Contingency legal fees	542,370	35,137,490
System security	74,612	-
Trust Advisory Committee	34,837	62,243
Trust facility and staff sharing expense	443,955	398,274
Trustee fees	288,588	334,612
Trustees professional	-	95,400
	$ 4,422,922	$ 40,555,818

EXHIBIT “B”

EXHIBIT "B"

Thorpe Insulation Settlement Trust
Claim Report
As of December 31, 2014

This report is submitted pursuant to Section 2.2 (c)(ii) of the Eighth Amendment to and Complete Restatement of Thorpe Insulation Company Asbestos Settlement Trust Agreement, which requires the Trust to file with the Bankruptcy Court a summary of the number and type of claims disposed of during the time period covered by the financial statements ("Accounting Period"). This report summarizes the Trust's processing of claims liquidated by settlement agreement or judgment on or before October 15, 2007, the Petition Date, ("Pre-Petition Liquidated Claims") and unliquidated Trust Claims.

Pre-Petition Liquidated Claims

On October 27, 2010 and November 17, 2010, the Trust implemented procedures to pay the Pre-Petition Liquidated Claims in accordance with the Plan, the Confirmation Order and Section 5.4 of the Trust Distribution Procedures. The Trust was authorized to approve for payment all settlements and judgments listed on the Schedule F filed in the bankruptcy case, as well as settlements and judgments which the Trust was able to verify as unpaid.

By the end of January 2011, the Trust reviewed, processed and paid all 326 Pre-Petition Liquidated Claims in the total amount of $9,822,489.50, which amount was paid in trust to the representative law firms for disbursement to the claimants upon the Trust's receipt and approval of a properly executed release. All Pre-Petition Liquidated Claims were paid at the approved Funds Received Ratio of 17.5% and the Pre-Petition Liquidated Claims that were paid in 2011, included 1.7% to account for inflation based upon the Federal Bureau of Labor Statistics' Consumer Price Index for Urban Wage Earners and Clerical Workers ("CPI-W"). As the Funds Received Ratio has been raised, the Pre-Petition Liquidated Claims, that were paid earlier, have received the additional amounts.

Unliquidated Trust Claims

Unliquidated Trust Claims reviewed by the Trust from January 1, 2014, through December 31, 2014, in accordance with the Third Amendment to and Complete Restatement of Thorpe Insulation Company Asbestos Settlement Trust Case Valuation Matrix ("Matrix") and Fourth Amendment to and Complete Restatement of Thorpe Insulation Company Asbestos Personal Injury Settlement Trust Distribution Procedures ("TDP") are as set forth below.

The value of each compensable disease is determined by the Matrix and TDP. Claim compensation is adjusted for individual claimants based upon jurisdiction and tort related individual characteristics including, but not limited to: age, marital status, dependents, medical specials, economic loss, and whether living at the time of

commencement of litigation or filing the claim with the Trust. Each valid claim is awarded a total liquidated value. As of December 31, 2014, all unliquidated Trust Claims were paid at the approved Funds Received Ratio of 30.5%. Payments made on Trust Claims in 2014 included the additional 8.34% to account for inflation based upon the CPI-W.

During the Accounting Period, 324 claims were received. In addition, offers were issued to 428 claimants. Further, 412 claims were paid

Below is a summary of the number and type of claims disposed of (paid) in 2014.

Compensable Disease	Number of Claims
Grade II Non-Malignant	84
Grade I Non-Malignant	54
Grade I Non-Malignant Enhanced Asbestosis	21
Grade I Non-Malignant Serious Asbestosis	29
Colo-Rectal	7
Esophageal	2
Laryngeal	1
Non-Hodgkin's Lymphoma	1
Other Cancer	1
Lung Cancer	83
Mesothelioma	129
Total	412

EXHIBIT “C”

PRIORITY SEND

JS-6

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

CIVIL MINUTES -- GENERAL

Case No. CV 14-03883-VAP
USBC Case No. 2:02-BK-14216-BB
ADVERSARY Case No. 2:12-AP-02182-BB Date: July 3, 2014

Title: IN RE: J.T. THORPE, INC. & THORPE INSULATION COMPANY, DEBTORS

==========

PRESENT: HONORABLE VIRGINIA A. PHILLIPS, U.S. DISTRICT JUDGE

Marva Dillard Courtroom Deputy	None Present Court Reporter

ATTORNEYS PRESENT FOR PLAINTIFFS:	ATTORNEYS PRESENT FOR DEFENDANTS:
None	None

PROCEEDINGS: MINUTE ORDER (1) DENYING MOTION TO STAY ENFORCEMENT OF JUDGMENT AND ORDER FOLLOWING TRIAL (DOC. NO. 10); AND (2) VACATING JULY 7, 2014 HEARING(IN CHAMBERS)

Before the Court is a Motion to Stay Enforcement of (1) Judgment in Adversary Proceeding, and (2) Order Following Trial on Adversary Complaints and Motion for Instructions (Doc. No. 10) ("Motion"), filed by Appellants Michael J. Mandelbrot ("Mandelbrot") and the Mandelbrot Law Firm (collectively, "Appellants") on June 4, 2014. Appellees J.T. Thorpe Settlement Trust and Thorpe Insulation Company Asbestos Settlement Trust (collectively, "Appellees") filed an Opposition to the Motion (Doc. No. 13) ("Opposition"), and a Request for Judicial Notice (Doc. No. 14)

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("Appellees' RJN") on June 16, 2014. The Futures Representative, Charles B. Renfrew, filed a Joinder in the Opposition (Doc. No. 15), also on June 16, 2014. Appellants filed their Request for Judicial Notice (Doc. No. 19) ("Appellants' RJN") as well as their Objection to Appellees' RJN (Doc. No. 18) on June 19, 2014. The Motion is appropriate for resolution without a hearing, and accordingly, the Court VACATES the July 14, 2014 hearing on this Motion. See Fed. R. Civ. P. 78; Local R. 7-15. After considering the papers filed in support of, and in opposition to, the Motion, the Court DENIES the Motion as set forth below.

I. BACKGROUND

This is an appeal of the United States Bankruptcy Court's May 28, 2014 denial of Appellants' Motion to Stay Enforcement of (1) Judgment in Adversary Proceedings, and (2) Order Following Trial on Adversary Complaints and Motion for Instructions ("Bankruptcy Court Motion"). Mandelbrot is a California attorney who has filed numerous claims for compensation for asbestos-related injuries against Appellees on behalf of individual clients. The parties commenced an adversary proceeding in the Bankruptcy Court after a dispute arose over audits of claims filed by Mandelbrot, and Appellees alleged Mandelbrot had exhibited a pattern of filing unreliable evidence in support of the claims. (See Appellees' RJN Ex. 4 at 6-7; Opp'n at 5-6.)

In January 2014, the Bankruptcy Court held a trial, beginning with the Appellees' case-in-chief. (See Appellees' RJN Ex. 4 at 8-9.) On January 23, 2014, while the trial was pending, the parties entered into a stipulated settlement agreement ("Agreement"), which was recited into the record. (Id. at 13.) Mandelbrot stipulated that he would file no new claims against Appellees, the Western Asbestos Settlement Trust, and the Plant Insulation Settlement Trust. He also stipulated that he would transfer his current clients to new counsel. (Id. at 13-15.) On January 31, 2014, however, Mandelbrot sought to withdraw from the Agreement (id. at 12-13), leading Appellees to file a Motion to Enforce January 23, 2014 Stipulated Agreement, which the Bankruptcy Court granted on April 7, 2014 (see Appellees' RJN Ex. 1). Also on April 7, 2014, the Bankruptcy Court issued an Order Following Trial on Adversary Complaints and Motion for Instructions, and a Judgment in Adversary Proceedings, in favor of Appellees. (Id. Exs. 2, 3.)

On April 21, 2014, Appellants filed the Bankruptcy Court Motion, seeking a stay of judgment pending appeal. The Bankrupty Court held a hearing on this motion on May 27, 2014, and issued an Order denying the motion on June 4, 2014. (Id. Ex. 8.) That court found that Appellants do not have a reasonable likelihood of success on the merits of their appeal, and that the public interest demanded that the motion be denied. (Id. at 2.)

On May 20, 2014, Appellants filed a Notice of Appeal of the Bankruptcy Court's Order in this Court. (Doc. No. 1.) On June 4, 2014, Appellants filed the Motion. On June 16, 2014, Appellees filed the Opposition and their RJN. On June 19, 2014, Appellants filed their RJN and Objection to Appellees' RJN.

II. REQUESTS FOR JUDICIAL NOTICE

In their RJN, Appellees request that the Court take judicial notice of the following nine documents from the record of this case before the Bankruptcy Court, Case No. 2:12-AP-02182-BB:

(1) Order Granting Motion to Enforce January 23, 2014 Stipulated Agreement, Docket No. 232 (Appellees' RJN Ex. 1);
(2) Order Following Trial on Adversary Complaints and Motion for Instructions, Docket No. 233 (id. Ex. 2);
(3) Judgment in Adversary Proceedings, Docket No. 234 (id. Ex. 3);
(4) Findings of Fact and Conclusions of Law, Docket No. 235 (id. Ex. 4);
(5) May 24, 2013 Letter from Stephen M. Snyder, Managing Trustee, to Michael J. Mandelbrot, Esq. and the Mandelbrot Law Firm, Trial Exhibit 227[1] (id. Ex. 5);
(6) Trusts' Notice of Completion of Providing Notice to Beneficiaries and Potential Beneficiaries as Specified in April 7, 2014 Court Order, Docket No. 256 (id. Ex. 6);
(7) Transcript of Proceedings of Hearing Re Motion to Stay Enforcement of Judgment in Adversary Proceeding and Order Following Trial on Adversary Complaints and Motion for Instructions, Docket No. 281 (id.

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[1] In its Findings of Fact and Conclusions of Law, the Bankruptcy Court ordered that this letter be "a part of the public record."

Ex. 7);

(8) Order Denying Mandelbrot Amended Motion to Stay Enforcement of Judgment in Adversary Proceeding and Order Following Trial on Adversary Complaints and Motion for Instructions, Docket No. 283 (id. Ex. 8); and

(9) Trust Distribution Procedures for the J.T. Thorpe Settlement Trust, Exhibit A to Declaration of Sara Beth Brown in Support of "Notice of Motion and Motion for Approval of Continued Claim Payment by the J.T. Thorpe Settlement Trust in Accordance With Additional Evaluation Criteria," Docket No. 11 (id. Ex. 9).

In the Objection to Appellees' RJN, Appellants ask the Court to deny judicial notice of Appellees' Exhibits 5, 6, 7, and 8, asserting that these documents are "unreliable, contain perjury or perjured testimony, and were prepared by those with interests adverse to the Trusts who should be removed." (Objection to Appellees' RJN at 2.)

In their RJN, Appellants ask the Court to take judicial notice of the following:

(1) Mandelbrot Opposition to Enforcement of Settlement Agreement, and Declaration of Michael J. Mandelbrot in Support of Opposition of Motion to Enforce Settlement Agreement, filed in Bankruptcy Court Case No. 2:12-AP-02182, Docket No. 216 (Appellants' RJN Ex. A); and

(2) Objection to Western Asbestos Tenth Annual Report and Accounting, in Bankruptcy Court Case No. 13-31914, Docket No. 1814 (id. Ex. B-P).

A court may take judicial notice of court filings and other matters of public record. See Reyn's Pasta Bella, LLC v. Visa USA, Inc., 442 F.3d 741, 746 n.6 (9th Cir. 2006) (citing Burbank-Glendale-Pasadena Airport Auth. v. City of Burbank, 136 F.3d 1360, 1364 (9th Cir. 1998)). Both Appellants and Appellees have provided reference and case numbers for these documents showing that they were in fact court documents and matters of public record. See Grant v. Aurora Loan Servs., Inc., 736 F. Supp. 2d 1257, 1264 (C.D. Cal. 2010) (citing cases); Velazquez v. GMAC Mortg. Corp., 605 F. Supp. 2d 1049, 1057-58 (C.D. Cal. 2008). Despite Appellants' objection to Appellees' RJN Exhibits 5-8, the Court finds no good cause to deny judicial notice of these documents, as they too are court documents and

matters of public record. The Court's judicial notice of the existence of certain records, however, does not denote notice of the truth, reliability, or admissibility of the contents of the documents. See Erie R.R. v. Tompkins, 304 U.S. 64, 78 (1938); Wyatt v. Terhune, 315 F.3d 1108, 1114 (9th Cir. 2003).

The Court thus GRANTS judicial notice of all the documents requested in Appellees' RJN and Appellants' RJN.

III. JURISDICTION AND STANDARD OF REVIEW

28 U.S.C. § 158(a) confers jurisdiction on federal district court to entertain an appeal from a bankruptcy court; it provides in pertinent part: "The district courts of the United States shall have jurisdiction to hear appeals . . . from final judgments, orders, and decrees."

Federal Rule of Bankruptcy Procedure 8005 provides that a bankruptcy court may stay a case pending the outcome of an appeal or make other appropriate orders to protect the interests of the parties involved. Fed. R. Bankr. P. 8005. A party seeking a stay must generally file the motion with the bankruptcy court first before seeking relief from a district court. Id.

A stay is not a matter of right – "even if irreparable injury might otherwise result." Nken v. Holder, 556 U.S. 418, 433 (2009). Rather, a stay is an exercise of judicial discretion. Id. A movant must generally satisfy four elements: "(1) appellant is likely to succeed on the merits of the appeal; (2) appellant will suffer irreparable injury; (3) no substantial harm will come to appellee; and (4) the stay will do no harm to the public interest." In re Irwin, 338 B.R. 839, 843 (E.D. Cal. 2006) (internal quotation marks omitted). The first two factors are the most important. Nken, 556 U.S. at 434.

After a bankruptcy court denies a motion to stay, the district court may only review the denial for abuse of discretion. In re Irwin, 338 B.R. at 847; Universal Life Church v. United States, 191 B.R. 433, 444 (E.D. Cal. 1995) ("When a bankruptcy court has ruled on the issue of a stay of its order pending appeal, the district court, sitting as an appellate court, reviews that decision for abuse of discretion."). Thus, Appellants' request that the Court conduct a de novo review the Bankruptcy Court's

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denial of the motion to stay is unavailing. "Abuse of discretion" is the proper standard for the Court's review of the Motion.

IV. DISCUSSION

Appellants fail to establish that the Bankruptcy Court abused its discretion in denying their Bankruptcy Court Motion. The Motion never addresses how the Bankruptcy Court abused its discretion, and merely requests a de novo review of the Bankruptcy Court Motion by pointing the Court to the April 21, 2014 filing of the Bankruptcy Court Motion – without even attaching a copy of the motion but only reproducing a portion of the Bankruptcy Court's docket in the body of the Motion. (See Mot. at 2.) As Appellants fail to address the central question before this Court – the issue of the Bankruptcy Court's abuse of discretion – they fail to meet their burden as the moving party. Even if Appellants had argued that the Bankruptcy Court abused its discretion, the Court, as discussed below, finds Appellants cannot demonstrate that the Bankruptcy Court abused its discretion in denying a stay request. (See Appellees' RJN Ex. 8 at 2.)

In the Bankruptcy Court Motion, Appellants asserted that the Agreement violates California's public policy as expressed in California Business & Professions Code Section 16600 and California Rule of Professional Conduct 1-500. (Bankr. Ct. Mot. at 5-9; see also Opp'n at 13-19.) According to Appellants, the Agreement, which prevents Mandelbrot from filing new claims to Appellees and two other trusts, violates Section 16600's prohibition of contracts that restrain parties from engaging in a lawful profession, and Rule 1-500's disallowance of settlement agreements that restrict the right to practice law. (See Bankr. Ct. Mot. at 5-7.) On May 27, 2014, at the hearing on the Bankruptcy Court Motion, the Bankruptcy Court indicated to the parties that the motion in consideration essentially was seeking to relitigate the case, and that the court stood by the Findings of Fact and Conclusions of Law ("Findings") (in which the court found to the Agreement be valid, binding, and enforceable), as the Findings not only were based on the parties' knowing and voluntary entry into the Agreement itself, but also were consistent with the evidence the court had heard during the trial. (Appellees' RJN Ex. 7 at 3-4; id. Ex. 4 at 11-13.) On June 4, 2014, the Bankruptcy Court formalized its conclusion in an Order denying the Bankruptcy Court Motion, holding that Appellants failed to show that they have a reasonable likelihood of success on the merits of their appeal, or that the public interest

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demands a stay. (See id. Ex. 8 at 2.) Therefore, even if the remaining standards necessary to obtain a stay had been satisfied – i.e., whether Appellants will suffer irreparable injury, and whether no substantial harm will come to Appellees, the court found the Bankruptcy Court Motion should be denied. (Id.)

The record shows that the Bankruptcy Court considered the evidence and the issue of the enforceability of the Agreement, found Appellants' arguments to be unpersuasive, concluded that the Agreement was valid and enforceable, and denied the Bankruptcy Court Motion. (See Appellees' RJN Exs. 4, 7, 8; see also Appellants' RJN Ex. A.) This decision can hardly be said to be an "'arbitrary, fanciful or unreasonable'" judicial action, which no reasonable [person] would adopt. See In re Irwin, 338 B.R. at 844 (quoting In re Blackwell, 162 B.R. 117, 119 (E.D. Pa. 1993) (defining "abuse of discretion")). "If reasonable [persons] could differ as to the propriety of the action taken by the trial court, then it cannot be said that the trial court abused its discretion." Id. In consideration of the highly deferential standard of review, the Court cannot conclude that the Bankruptcy Court abused its discretion.

Moreover, even if the Court were to engage in a de novo consideration of Appellants' stay request, the Court would agree with Appellees that: (1) permitting Appellants with an established record of filing unreliable evidence in support of their clients' claims would undermine the public interest of ensuring the integrity of the claims process and a proper administration of mass-asbestos trusts created under bankruptcy court authority (see Opp'n at 11-13); (2) Appellants are unlikely to prevail on their argument that the Agreement violates Section 16600 and Rule 1-500, as the two provisions are inapplicable to the instant dispute arising out of Appellants' own misconduct (id. at 13-18); (3) Appellants, in the Bankruptcy Court Motion, fail to show any irreparable injury they will suffer absent a stay (id. at 19-20; see also Bankr. Ct. Mot. at 9-10); and (4) Appellees and their beneficiaries, including individual claimants, will receive substantial injury, if a stay is issued, as the stay likely will lead to delays and conflicting instructions (Opp'n at 20-21). Thus, the Court also agrees with the Bankruptcy Court on the merits of the Bankruptcy Court Motion.

V. CONCLUSION

For the foregoing reasons, the Court DENIES Appellants' Motion to Stay

CV 14-03883-VAP; USBC Case No. 2:02-BK-14216-BB; ADVERSARY Case No. 2:12-AP-02182-BB
IN RE J.T. THORPE, INC. & THORPE INSULATION
MINUTE ORDER of July 3, 2014

Enforcement of Judgment in Adversary Proceeding and Order Following Trial on Adversary Complaints and Motion for Instructions (Doc. No. 10).

IT IS SO ORDERED.

MINUTES FORM 11 Initials of Deputy Clerk ___md_____
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APPENDIX TO FIFTH ANNUAL REPORT AND ACCOUNTING OF THORPE INSULATION SETTLEMENT TRUST

Documents Appended	Document Reference
1. Investment Policy Statement, February 27, 2015	Annual Report
2. Eighth Amendment to and Complete Restatement of Thorpe Insulation Company Asbestos Settlement Trust Agreement, November 20, 2014	Annual Report; Claim Report; Motion to Approve; Brown Declaration
3. Investment Policy Statement, November 20, 2014	Annual Report
4. Fourth Amendment to and Complete Restatement of Thorpe Insulation Company Asbestos Personal Injury Settlement Trust Distribution Procedures, April 17, 2014	Annual Report; Claim Report
5. Third Amendment to and Complete Restatement of Thorpe Insulation Company Asbestos Settlement Trust Case Valuation Matrix, March 25, 2014	Annual Report; Claim Report
6. Second Amendment to and Complete Restatement of Thorpe Insulation Company Asbestos Settlement Trust Bylaws, February 20, 2014	Annual Report

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Documents Appended	Document Reference
7. Order Confirming Sixth Amended Joint Plan of Reorganization of Thorpe Insulation Company and Pacific Insulation Company (Following Remand), May 8, 2013	Annual Report; Claim Report; Motion to Approve
8. Sixth Amended Joint Plan of Reorganization of Thorpe Insulation Company and Pacific Insulation Company (Following Remand), May 1, 2013	Annual Report; Claim Report; Motion to Approve

EXHIBIT 1

Investment Policy Statement

Thorpe Insulation Company Asbestos Settlement Trust

February, 2015

Prepared by Callan Associates, Inc.

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Executive Summary

Type of Plan	Taxable Trust
Investment Planning Time Horizon	5 years
Expected Annualized After-Tax Return and Risk[1]	Return = 5.0 Risk = 7.2

Primary Goal

The Thorpe Insulation Company Asbestos Settlement Trust (the Trust) is organized pursuant to the laws of the state of Nevada with its office in Reno, Nevada. It was established pursuant to the Pacific Insulation Company and Thorpe Insulation Company (collectively the "Debtors") Fifth Amended Joint Plan of Reorganization, dated December 17, 2009. The Trust was formed to assume the Debtors' liabilities resulting from pending and potential litigation involving individuals exposed to asbestos who have manifested asbestos-related diseases or conditions; liquidate, resolve, pay and satisfy all asbestos-related claims in accordance with the Plan. As well, the Trust must preserve, hold, manage and maximize the Trust assets for use in paying and satisfying current and future allowed asbestos-related claims.

As set forth in the Trust Distribution Procedures, Section 2.4, the Trust shall estimate or model the amount of cash flow anticipated as necessary over its entire life to ensure that funds will be available to treat all present and futures claimants as similarly as possible. In order to pay the anticipated claims, the Trust relied upon an expert report filed which calculated a reasonable real after tax discount rate to use in calculating the present value of the future claims to be assumed by the Trust. These estimates provided the Trust with an assumption that the assets should earn an after-tax real rate of return of approximately 1% per annum. While additional assets may be made available, the Trust will operate on the assumption that there will be no additional contributions. As such, protection of principal will be a primary goal.

[1] Represents expected after-tax (0%) geometric return and risk using Callan's 2015 Capital Market assumptions applied to the Portfolio Evaluation Benchmark described below.

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Long-range Asset Allocation Target

The Trust will have the following long-term asset allocation target.

Fixed Income	60%
Equity	40%

The long-range asset allocation target will be applicable to the long-term investable assets net of any set-asides and liquidity reserves. This asset allocation was established through quantitative and qualitative assessments of the returns and risks available in the capital markets over long-term periods as well as the diversification available from using multiple asset classes. While an investment program consisting entirely of fixed income would demonstrate the least volatility of any asset allocation considered, a quantitative study performed by the Trust's investment consultant on similar Trusts demonstrated that the probability of exhausting Trust assets in advance of paying claims as planned was minimized by introducing an equity allocation into the portfolio. Allocations to each of the asset classes will be further diversified and tailored to reflect the tax-status of the Trust as described in the "Investment Practices" section of this policy.

Maintenance of the Strategic Asset Allocation

Target Mix With Ranges

	Low	**Target**	**High**
Fixed Income	**50%**	**60%**	**80%**
Equity	**20%**	**40%**	**50%**

The Trust will from time to time adjust the asset allocation within the designated range based upon the changing cash flow needs of the Trust, claims submitted and projections of future claims. The Trust will deviate from targets during the initial funding stage and over short and intermediate periods in response to liquidity needs, market performance, and the cost of asset allocation adjustments including transactions costs and the taxation of transactions. Deviations from the target allocation beyond the low or high allocations defined in the table above represent significant deviations from the return and risk characteristics of the target allocations and will prompt the Trustees to consider moving the allocations back toward the target allocation.

The target allocation is to be reviewed at least annually for presentation to the Trustees and Executive Director, for reasonableness relative to significant economic and market changes or to changes in the Trust's long-term goals and objectives. A formal asset allocation study should be conducted at least every three years to verify or amend the targets.

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Portfolio Evaluation Benchmark

To monitor the total fund result, a special target index was constructed to measure the target mix. This serves as a minimum performance objective for the Trust. This target mix consists of the following sub-components.

- **40% consisting of approximately the following mix**
  - **25% Standard & Poor's 500 Stock Index**
  - **25% Russell 3000 Index**
  - **16.66% MSCI ACWI ex-US Index**
  - **16.67% Russell 3000 Value Index**
  - **16.67% Custom Blended Benchmark consisting of 25% 3 - Month Treasury Bills, 25% 10-Year Treasury Bonds, 25% S&P 500 Index, 25% NAREIT Index.**
- **60% consisting of a blend of the following mix,,**
  - **90% Custom Blended Benchmark consisting of 30% Barclays Capital Intermediate Government Index, 40% Barclays Capital Intermediate Credit Index, 30% Barclays Mortgage Index.**
  - **10% BC 1-3 Year Government Index**

Individual investment managers will be measured against each sub-index and not against this total fund objective. However, it is expected that the sum of their efforts will exceed the trust objective over time.

Manager Evaluation

Investment managers will be measured relative to an appropriate market index. A market index is assigned to each Manager and is intended as a guide for the investment manager to understand the risk/reward posture of their portfolio. Managers have full discretion to manage the risk posture of their portfolios relative to their designated market index and may, with conviction and appropriate expertise, execute security strategies not reflected by their market index as long as they conform to the investment guidelines.

Trustees or Executive Director may, at either's discretion, also evaluate the investment managers relative to peer groups of managers with similar investment styles. These evaluations will take into account the exceptional nature of the Trust investment manager mandates including but not limited to custom benchmarks and the unique tax situation of the Trust.

Review of Investments

There shall be a continual review of the investments under management by Callan Associates (Consultant). The Trustees, consultant and/or the Executive Director shall confer with the investment managers regarding investment performance, market environment and other issues as required. Each investment manager shall report pertinent data to Trust and custodian at least monthly. All legal, organizational and personnel related developments will be reported to the client and consultant as soon as practicable.

Consultant will meet with the Trustees, Executive Director, and other Trust representatives as requested by the Trustees, to review performance of the Trust and individual managers quarterly. These reviews will be conducted in the context of these guidelines.

Investment Practices

Investments will be prudent and consistent with the best investment practices, and in compliance with Trust documents including but not limited to Article 3 of the Thorpe Insulation Company Asbestos Settlement Trust as amended.

- No more than 45% at cost or 50% at market value of total Trust assets may be invested in equities with the balance invested in Fixed Income securities or cash equivalents.
- 10% of the Trust's assets may be invested in debt securities that are non-rated or below investment grade as long as those securities are in a diversified and managed portfolio of bonds and/or stock.
- The percentage of the Trust assets (debt and equity) invested in any one company is limited to 5% at market with the exception of debt securities or other instruments issued or fully guaranteed as to principal and interest by the United States of America or any agency or instrumentality thereof. The Trust does not include cash equivalents in the calculation of maximums allowed for certain types of securities.
- Cash flow, other than an automatic withdrawal of the income on a monthly basis, may be required to maintain the long-range asset allocation target and to satisfy claim liabilities.

A. Equity

Excluding any securities issued by the Debtors, the Trust shall not acquire or hold, directly or indirectly, any common or preferred stock, convertible securities, REITS,'s or Royalty Trusts ("Stock") unless such stock is included in a diversified and managed portfolio or portfolios which include various industry sectors.

1. S&P 500 Index Strategy

- The objective of the S&P 500 index strategy is to tax-efficiently track the **S&P 500 Index**, with a tracking error (defined as annualized standard deviation of the portfolio's monthly returns relative to the S&P 500) of 100 basis points or less. The percent ownership of any company is limited

to 5% of market value, unless the company's representation in the S&P 500 Index is greater than 5%. If the company's representation in the S&P 500 Index is greater than 5%, then the portfolio can hold up to that percentage, subject to a 10% limit.

2. Opportunistic Equity Strategy

- The objective of the opportunistic equity strategy is to provide for long-term growth and additional after-tax returns to the Trust and exceed the **Russell 3000 Index** over a market cycle.
- The percent ownership of any company within this portfolio is limited to 10% of portfolio market value.
- Capitalizations, sector weightings, and portfolio characteristics will be of secondary importance.
- Dividends and capital gains are of similar importance. The primary objective for pursuing dividends will be to stabilize returns.
- Portfolio turnover should be kept at a minimum to defer the recognition of capital gains and the payment of taxes.

3. International Equity Strategy

- The objective of the international equity strategy is to provide an additional source of long-term growth and after-tax returns to the Trust and exceed the **MSCI ACWI ex-US Index** over a full market cycle.
- The actively managed international equity portfolio must be diversified by country, region, industry and security. The percent ownership of any company within this portfolio is limited to 5% of the portfolio's market value. In addition exposure to Emerging Markets is limited to 35% of market value.

4. Yield Oriented Equity Strategy

- The objective of the Yield Oriented Equity strategy is to provide an additional source of long-term growth and after-tax returns to the Trust and exceed the **Russell 3000 Value** index over a full market cycle.
- The actively managed portfolio will invest predominantly in common stocks of companies listed in the United States. These common stocks in aggregate should exhibit a higher yield than that offered by the broad market, as measured by the S&P 500.

5. Equity Income Strategy

- The objective of the equity income strategy is to maximize income and/or growth in income by investing in securities which may include common

stocks, convertible bonds, preferred stocks, REITS, royalty trusts, and bonds, including high yield debt securities. Limits include the equity limits of the Trust and the non investment grade bond limits of the Trust as well as the individual limits on ownership of any one company's equity or debt. The percent ownership of any company within this portfolio is limited to 10% of the portfolio's market value. No more than 50% of the portfolio can be invested in fixed income securities rated below investment grade. This actively managed portfolio is expected to exceed the returns of a **custom blended benchmark consisting of 25% 3-Month Treasury Bills, 25% 10-Year Treasury Bonds, 25% NAREIT Index, and 25% S&P 500**.

B. U.S. Fixed-Income

Allowable securities are as follows:

- U.S. Treasury and agency securities
- Agency and non-agency mortgage-backed securities backed by loans secured by residential, multifamily and commercial properties including but not limited to pass-throughs, CMOs, REMICs, CMBS, project loans, construction loans and adjustable rate mortgages
- Obligations of domestic and foreign corporations
- Asset backed securities
- Municipal bonds, both taxable and tax-exempt
- Municipal pre-refunded bonds backed by U.S. Treasury or Agency Securities Municipal inflation protected securities (MIPS)
- Preferred stock, including non-convertible preferred stocks such as bank trust preferreds
- Money market instruments rated A-1 or P-1 or better at time of purchase
- Repurchase obligations as long as, in the opinion of the Trustees and asset manager, they are adequately collateralized
- Obligations of foreign governments and supra-national organizations
- Obligations of domestic and foreign commercial banks
- 144A securities including issues in the corporate, mortgage and asset-backed sectors
- CDs may be held as long as all of the publicly held long-term debt securities, if any, of the issuing entity are rated investment grade (see credit criteria below) or above.
- Non investment grade bonds subject to an overall limit of 10% of Trust's assets and within a managed and diversified portfolio.

Credit Criteria

- To be deemed investment grade, securities must be rated investment grade or better at the time of purchase by a nationally recognized rating agency (Moody's, Standard & Poors and Fitch). Split rated securities shall be assumed to have the higher credit grade.
- If a portfolio holding is downgraded to below investment grade and the holding is in a portfolio which is not permitted to purchase below investment grade securities,

manager shall promptly notify the Trust and provide an evaluation and recommended plan of action.

1. Taxable Fixed Income Portfolio

- The portfolio's objective is to invest in the short to intermediate portion of the yield curve and to outperform the target benchmark.
- The portfolio's **custom blended benchmark consists of 30% Barclays Capital Intermediate Government Index, 40% Barclays Capital Intermediate Credit Index, and 30% Barclays Capital Mortgage Index**.
- The portfolio will have a targeted duration of approximately +/-25% around the benchmark.
- No more than 5% of the portfolio may be invested in securities of a single issuer, with the exception of the U.S. Treasury, agency and agency mortgage issues.
- The weighted average credit quality of the portfolio shall be maintained at a minimum of Aa3 by Moody's and/or AA- by Standard and Poor's or Fitch.
- Securities must be rated investment grade at time of purchase.

2. Short Duration Enhanced Cash Portfolio

- The portfolio's objective is to provide a high level of liquidity and preserve principal. Adding incremental yield is a secondary objective.
- Benchmark is the **BC 1-3 Year Government Index.**
- No more than 5% of the portfolio may be invested in securities of a single issuer, with the exception of the U.S. Treasury and U.S. Agency debt.
- The portfolio's duration will not exceed 130% of the index's duration.
- Portfolio's weighted average credit quality must be at least A a2 by Moody's and/or AA by Standard and Poor's or Fitch.
- All securities must be rated investment grade and have a final maturity less than or equal to 5 years from time of purchase. No more than 15% of the portfolio can be rated less than A-, or its equivalent.
- Portfolio level spread duration can not exceed 2 years.

C. Derivatives Policy

Derivatives shall be held for the purposes of hedging, cost reduction and liquidity enhancement only. Derivatives shall not be used for speculative purposes.

- No leverage shall be introduced through the use of derivatives
- The Trust shall not acquire or hold any options

D. Other Investments

Pursuant to Section 3.2 (d) of the Trust Agreement as Amended, in order to achieve the overall after tax real rate of return Trust Investment objective and to meet other Trust objectives, the Trust may under conditions and terms satisfactory to the Trustees, acquire securities or other instruments issued by any person not otherwise defined in this Investment Policy ("Other Investments"), provided however that the aggregate market value of all such Other Investments after acquisition do not exceed five percent of the aggregate value of the Trust Estate.

Proxy Voting Guidelines

Investment managers employed by the Trust are required to vote proxies with the primary objective of maintaining and advancing the economic value of the Trust. Investment managers should work with the Trust custodian to ensure timely receipt of proxies. Investment managers should have specific guidelines and institute a regular review process for voting proxies.

Guidelines for Manager Selection

The Trustees and Executive Director, with the assistance of the Futures Representative and Chair of the TAC, if desired by the Trustees, will select appropriate investment managers to manage the Trust's assets. This selection process shall include the establishment of specific search criteria, and documentation of analysis and due diligence on potential candidates. All manager candidates must meet the following minimum criteria:

(1) Be a bank, insurance company, investment management company, or investment adviser as defined by the Registered Investment Advisers Act of 1940.

(2) Provide historical quarterly performance numbers calculated on a time-weighted basis, based on a composite of all fully discretionary accounts of similar investment style.

(3) Provide performance evaluation reports prepared by an objective third party that illustrate the risk/return profile of the manager relative to other managers of like investment style.

(4) Provide detailed information on the history of the firm, key personnel, key clients, fee schedule, and support personnel and demonstrate financial and professional staff stability.

(5) Clearly articulate the investment strategy that will be followed and document that the strategy has been successfully adhered to over time.

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(6) All investment manager candidates are expected to comply with all laws, regulations, and standards of ethical conduct.

Trustees

Fiduciary and Investment Responsibilities of the Trustees:

- Maintain overall responsibility for financial management of the Trust including the investment of Trust assets consistent with all Trust documents
- Determine the asset allocation of Trust assets through the Investment Policy Statement and investment manager guidelines
- Use "prudent experts" to assist in making investment decisions
- Control investment expenses
- In recognition of their fiduciary duties, the Trustees must act in good faith and not allow their personal interests to prevail over that of the Trust

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EXHIBIT 2

EIGHTH AMENDMENT TO AND COMPLETE RESTATEMENT OF THORPE INSULATION COMPANY ASBESTOS SETTLEMENT TRUST AGREEMENT

This Thorpe Insulation Company Asbestos Settlement Trust Agreement (this "Trust Agreement"), dated and effective as of the Effective Date of October 22, 2010, as amended October 27, 2010, February 17, 2011, April 21, 2011, November 18, 2011, February 7, 2013, and November 20, 2014, is among the Reorganized Pacific Insulation Company ("Reorganized Debtor") which, was created by the merger of Pacific Insulation Company into Thorpe Insulation Company (sometimes referred to as the "Debtors"), which were the debtors and debtors-in-possession in the Chapter 11 Cases, the Futures Representative, the Trust Advisory Committee and the individual trustees identified on the signature page hereof and appointed at Confirmation pursuant to the Plan.[1]

WHEREAS, at the time of the entry of the orders for relief in the Chapter 11 Cases, each of the Debtors was named as a defendant in personal injury and wrongful death actions seeking recovery for damages allegedly caused by the presence of, or exposure to, asbestos or asbestos-containing products; and

WHEREAS, the Debtors have reorganized under the provisions of Chapter 11 of the Bankruptcy Code in a case pending in the United States Bankruptcy Court for the Central District of California (the "Bankruptcy Court"), styled as *In re Thorpe Insulation Company, In re Pacific Insulation Company, Debtors,* Chapter 11 Case Nos. LA 07-19271-BB and 2:07-20016-BB (jointly administered under Case No. LA 07-19271-BB); and

WHEREAS, the Plan, filed by the Debtors, the Futures Representative and the Committee, as Plan Proponents, has been confirmed by the District Court; and

WHEREAS, the Plan provides, *inter alia,* for the creation of the Thorpe Insulation Company Asbestos Settlement Trust; and

WHEREAS, pursuant to the Plan, the Trust is to use the Trust Assets to pay the Asbestos Related Claims; and

WHEREAS, pursuant to the Plan, the Trust is intended to qualify as a "qualified settlement fund" within the meaning of section 1.468B-1, *et seq.,* of the Treasury Regulations promulgated under section 468B of the IRC; and

WHEREAS, it is the intent of the Reorganized Debtor, the Trustees, the Futures Representative and the other parties that the Trust be administered, maintained, and operated at all times as a qualified settlement fund through mechanisms that provide reasonable assurance that the Trust will value, and be in a financial position to pay, all Asbestos Related Claims and Asbestos Injury Demands that involve similar claims in substantially the same manner, in strict compliance with the terms of this Trust Agreement; and

WHEREAS, the Plan provides, among other things, for the complete treatment of all liabilities and obligations of the Debtors with respect to Asbestos Related Claims; and

WHEREAS, the District Court has determined that the Trust and the Plan satisfy all the prerequisites for the Injunctions, including the injunctions pursuant to section 524(g) of the

[1] This Trust Agreement is being entered into pursuant to the terms of the Joint Plan of Reorganization of Thorpe Insulation Company and Pacific Insulation Company filed in the United States Bankruptcy Court for the Central District of California , Case No. 07-19271, jointly administered (the "Plan"). Capitalized terms used in this Trust Agreement that are not otherwise defined in this Trust Agreement are used as defined in the Plan.

Bankruptcy Code, and such Injunctions have been entered in connection with the Confirmation Order; and

WHEREAS, pursuant to Section 2.2(f)(iii) and Section 7.3 of the Trust Agreement, the Trustees, subject to the consent of the TAC and the Futures Representative, may amend the Trust Agreement.

NOW, THEREFORE, it is hereby agreed as follows:

ARTICLE I

AGREEMENT OF TRUST

1.1 Creation and Name. The Debtors hereby create a trust known as the "Thorpe Insulation Company Asbestos Settlement Trust," which is the Trust provided for and referred to in the Plan. The Trustees of the Trust may transact the business and affairs of the Trust in the name "Thorpe Insulation Settlement Trust."

1.2 Purpose. The purpose of the Trust is to assume the liabilities of each Debtor, arising from or relating to Asbestos Related Claims and to use the Trust's assets and income to pay holders of Asbestos Related Claims in accordance with the Trust Agreement and in such a way that all holders of similar Asbestos Related Claims are treated in a substantially equivalent manner and to otherwise comply in all respects with the requirements of a trust set forth in section 524(g)(2)(B)(i) of the Bankruptcy Code. The Trust shall, at all times, remain qualified as a "qualified settlement fund" under the QSF Law.

1.3 Transfer of Assets. Pursuant to the Plan, the Debtors have transferred and assigned the Trust Assets to the Trust, free and clear of any liens or other interests of the Debtors or any creditor, shareholder or other entity. The Reorganized Debtor shall transfer to the Trust any Trust Assets that may, subsequent to the Effective Date, be received by the Reorganized Debtor. The Debtors shall execute and deliver such documents as the Trustees reasonably request to transfer and assign any such Trust Assets.

1.4 Acceptance of Assets and Assumption of Liabilities.

a) In furtherance of the purposes of the Trust, the Trustees, on behalf of the Trust, hereby expressly accept the transfer and assignment to the Trust of the Trust Assets in the time and manner as contemplated in the Plan.

b) In furtherance of the purposes of the Trust, the Trustees, on behalf of the Trust, hereby expressly assume all liability for all Asbestos Related Claims. Except as otherwise provided in the TDP, the Trust shall have all defenses, cross-claims, offsets and recoupments, as well as rights of indemnification, contribution, subrogation, and similar rights, regarding Asbestos Related Claims that the Debtors or the Reorganized Debtor have, or would have had, under applicable law.

c) In furtherance of the purposes of the Trust, commencing on the Effective Date, the Trustees, on behalf of the Trust, hereby agree to pay, as Trust Expenses, all remaining obligations of any of the Debtors to their present and former attorneys, Morgan Lewis &

Bockius, LLP ("Morgan Lewis") and Snyder Miller & Orton LLP ("SMO") related to or arising from the Coverage Litigation, whether such obligations shall be then due or thereafter due, owing and payable, as more specifically set forth in the Bankruptcy Court's order approving Thorpe's employment of Morgan Lewis and SMO.

d) In furtherance of the purposes of the Trust, and in addition to the indemnification provided for in Section 4.7 of this Trust Agreement, the Trustees, on behalf of the Trust, hereby indemnify the Protected Parties (other than Settling Asbestos Insurers) ("Indemnified Parties") from personal liability for: (1) any expenses, costs and fees (including attorneys' fees and costs, but excluding any such expenses, costs and fees incurred prior to the Effective Date), judgments, settlements or other liabilities arising from or incurred in connection with, any claim demand or action based upon an Asbestos Related Claim, including, but not limited to, indemnification or contribution for Asbestos Related Claims prosecuted against the Reorganized Debtor; (2) as provided in Section 7.3 of the Plan; and (3) as provided in Section 7.4 of the Plan.

e) Nothing in this Trust Agreement shall be construed in any way to limit the scope, enforceability or effectiveness of the Injunctions issued and affirmed in connection with the Plan or the Trust's assumption of all liability with respect to Asbestos Related Claims.

ARTICLE 2

POWERS AND TRUST ADMINISTRATION

2.1 Powers.

a) The Trustees are and shall act as fiduciaries to the Trust in accordance with the provisions of this Trust Agreement and the Plan. The Trustees shall, at all times, administer the Trust and the Trust Assets in accordance with Section 1.2 of this Trust Agreement. Subject to the limitations set forth in this Trust Agreement, the Trustees shall have the power to take any and all actions that, in the judgment of the Trustees, are necessary or proper to fulfill the purposes of the Trust, including, without limitation, each power expressly granted in this Section 2.1, any power reasonably incidental thereto, and any trust power now or hereafter permitted under the laws of the State of Nevada.

b) Except as otherwise specified herein, the Trustees need not obtain the order or approval of any court in the exercise of any power or discretion conferred hereunder; provided that the Trustees recognize and acknowledge that the Trust is subject to the continuing jurisdiction of the Bankruptcy Court.

c) Without limiting the generality of Subsection 2.1(a) above, and except as limited below, the Trustees shall have the power to:

(i) receive and hold the Trust Assets, and exercise all rights with respect to (including sale of) any or all such assets;

(ii) invest the monies held from time to time by the Trust;

(iii) sell, transfer or exchange any or all of the Trust Assets at such prices and upon such terms as they may consider proper, consistent with the other terms of this Trust Agreement;

(iv) exercise all rights granted under the Reorganized Debtor Stock Pledge with respect to the shares of common stock of the Reorganized Debtor pledged pursuant thereto, as and to the extent provided therein, and exercise all rights with respect to the Reorganized Debtor Earnout Note and the Reorganized Debtor Promissory Note, subject to any restrictions set forth therein;

(v) enter into leasing and financing agreements with third parties to the extent such agreements are reasonably necessary to permit the Trust to operate;

(vi) pay liabilities and expenses of the Trust, including, but not limited to, Trust Expenses;

(vii) establish such funds, reserves and accounts within the Trust estate, as deemed by the Trustees to be useful in carrying out the purposes of the Trust;

(viii) sue and be sued and participate, as a party or otherwise, in any judicial, administrative, arbitrative or other proceeding;

(ix) amend the Trust Bylaws in accordance with the terms thereof, a copy of which is annexed hereto as Annex A;

(x) establish, supervise and administer the Trust in accordance with the TDP and its exhibits, and administer, amend, supplement or modify the TDP, including its exhibits, in accordance with the terms thereof, a copy of which is annexed hereto as Annex B;

(xi) appoint such officers and hire such employees and engage such legal, financial, accounting, investment, auditing and forecasting and other consultants or alternative dispute resolution panelists and agents as the business of the Trust requires, and to delegate to such persons such powers and authorities as the fiduciary duties of the Trustees permit and as the Trustees, in their discretion, deem advisable or necessary in order to carry out the terms of this Trust;

(xii) pay employees, legal, financial, accounting, investment, auditing and forecasting, and other consultants, advisors and agents reasonable compensation, including without limitation, compensation at rates approved by the Trustees for services rendered prior to the execution hereof;

(xiii) compensate the Trustees, the members of the TAC, the Futures Representative and their respective Agents and reimburse to them all reasonable out-of-pocket costs and expenses incurred by such persons in connection with the performance of their duties hereunder, including without limitation, costs and expenses incurred prior to the execution hereof;

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(xiv) execute and deliver such instruments as the Trustees consider proper in administering the Trust;

(xv) enter into such other arrangements with third parties as are deemed by the Trustees to be useful in carrying out the purposes of the Trust, provided such arrangements do not conflict with any other provision of this Trust Agreement;

(xvi) in accordance with Section 4.7, indemnify (and purchase insurance indemnifying) the Trustees, the Futures Representative, the TAC, and each of the Indemnified Parties, and the respective agents of the Trust, the Futures Representative, the TAC, and each of the Indemnified Parties to the fullest extent that a corporation or trust organized under the law of the Trust's situs is from time to time entitled to indemnify and/or insure such agents and/or parties;

(xvii) delegate any or all of the authority herein conferred with respect to the investment of all or any portion of the Trust Assets to any one or more reputable individuals or recognized institutional investment advisors or investment managers without liability for any action taken or omission made because of any such delegation, except as provided in Section 4.4;

(xviii) consult with the Reorganized Debtor at such times and with respect to such issues relating to the conduct of the Trust as the Trustees consider desirable;

(xix) make, pursue (by litigation or otherwise), collect, compromise or settle, in its own name or the name of the applicable Debtor, any claim, right, action, or cause of action included in the Trust Assets, including without limitation, the Asbestos Insurance Litigation, before any court of competent jurisdiction; provided that settlement of any action before the Bankruptcy Court requires the approval of the Bankruptcy Court after notice to such Debtor;

(xx) with the prior consent of the Futures Representative and the Trust Advisory Committee (the "Approving Entities"), merge or contract with other claims resolution facilities that are not specifically created by this Trust Agreement or the TDP, provided that such merger or contract shall not (a) subject the Reorganized Debtor or any successor in interest to any risk of having any Asbestos Related Claim asserted against any of them, or (b) otherwise jeopardize the validity or enforceability of the Injunctions; and

(xi) with the prior consent of the Approving Entities, establish binding and non-binding arbitration procedures for the purposes set forth in Section 5.9 of the TDP.

d) The Trustees shall not have the power to guarantee any debt of other Persons, provided however, that the Trustees shall have the power to implement the obligations of the Trust, if any, as required under the Plan including but not limited to Exhibit H and/or Sections 7.3 and 7.4 of the Plan.

e) The Trustees shall give the Approving Entities prompt notice of any act performed or taken pursuant to Subsection 2.1(c)(i), (iii), (vii), (viii), (ix), (x), (xvi), (xix), (xx) and Subsection 2.2(f).

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2.2 General Administration.

a) The Trustees shall act in accordance with the Trust Bylaws. To the extent not inconsistent with the terms of this Trust Agreement, the Trust Bylaws govern the affairs of the Trust. In the event of an inconsistency between the Trust Bylaws and this Trust Agreement, the Trust Agreement shall govern.

b) The Trustees shall timely file such income tax and other returns and statements and comply with all withholding obligations as required under the applicable provisions of the IRC and of any state law and the regulations promulgated thereunder, including without limitation all requirements necessary to qualify and maintain qualification as a qualified settlement fund, and shall timely pay all taxes required to be paid.

c) (i) The Trustees shall cause to be prepared and filed with the Bankruptcy Court, as soon as available, and in any event within 120 days following the end of each fiscal year, an annual report containing financial statements of the Trust (including, without limitation, a statement of the net claimants' equity of the Trust as of the end of such fiscal year and a statement of changes in net claimants' equity for such fiscal year) audited by a firm of independent certified public accountants selected by the Trustees and accompanied by an opinion of such firm as to the fairness of the financial statements' presentation of the equity presently available to current and future claimants and as to the conformity of the financial statements with accounting principals generally accepted in the United States, except for the special-purpose accounting methods set forth as follows:

1. The financial statements shall be prepared using the accrual method of accounting.

2. The funding received from Thorpe and Pacific, and their insurers, shall be recorded directly to net claimants' equity. These funds shall not represent income of the Trust. Settlement offers for Asbestos Related Claims shall be reported as deductions in net claimants' equity and shall not represent expenses of the Trust.

3. Costs of non-income producing assets, which shall be exhausted during the life of the Trust and will not be available for satisfying claims, shall be expensed when incurred. These costs shall include acquisition costs of computer hardware, software, software development, office furniture, leasehold improvements, and other prepaid expenses such as rent and insurance.

4. Future fixed liabilities and contractual obligations entered into by the Trust shall be recorded directly against net claimants' equity. Accordingly, the future minimum rental commitments outstanding at period end for non-cancelable operating leases, net of any sublease agreements, shall be recorded as deductions to net claimants' equity.

5. The liability for unpaid claims reflected in the statements of net claimants' equity shall represent settled but unpaid claims and outstanding settlement offers. A claims liability shall be recorded once a settlement offer is made to the claimant at the amount equal to the expected pro rata payment. No liability shall be recorded for future claim filings and

filed claims on which no settlement offer has been made. Net claimants' equity represents funding available to pay present and future claims on which no fixed liability has been recorded.

6. Available-for-sale securities shall be recorded at market. All interest and dividend income on available-for-sale securities, net of investment expenses, shall be included in investment income on the statement of changes in net claimants' equity. Realized and unrealized gains and losses on available-for-sale securities shall be recorded as separate components on the statements of changes in net claimants' equity.

7. Realized gains/losses on available-for-sale securities shall be recorded based on the security's original cost. At the time a security is sold, all previously recorded unrealized gains/losses shall be reversed and recorded net, as a component of other unrealized gains/losses in the statement of changes in net claimants' equity.

The Trustees shall provide a copy of such report to the Approving Entities and the Reorganized Debtor when such reports are filed with the Bankruptcy Court.

(ii) Simultaneously with delivery of each set of financial statements referred to in Subsection 2.2(c)(i) above, the Trustees shall cause to be prepared and filed with the Bankruptcy Court a report containing a summary regarding the number and type of claims disposed of during the period covered by the financial statements. The Trustees shall provide a copy of such report to the Approving Entities and the Reorganized Debtor when such report is filed.

(iii) All materials required to be filed with the Bankruptcy Court by this Subsection 2.2(c), other than materials filed under seal, shall be available for inspection by the public in accordance with procedures established by the Bankruptcy Court and shall be filed with the Office of the United States Trustee with responsibility for the Central District of California. The Trustees shall file materials under seal which they determine should remain confidential, provided, however, such materials shall be available to the TAC and the Futures Representative.

d) The Trustees shall cause to be prepared, as soon as practicable prior to the commencement of each fiscal year, a budget and cash flow projections covering such fiscal year and the succeeding four fiscal years. The Trustees shall provide a copy of the budget and cash flow to the Approving Entities.

e) The Trustees shall consult with the TAC and the Futures Representative (i) on the implementation and administration of the TDP and the Matrix, and (ii) on the implementation and administration of the Trust.

f) The Trustees shall be required to obtain the consent of the Approving Entities in addition to those instances elsewhere enumerated, in order:

(i) to add to or change the schedule of Asbestos-Related Disease Categories or criteria, or to increase the Average Values or Base Case Values in the Matrix pursuant to the TDP; or

(ii) to merge or participate in the handling of bodily injury claims with any claims resolution facility that was not specifically created under this Trust Agreement or the TDP; or

(iii) to amend any provision of the Trust Agreement; Article I, Article II, Article III Section 4, or Article IV of the Trust Bylaws; or the TDP; or

(iv) to terminate the Trust pursuant to Section 7.2 herein; or

(v) to change the number of Trustees and to appoint successor Trustees; or

(vi) to settle the liability of any Asbestos Insurer under any Asbestos Insurance Policy covering Asbestos Related Claims or to settle any Asbestos Insurance Litigation; or

(vii) to change the compensation of the Trustees or the Managing Trustee, other than cost-of-living increases; or

(viii) to exercise the Trust's rights under the Pacific Stock Pledge, the Reorganized Debtor Earnout Note or the Reorganized Debtor Promissory Note; or

(ix) to change the Trust claim form used by the Trust to evaluate claims; or

(x) to amend, supplement or modify the provisions of the Matrix.

g) Whenever the consent of the Approving Entities is given pursuant to Subsection 2.2(f) above, or elsewhere in this Trust Agreement, such consent shall be deemed given if the Approving Entities are signatories to a document or the approved minutes of the Trustees' meeting reflects such consent.

h) The Trustees, upon notice from either of the Approving Entities, shall at their next regular meeting or, if appropriate, at a specially called meeting, place on their agenda and consider issues requested by such Approving Entity.

2.3 Claims Administration. The Trustees shall promptly proceed to implement the TDP.

2.4 Western Asbestos Settlement Trust Transaction. In order to employ the resources of an organization whose capabilities are uniquely suited to the claims processing and administrative work of the Trust, and to realize cost savings through similar trusts sharing overhead, the Trustees are expressly authorized to enter into a Trust Facilities and Services Sharing Agreement with the Western Asbestos Settlement Trust for the purpose of allowing the Trust to utilize the Western Asbestos Settlement Trust employees to administer the Trust and the processing of Asbestos Related Claims pursuant to the TDP. Notwithstanding anything to the contrary in this Trust Agreement, and in express acknowledgment that the Trustees also serve as trustees of the Western Asbestos Settlement Trust, the Trustees, the Futures Representative and the TAC are expressly relieved of any fiduciary obligation to act solely in the best interest of the

beneficiaries of the Trust only with regard to such transaction with the Western Asbestos Settlement Trust.

ARTICLE 3

ACCOUNTS, INVESTMENTS, AND PAYMENTS

3.1 Accounts. The Trustees may, from time to time, create such accounts and reserves within the Trust estate as they may deem necessary, prudent, or useful in order to provide for the payment of expenses and valid Asbestos Related Claims and may, with respect to any such account or reserve, restrict the use of monies therein. The Trustees shall identify any restricted accounts, and the nature of the restriction, in the reports to be filed with the Bankruptcy Court under Section 2.2(c) above.

3.2 Investments. The Trustees shall invest and manage Trust assets consistent with those standards and provisions of the Uniform Prudent Investor Act expressly set forth herein in this preamble for Section 3.2 and in Sections 3.2(a)-(c), subject to the limitations and provisions set forth below in Section 3.2(d), as a prudent investor would, by considering the purposes, terms, distribution requirements, and other circumstances of the Trust. In satisfying this standard, the Trustees shall exercise reasonable care, skill, and caution.

a) The Trustees' investment and management decisions respecting individual assets and courses of action must be evaluated not in isolation, but in the context of the Trust portfolio as a whole and as a part of an overall investment strategy having risk and return objectives reasonably suited to the Trust.

b) Among circumstances that are appropriate to consider in investing and managing Trust assets are the following, to the extent relevant to the Trust or its beneficiaries:

(i) General economic conditions.

(ii) The possible effect of inflation or deflation.

(iii) The expected tax consequences of investment decisions or strategies.

(iv) The role that each investment or course of action plays within the overall Trust portfolio.

(v) The expected total return from income and the appreciation of capital.

(vi) Other resources of the beneficiaries known to the Trustees as determined from information provided by the beneficiaries.

(vii) Needs for liquidity, regularity of income, and preservation or appreciation of capital.

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(viii) An asset's special relationship or special value, if any, to the purposes of the Trust or to one or more of the beneficiaries.

c) The Trustees shall make a reasonable effort to ascertain facts relevant to the investment and management of Trust assets.

d) Notwithstanding the foregoing and/or any other provision of this Trust Agreement, the Trustees shall comply with the following limitations and provisions:

(i) The Trust shall not acquire, directly or indirectly, equity in any Person (other than the Reorganized Debtor or any successor to the Reorganized Debtor, on the terms and conditions in the Plan) or business enterprise if, immediately following such acquisition, the Trust would hold more than five percent of the equity in such Person or business enterprise. The Trust shall not hold, directly or indirectly, more than ten percent of the equity in any Person (other than the Reorganized Debtor, on the terms and conditions in the Plan) or business enterprise.

(ii) The Trust shall not acquire or hold any long-term debt securities unless (i) such securities are rated "Baa" or higher by Moody's, "BBB" or higher by S&P or have been given an equivalent investment grade rating by another nationally recognized statistical rating agency, or (ii) have been issued or fully guaranteed as to principal and interest by the United States of America or any agency or instrumentality thereof, or (iii) with respect to no more than ten percent (10%) of the total assets of the Trust, such securities are included in a diversified and managed portfolio or portfolios.

(iii) The Trust shall not acquire or hold for longer than 90 days any commercial paper unless such commercial paper is rated "Prime-1" or higher by Moody's or "A-1" or higher by S&P or has been given an equivalent rating by another nationally recognized statistical rating agency.

(iv) Excluding any securities issued by the Reorganized Debtor, the Trust shall not acquire or hold, directly or indirectly, any common or preferred stock or convertible securities, REITS, MLPs and Royalty Trusts ("Stocks") unless such Stock is included in a diversified and managed portfolio or portfolios. The Trust shall not acquire, directly or indirectly, more than forty percent (40%) of the Trust's total assets in such Stock Portfolios, or hold, directly or indirectly, more than forty-five (45%) of the Trust's total assets in such Stock Portfolios.

(v) Except as provided in Section 3.2(d) above, the Trust shall not acquire any securities or other instruments issued by any person (other than debt securities or other instruments issued or fully guaranteed as to principal and interest by the United States of America or any agency or instrumentality thereof) if, following such acquisition, the aggregate market value of all securities and instruments issued by such Person held by the Trust would exceed five percent of the aggregate value of the Trust estate. The Trust shall not hold any securities or other instruments issued by any Person (other than debt securities or other instruments issued or fully guaranteed as to principal and interest by the United States of America or any agency or instrumentality thereof and other than securities or other instruments

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of the Reorganized Debtor or any successor to the Reorganized Debtor) to the extent that the aggregate market value of all securities and instruments issued by such Person held by the Trust would exceed five percent of the aggregate value of the Trust Estate.

(vi) The Trust shall not acquire or hold any certificates of deposit unless all publicly held, long-term debt securities, if any, of the financial institution issuing the certificate of deposit and the holding company, if any, of which such financial institution is a subsidiary, meet the standards set forth in Subsection 3.2(b).

(vii) The Trust shall not acquire or hold any repurchase obligations unless, in the opinion of the Trustees, they are adequately collateralized.

(viii) The Trust shall not acquire or hold any options.

3.3 Source of Payments. All Trust Expenses and all liabilities with respect to Asbestos Related Claims shall be payable solely by the Trust out of the Trust Assets, Asbestos Insurance Settlements, the proceeds of Asbestos Insurance Policies and Net Recoveries. None of the Debtors, the Reorganized Debtor, the Indemnified Parties, their Affiliates, the Trustees, the Approving Entities, or any of their Affiliates, subsidiaries, successors in interest, present or former stockholders, directors, officers, employees or agents shall be liable for the payment of any Trust Expense or any other liability of the Trust.

3.4 Payment of Business Loss Allocation. Subject to the Trust's set-off rights, the Trust shall pay the Business Loss Allocation to the Reorganized Debtor from the Trust Assets in accordance with the terms of the Plan.

ARTICLE 4

TRUSTEES

4.1 Number. There shall be three Trustees. The Trustees shall be those persons named on the signature page hereof. On April 21, 2011, Stephen M. Snyder was designated as Managing Trustee, with the consent of the Approving Entities. All decisions of the Trustees must be by a majority vote of the Trustees, and where required herein, subject to the consent of the Approving Entities. In the event that the Trustees cannot agree by a majority vote, the dispute shall be resolved by the Bankruptcy Court.

4.2 Term of Service.

a) Each of the Trustees named pursuant to Section 4.1 shall serve until the earlier of (i) his or her death, (ii) his or her resignation pursuant to Subsection 4.2(c), (iii) his or her removal pursuant to Subsection 4.2(d), or (iv) the termination of the Trust pursuant to Section 7.2.

b) Each successor Trustee shall serve until the earlier of (i) his or her death, (ii) his or her resignation pursuant to Subsection 4.2(c), (iii) his or her removal pursuant to Subsection 4.2(d), or (iv) the termination of the Trust pursuant to Section 7.2.

c) Any Trustee may resign at any time by written notice to each of the remaining Trustees, the Futures Representative, and the TAC. Such notice shall specify a date when such resignation shall take effect, which shall not be fewer than 90 days after the date such notice is given, where practicable.

d) Any Trustee may be removed in the event that such Trustee becomes unable to discharge his or her duties hereunder due to accident or physical or mental deterioration, or for other good cause. "Good cause" shall be deemed to include, without limitation, any substantial failure to comply with Section 2.2, a consistent pattern of neglect and failure to perform or participate in performing the duties of the Trustees hereunder, or repeated non-attendance at scheduled meetings. Such removal shall require the unanimous decision of the other Trustees. Such removal shall take effect at such time as the other Trustees shall determine.

4.3 Appointment of Successor Trustee.

a) In the event of a vacancy in the position of a Trustee, the vacancy shall be filled by the unanimous vote of the remaining Trustees (subject to the consent of the Approving Entities). If such vacancy has not been filled within 90 days, the matter shall, on application of the remaining Trustees, be submitted promptly to the Bankruptcy Court for resolution. In the event that more than one vacancy shall exist, the vacancies shall be filled by the remaining Trustee (if one should exist), subject to the consent of the Approving Entities, or if such vacancies have not been filled within 90 days, by the Bankruptcy Court on application of any of such persons.

b) Immediately upon the appointment of any successor Trustee, all rights, titles, duties, powers and authority of the predecessor Trustee hereunder shall be vested in, and undertaken by, the successor Trustee without any further act. No successor Trustee shall be liable personally for any act or omission of his or her predecessor Trustee.

4.4 Liability of Trustees, Futures Representative and TAC. Neither the Trustees, the Futures Representative, the TAC (or any member of the TAC), nor any of their respective Agents, shall be liable to the Trust, to any person holding an Asbestos Related Claim, or to any other Person, except for such individual's or entity's own breach of trust committed in bad faith or willful misappropriation. Neither the Trustees, the Futures Representative, the TAC (or any member of the TAC), nor any of their respective Agents, shall be liable for any act or omission of any Agent of the Trust, the Futures Representative, the TAC (or any member of the TAC), unless the Trustees, the Futures Representative, the TAC (or any member of the TAC), respectively, acted with bad faith in the selection or retention of such Agent.

4.5 Compensation and Expenses of Trustees.

a) Each of the Trustees shall receive compensation from the Trust for his or her services as Trustee in the amount of $40,000 per annum; each of the non-managing Trustees shall be compensated at the rate of $500 per hour spent at an official meeting of the Trustees, an official trip of the Trustees, or dedicated to Trust business; and the managing Trustee shall be compensated at the rate of $600 per hour spent at an official meeting of the Trustees, an official trip of the Trustees, or dedicated to Trust business. The Trustees shall record all hourly time to

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be charged to the Trust on a daily basis. The per annum compensation, paid quarterly in advance, and the hourly amounts of compensation payable to the Trustees hereunder shall be adjusted each year in accordance with the Federal Bureau of Labor Statistics' Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) published in January of each year, beginning as of January 1, 2015. The structure and amounts of the Trustee compensation will be reviewed when requested by the Trustees, the TAC and/or the Futures Representative, but no less than every three (3) years beginning in November, 2017.

b) The Trust will promptly reimburse the Trustees for all reasonable out-of-pocket costs and expenses incurred by the Trustees in connection with the performance of their duties hereunder.

c) The Trust will include a description of the amounts paid under this Section 4.5 in the report to be filed pursuant to Subsection 2.2(c)(i) of this Trust Agreement.

4.6 Indemnification of Trustees and Additional Indemnitees.

a) The Trust shall indemnify and defend the Trustees, the Trust's officers, and the Trust's employees to the fullest extent that a corporation or trust organized under the laws of the Trust's situs is from time to time entitled to indemnify and defend its directors, trustees, officers and employees against any and all liabilities, expenses, claims, damages or losses incurred by them in the performance of their duties hereunder. Notwithstanding the foregoing, the Trustees shall not be indemnified or defended in any way for any liability, expense, claim, damage or loss for which they are ultimately liable under Section 4.4.

b) Additionally, the Committee, the Futures Representative, the TAC, the Indemnified Parties and each of their respective Agents, who was or is a party, or is threatened to be made a party to any threatened or pending judicial, administrative or arbitrative action, by reason of any act or omission of such Committee, the Futures Representative, the TAC, the Indemnified Parties and their respective Agents, with respect to (i) the Reorganization Case and any act or omission with respect thereto undertaken by them prior to the commencement thereof, (ii) the liquidation of any Asbestos Related Claims, (iii) the administration of the Trust and the implementation of the TDP, or (iv) any and all activities in connection with the Trust Agreement, shall be indemnified and defended by the Trust, to the fullest extent that a corporation or trust organized under the laws of the Trust's situs is from time to time entitled to indemnify and defend its officers, directors, trustees and employees, against reasonable expenses, costs and fees (including attorneys' fees and costs), judgments, awards, amounts paid in settlement and liabilities of all kinds incurred by the Committee, the Futures Representative, the TAC, the Indemnified Parties, and their respective members, professionals, officers, and directors, in connection with or resulting from such action, suit or proceeding, if he or she acted in good faith.

c) Reasonable expenses, costs and fees (including attorneys' fees and costs) incurred by or on behalf of the Trustees, the Committee, the Futures Representative, the TAC, the Protected Parties (other than the Settling Asbestos Insurers), and their respective Agents in connection with any action, suit or proceeding, whether civil, administrative or arbitrative, from which they are indemnified by the Trust pursuant to Subsection 4.7(a), shall be paid by the Trust in advance of the final disposition thereof upon receipt of an undertaking, by or on behalf of the

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party seeking indemnity to repay such amount in the event that it shall be determined ultimately by Final Order that the party seeking indemnity is not entitled to be indemnified by the Trust.

d) The Trustees shall have the power, generally or in specific cases, to cause the Trust to indemnify the Agents of the Trust to the same extent as provided in this Section 4.6 with respect to the Trustees.

e) Any indemnification under Subsection 4.7(c) of this Trust Agreement shall be made by the Trust upon a determination by the Trustees that indemnification of such Person is proper in the circumstances.

f) The Trustees may purchase and maintain reasonable amounts and types of insurance on behalf of an individual who is or was a Trustee, an Agent of the Trust, a member of the Committee, the Futures Representative, a member of the TAC, a Protected Party (other than a Settling Asbestos Insurer), and their respective Agents against liability asserted against or incurred by such individual in that capacity or arising from his or her status as such.

4.7 Trustees' Lien. The Trustees, the Committee, the Futures Representative, the TAC, the Protected Parties (other than the Settling Asbestos Insurers), and their respective Agents shall have a first priority lien upon the Trust Assets to secure the payment of any amounts payable to them pursuant to Sections 4.5, 5.5, 6.6, and 6.7.

4.8 Trustees' Employment of Experts. The Trustees may, but shall not be required to, retain or consult with counsel, accountants, appraisers, auditors and forecasters, and other parties deemed by the Trustees to be qualified as experts on the matters submitted to them and the opinion of any such parties on any matters submitted to them by the Trustees shall be full and complete authorization and protection in respect of any action taken or not taken by the Trustees hereunder in good faith and in accordance with the written opinion of any such party.

4.9 Trustees' Independence. No Trustee shall, during the term of his or her service, hold a financial interest in, act as attorney or agent for, or serve as any other professional for the Reorganized Debtor. Notwithstanding the foregoing, the Trustees may serve as officers or directors of any of the Reorganized Debtor. No Trustee shall act as an attorney for any person who holds an Asbestos Related Claim.

4.10 Bond. The Trustees shall not be required to post any bond or other form of surety or security unless otherwise ordered by the Bankruptcy Court.

ARTICLE 5

THE FUTURES REPRESENTATIVE

5.1 Duties. The Futures Representative shall serve in a fiduciary capacity representing the interests of the future asbestos claimants for the purpose of protecting the rights of persons who might subsequently assert Asbestos Injury Demands. The Trustees must consult with the Futures Representative on matters identified in Subsection 2.2(e), must obtain the consent of the Futures Representative on matters identified in Subsection 2.2(f), and may consult with the Futures Representative on any matter affecting the Trust. Where provided in this Trust

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Agreement, the TDP or the Matrix, certain actions of the Trustees are subject to the consent of the Futures Representative.

5.2 Term of Office.

a) The Futures Representative shall serve until the earlier of (i) his or her death, (ii) his or her resignation pursuant to Subsection 5.2(b), (iii) his or her removal or (iv) the termination of the Trust pursuant to Section 7.2.

b) The Futures Representative may resign at any time by written notice to the Trustees. Such notice shall specify a date when such resignation shall take effect, which shall not be fewer than 90 days after the date such notice is given, where practicable.

c) The Futures Representative may be removed in the event he or she becomes unable to discharge his or her duties hereunder due to accident, physical deterioration, mental incompetence, or a consistent pattern of neglect and failure to perform or to participate in performing the duties hereunder, such as repeated non-attendance at scheduled meetings. Such removal shall be made by the unanimous decision of the Trustees.

5.3 Appointment of Successor. A vacancy caused by resignation shall be filled with an individual nominated by the Futures Representative. A vacancy for any other reason, or in the absence of a nomination by the Futures Representative, shall be filled with an individual selected by majority vote of the Trustees. The successor Futures Representative shall, in either case, be subject to Bankruptcy Court approval.

5.4 Futures Representative's Employment of Professionals. The Futures Representative may retain or consult with counsel, accountants, appraisers, auditors, forecasters, asbestos experts and other parties deemed by the Futures Representative to be qualified as experts on matters submitted to them, and the opinion of any such parties on any matters submitted to them shall be full and complete authorization and protection in support of any action taken or not taken by the Futures Representative hereunder in good faith and in accordance with the written opinion of any such party, and in the absence of gross negligence. The Futures Representative and his or her experts shall at all times have complete access to the Trust's officers, employees and agents, and the accountants, appraisers, auditors, forecasters, and other experts retained by the Trust, as well as information generated by them or otherwise available to the Trust or Trustees.

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5.5 Compensation and Expenses of the Futures Representative.

a) The Futures Representative shall receive compensation from the Trust for his or her services as the Futures Representative at his or her current hourly rate; Such rate shall be subject to an annual review and adjustment by the Trustees with the consent of the TAC.

b) The Trust will promptly reimburse, or pay directly if so instructed, the Futures Representative for all reasonable out-of-pocket costs and expenses, including fees and costs associated with employment of professionals pursuant to Section 5.4 and the procurement and maintenance of insurance incurred by the Futures Representative in connection with the performance of his or her duties hereunder and his or her duties in connection with the formulation, negotiation, and Confirmation of the Plan. Such reimbursement or direct payment shall be deemed a Trust Expense.

5.6 Procedure for Obtaining Consent of the Futures Representative.

a) In the event the consent of the Futures Representative is required pursuant to the terms hereof or of the TDP, the Trustees shall promptly provide the Futures Representative and his or her counsel with notice and with all information regarding the matter in question.

b) The Futures Representative must consider in good faith and in a timely fashion any request by the Trustees and may not withhold his or her consent unreasonably. If the Futures Representative does not notify the Trustees of his or her objection to such request within 30 days after receiving notice and information regarding such request, then the Future Representative shall be deemed to have objected to the request and the procedures set forth in Section 5.7 shall be followed.

5.7 Lack of Consent of the Futures Representative. In the event the Trustees are unable to obtain the consent of the Futures Representative to any action or decision for which consent is required after following the procedure set forth in Section 5.6 of this Trust Agreement, or if the Trustees and the Futures Representative are unable to reach agreement on any matter on which such consent is required, the matter shall be submitted promptly to alternative dispute resolution if mutually agreeable to the Trustees and the Futures Representative. If the disagreement is not resolved by alternative dispute resolution, the Trustees may apply to the Bankruptcy Court on an expedited basis for approval of such action or decision, and only if such approval is given by the Bankruptcy Court by entry of an appropriate order, shall the Trustees have the authority to implement such action or decision without the Futures Representative's consent.

ARTICLE 6

TRUST ADVISORY COMMITTEE

6.1 Members. The TAC shall consist of five (5) members. The initial TAC members shall be Alan R. Brayton, Ron C. Eddins, David McClain, Jerry Neil Paul, and David A. Rosen. Alan R. Brayton has been elected Chair of the TAC by its members with authority to execute all Trust-related documents on their behalf.

6.2 Duties. The TAC shall serve in a fiduciary capacity representing all holders of Asbestos Related Claims (excluding, however, holders of Asbestos Injury Demands). The Trustees must consult with the TAC on matters identified in Subsection 2.2(e), must obtain the consent of the TAC on matters identified in Subsection 2.2(f), and may consult with the TAC on any matter affecting the Trust. Where provided in this Trust Agreement or the TDP, certain actions by the Trustees are subject to the consent of the TAC.

6.3 Term of Office.

a) Each member of the TAC shall serve until the earlier of (i) his or her death, (ii) his or her resignation pursuant to Section 6.3(b) below, (iii) his or her removal pursuant to Section 6.3(c) below, or (iv) the termination of the Trust pursuant to Section 7.2 below.

b) A member of the TAC may resign at any time by written notice to the other members of the TAC, the Trustees and the Futures Representative. Such notice shall specify a date when such resignation shall take effect, which shall not be less than ninety (90) days after the date such notice is given, where practicable.

c) A member of the TAC may be removed in the event that he or she becomes unable to discharge his or her duties hereunder due to accident, physical deterioration, mental incompetence, or a consistent pattern of neglect and failure to perform or to participate in performing the duties of such member hereunder, such as repeated non-attendance at scheduled meetings, or for other good cause. Such removal shall be made at the recommendation of the remaining members of the TAC with the approval of the Bankruptcy Court.

6.4 Appointment of Successor. A vacancy caused by resignation shall be filled with an individual nominated by the remaining members of the TAC. A vacancy for any other reason, or in the absence of a nomination by the remaining members of the TAC, shall be filled with an individual selected by majority vote of the Trustees. The successor TAC member shall, in either case, be subject to Bankruptcy Court approval.

6.5 TAC's Employment of Professionals. The TAC may retain or consult with counsel, accountants, appraisers, auditors, forecasters, asbestos experts and other parties deemed by the TAC to be qualified as experts on matters submitted to them, and the opinion of any such parties on any matters submitted to them shall be full and complete authorization and protection in support of any action taken or not taken by the TAC hereunder in good faith and in accordance with the written opinion of any such party, and in the absence of gross negligence. The TAC and its experts shall at all times have complete access to the Trust's officers, employees and agents,

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and the accountants, appraisers, auditors, forecasters, and other experts retained by the Trust, as well as information generated by them or otherwise available to the Trust or Trustees.

6.6 Compensation and Expenses of TAC Members.

(a) Each of the TAC members or their representatives shall receive compensation from the Trust by the payment of hourly fees for each of the following tasks, which are hereinafter called the "TAC Trust Tasks":

(i) Attendance at meetings of the Trustees.

(ii) Performance of tasks requested to be performed by the Managing Trustee that the Managing Trustee believes benefits or has benefited the Trust, as opposed to individual client or clients of the member of the TAC.

(b) Each of the TAC members and/or their representatives shall be compensated as a Trust Expense at the rate of $500 per hour for an official meeting of the Trustees, or on an official trip of the Trustees, or in the performance of any other TAC Trust Task. The TAC members shall record all hourly time to be charged to the Trust on a daily basis. The hourly amount of compensation payable to the TAC members and/or their representatives hereunder shall be adjusted each year in accordance with the Federal Bureau of Labor Statistics' Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) published in January of each year, beginning as of January 1, 2015.

(c) The Managing Trustee may, at his or her discretion, pay any invoices from members of the TAC or their representatives in aggregate amounts of up to $25,000 in any month that such Managing Trustee believes are appropriate under these resolutions without the necessity of further approval of the Trustees.

(d) The structure and amounts of the TAC compensation will be reviewed when requested by the Trustees, the TAC and/or the Futures Representative, but no less than every three (3) years beginning in November, 2017.

6.7 Reimbursement of TAC Expenses. The Trust will promptly reimburse, or pay directly if so instructed, each TAC member for all reasonable out-of-pocket costs and expenses, including fees and costs associated with employment of professionals pursuant to Section 6.4 and the procurement and maintenance of insurance incurred by the TAC or any TAC member in connection with the performance of its or his or her duties hereunder. Such reimbursement or direct payment shall be deemed a Trust Expense.

6.8 Procedure for Obtaining Consent of the TAC.

a) In the event the consent of the TAC is required pursuant to the terms hereof or of the TDP, the Trustees shall promptly provide the TAC and, if requested by the TAC, its counsel with notice and with all information regarding the matter in question.

b) The TAC must consider in good faith and in a timely fashion any request by the Trustees, and the TAC may not withhold its consent unreasonably. If the TAC does not

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notify the Trustees of its objection to such request within 30 days after receiving notice and information regarding such request, then the TAC shall be deemed to have objected to the request and the procedures set forth in Section 6.9 shall be followed.

6.9 Lack of Consent of the TAC. In the event the Trustees are unable to obtain the consent of the TAC for any action or decision for which consent of the TAC is required, after following the procedure set forth in Section 6.8 of this Trust Agreement, or if the Trustees and the TAC are unable to reach agreement on any matter on which the TAC's consent is required, then the matter shall be submitted promptly to alternative dispute resolution if mutually agreeable to the Trustees and the TAC. If the disagreement is not resolved by alternative dispute resolution, the Trustees may apply to the Bankruptcy Court on an expedited basis for approval of such action or decision, and only if such approval is given by the Bankruptcy Court by entry of an appropriate order shall the Trustees have the authority to implement such action or decision without the TAC's consent.

ARTICLE 7

GENERAL PROVISIONS

7.1 Irrevocability. The Trust is irrevocable.

7.2 Termination.

a) The Trust shall automatically terminate on the date 90 days after the first to occur of the following events:

(i) the Trustees in their discretion decide to terminate the Trust because (A) they deem it unlikely that new Asbestos Related Claims will be filed or served against the Trust and (B) all Asbestos Related Claims duly filed with the Trust have been resolved and paid to the extent provided in this Trust Agreement and the TDP, to the extent possible based upon the funds available through the Plan, and twelve (12) consecutive months have elapsed during which no new Asbestos Related Claim has been filed with the Trust; or

(ii) if the Trustees have procured and have in place irrevocable insurance policies and have established claims handling agreements and other necessary arrangements with suitable third parties adequate to discharge all expected remaining obligations and expenses of the Trust in a manner consistent with this Trust Agreement and the TDP, the date on which the Bankruptcy Court enters an order approving such insurance and other arrangements and such order becomes a Final Order.

b) Upon the termination of the Trust, after payment of all the Trust's liabilities have been provided for, all monies remaining in the Trust estate shall be used to adjust the Funds Received Ratio and distributed to claimants who are still entitled to receive distributions from the Trust pursuant to Section 2.3 of the TDP.

7.3 Amendments. The Trustees, after consultation with the Approving Entities, and subject to the consent of the Approving Entities where so provided, may modify or amend this Trust Agreement or any document annexed to it, including, without limitation, the Trust

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Bylaws or the TDP. Any modification or amendment made pursuant to this Section must be done in writing. Notwithstanding anything contained in this Trust Agreement to the contrary, none of this Trust Agreement, the Trust Bylaws, the TDP, nor any document annexed to the foregoing shall be modified or amended in any way that could jeopardize, impair or modify the applicability of section 524(g) of the Bankruptcy Code, the indemnification provisions of this Trust Agreement, the efficacy or enforceability of the Injunctions or the Trust's qualified settlement fund status.

7.4 Severability. Should any provision in this Trust Agreement be determined to be unenforceable, such determination shall in no way limit or affect the enforceability and operative effect of any and all other provisions of this Trust Agreement.

7.5 Notices. Notices to persons asserting claims shall be given at the address of such person, or, where applicable, such person's Futures Representative, in each case as provided on such person's claim form submitted to the Trust with respect to his or her or its Asbestos Related Claim.

Any notices or other communications required or permitted hereunder shall be in writing and delivered at the addresses designated below, or sent by telex, telecopy or facsimile pursuant to the instructions listed below, or mailed by registered or certified mail, return receipt requested, postage prepaid, addressed as follows, or to such other address or addresses as may hereafter be furnished by any party to whom such notice is directed to the other parties listed herein in compliance with terms hereof.

To the Trust through the Trustees:

Thorpe Insulation Company Asbestos
Settlement Trust
P.O. Box 3413
Reno, NV 89505
ATTN: Dr. Sandra R. Hernandez
ATTN: John F. Luikart
ATTN: Stephen M. Snyder, Esq.
Facsimile No. 775.325.6200

with a copy to:
Fennemore Craig Jones Vargas
300 East Second Street, Suite 1510
Reno, NV 89501
ATTN: John P. Sande, III
Facsimile No. 775.786.1177

with a copy to:
Sara Beth Brown
Thorpe Insulation Settlement Trust
300 East Second Street, Suite 1410
Reno, NV 89501
Facsimile No. 775.325.6200

To the Futures Representative:

The Honorable Charles B. Renfrew (Ret.)
710 Sansome Street
San Francisco, CA 94111
Facsimile No. 415.397.7188

with a copy to:
Gary S. Fergus
Fergus, A Law Firm
595 Market Street, Suite 2430
San Francisco, CA 94105
Facsimile No. 415.537.9038

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To the TAC through its Chair:
Alan R. Brayton
Brayton Purcell, LLP
222 Rush Landing Road
Novato, CA 94948-6169
Facsimile No. 415.898.1247

To Reorganized Debtor Pacific Insulation Company:
2741 South Yates Avenue
Los Angeles, California 90040
ATTN: Robert Fults
Facsimile No. 323.728.5489

with a copy to:
John A. Lapinski
Clark & Trevithick
800 Wilshire Boulevard, 12th Floor
Los Angeles, California 90017
Facsimile No. 213.624.9441

All such notices and communications if mailed shall be effective when physically delivered at the designated addresses or, if electronically transmitted, when the communication is received at the designated addresses and confirmed by the recipient by return electronic transmission.

7.6 Successors and Assigns. The provisions of this Trust Agreement shall be binding upon and inure to the benefit of the Reorganized Debtor, the Trust, and the Trustees and their respective successors and assigns, except that none of the Reorganized Debtor, or the Trust, nor any Trustee may assign or otherwise transfer any of its, his or her rights or obligations under this Trust Agreement except, in the case of the Trust and the Trustees, as contemplated by Section 2.1.

7.7 Entire Agreement; No Waiver. The entire agreement of the parties relating to the subject matter of this Trust Agreement is contained herein and in the documents referred to herein, and this Trust Agreement and such documents supersede any prior oral or written agreements concerning the subject matter hereof. No failure to exercise or delay in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege hereunder preclude any further exercise thereof or of any other right, power or privilege. The rights and remedies herein provided are cumulative and are not exclusive of rights under law or in equity.

7.8 Headings. The headings used in this Trust Agreement are inserted for convenience only and neither constitute a portion of this Trust Agreement, nor in any manner affect the construction of the provisions of this Trust Agreement.

7.9 Governing Laws; Submission to Jurisdiction. This Trust Agreement shall be governed by, and construed in accordance with, the laws of the State of Nevada without regard to

Nevada's conflict of laws principles. The Trust is subject to the continuing jurisdiction of the Bankruptcy Court.

7.10 Dispute Resolution. Any disputes that arise under this Trust Agreement or under the annexes hereto shall be resolved by the Bankruptcy Court pursuant to the Plan, except as otherwise provided herein or in the annexes hereto. Notwithstanding anything else herein contained, to the extent any provision of this Trust Agreement is inconsistent with any provision of the Plan, the Plan shall control.

7.11 Enforcement and Administration. The provisions of this Trust Agreement and the annexes hereto shall be enforced by the Bankruptcy Court pursuant to the Plan. The parties hereby further acknowledge and agree that the Bankruptcy Court shall have exclusive jurisdiction over the settlement of the accounts of the Trustees.

7.12 Effectiveness. This Trust Agreement shall not become effective until it has been executed and delivered by all the parties hereto.

7.13 Counterpart Signatures. This Trust Agreement may be executed in any number of counterparts, each of which shall constitute an original, but such counterparts shall together constitute but one and the same instrument.

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IN WITNESS WHEREOF, the parties have executed this Eighth Amendment to and Complete Restatement of Thorpe Insulation Company Asbestos Settlement Trust Agreement this 20th day of November, 2014.

TRUSTEES:

By: _____
Dr. Sandra R. Hernandez

By: _____
John F. Luikart

By: _____
Stephen M. Snyder, Esq.

FUTURES REPRESENTATIVE:

By: _____
The Honorable Charles B. Renfrew (Ret.)

TRUST ADVISORY COMMITTEE:

By: _____
Alan R. Brayton
Its: Chair

EXHIBIT 3

Investment Policy Statement

Thorpe Insulation Company Asbestos Settlement Trust

November, 2014

Prepared by Callan Associates, Inc.

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Executive Summary

Type of Plan	Taxable Trust
Investment Planning Time Horizon	5 years
Expected Annualized After-Tax Return and Risk[1]	Return = 4.0 Risk = 6.6

Primary Goal

The Thorpe Insulation Company Asbestos Settlement Trust (the Trust) is organized pursuant to the laws of the state of Nevada with its office in Reno, Nevada. It was established pursuant to the Pacific Insulation Company and Thorpe Insulation Company (collectively the "Debtors") Fifth Amended Joint Plan of Reorganization, dated December 17, 2009. The Trust was formed to assume the Debtors' liabilities resulting from pending and potential litigation involving individuals exposed to asbestos who have manifested asbestos-related diseases or conditions; liquidate, resolve, pay and satisfy all asbestos-related claims in accordance with the Plan. As well, the Trust must preserve, hold, manage and maximize the Trust assets for use in paying and satisfying current and future allowed asbestos-related claims.

As set forth in the Trust Distribution Procedures, Section 2.4, the Trust shall estimate or model the amount of cash flow anticipated as necessary over its entire life to ensure that funds will be available to treat all present and futures claimants as similarly as possible. In order to pay the anticipated claims, the Trust relied upon an expert report filed which calculated a reasonable real after tax discount rate to use in calculating the present value of the future claims to be assumed by the Trust. These estimates provided the Trust with an assumption that the assets should earn an after-tax real rate of return of approximately 1% per annum. While additional assets may be made available, the Trust will operate on the assumption that there will be no additional contributions. As such, protection of principal will be a primary goal.

[1] Represents expected after-tax return and risk using Callan's 2012 Capital Market assumptions applied to the Portfolio Evaluation Benchmark described below.

Long-range Asset Allocation Target

The Trust will have the following long-term asset allocation target.

Fixed Income 60%
Equity 40%

The long-range asset allocation target will be applicable to the long-term investable assets net of any set-asides and liquidity reserves. This asset allocation was established through quantitative and qualitative assessments of the returns and risks available in the capital markets over long-term periods as well as the diversification available from using multiple asset classes. While an investment program consisting entirely of fixed income would demonstrate the least volatility of any asset allocation considered, a quantitative study performed by the Trust's investment consultant on similar Trusts demonstrated that the probability of exhausting Trust assets in advance of paying claims as planned was minimized by introducing an equity allocation into the portfolio. Allocations to each of the asset classes will be further diversified and tailored to reflect the tax-status of the Trust as described in the "Investment Practices" section of this policy.

Maintenance of the Strategic Asset Allocation

Target Mix With Ranges

	Low	Target	High
Fixed Income	**50%**	**60%**	**80%**
Equity	**20%**	**40%**	**50%**

The Trust will from time to time adjust the asset allocation within the designated range based upon the changing cash flow needs of the Trust, claims submitted and projections of future claims. The Trust will deviate from targets during the initial funding stage and over short and intermediate periods in response to liquidity needs, market performance, and the cost of asset allocation adjustments including transactions costs and the taxation of transactions. Deviations from the target allocation beyond the low or high allocations defined in the table above represent significant deviations from the return and risk characteristics of the target allocations and will prompt the Trustees to consider moving the allocations back toward the target allocation.

The target allocation is to be reviewed at least annually for presentation to the Trustees and Executive Director, for reasonableness relative to significant economic and market changes or to changes in the Trust's long-term goals and objectives. A formal asset allocation study should be conducted at least every three years to verify or amend the targets.

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Portfolio Evaluation Benchmark

To monitor the total fund result, a special target index was constructed to measure the target mix. This serves as a minimum performance objective for the Trust. This target mix consists of the following sub-components.

- **40% consisting of approximately the following mix**
  - **25% Standard & Poor's 500 Stock Index**
  - **25% Russell 3000 Index**
  - **16.66% MSCI ACWI ex-US Index**
  - **16.67% Russell 3000 Value Index**
  - **16.67% Custom Blended Benchmark consisting of 25% 3 - Month Treasury Bills, 25% 10-Year Treasury Bonds, 25% S&P 500 Index, 25% NAREIT Index.**
- **60% consisting of a blend of the following, weighted to maximize the after tax benefit to the trust**
  - **Barclays Capital 1-10 Year Municipal Bond Index**
  - **Custom Blended Benchmark consisting of Barclays Capital Intermediate Government Index, Barclays Capital Intermediate Credit Index, Barclays Mortgage Index.**
  - **BC 1-3 Year Government Index**

Individual investment managers will be measured against each sub-index and not against this total fund objective. However, it is expected that the sum of their efforts will exceed the trust objective over time.

Manager Evaluation

Investment managers will be measured relative to an appropriate market index. A market index is assigned to each Manager and is intended as a guide for the investment manager to understand the risk/reward posture of their portfolio. Managers have full discretion to manage the risk posture of their portfolios relative to their designated market index and may, with conviction and appropriate expertise, execute security strategies not reflected by their market index as long as they conform to the investment guidelines.

Trustees or Executive Director may, at either's discretion, also evaluate the investment managers relative to peer groups of managers with similar investment styles. These evaluations will take into account the exceptional nature of the Trust investment manager mandates including but not limited to custom benchmarks and the unique tax situation of the Trust.

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Review of Investments

There shall be a continual review of the investments under management by Callan Associates (Consultant). The Trustees, consultant and/or the Executive Director shall confer with the investment managers regarding investment performance, market environment and other issues as required. Each investment manager shall report pertinent data to Trust and custodian at least monthly. All legal, organizational and personnel related developments will be reported to the client and consultant as soon as practicable.

Consultant will meet with the Trustees, Executive Director, and other Trust representatives as requested by the Trustees, to review performance of the Trust and individual managers quarterly. These reviews will be conducted in the context of these guidelines.

Investment Practices

Investments will be prudent and consistent with the best investment practices, and in compliance with Trust documents including but not limited to Article 3 of the Thorpe Insulation Company Asbestos Settlement Trust as amended.

- No more than 45% at cost or 50% at market value of total Trust assets may be invested in equities with the balance invested in Fixed Income securities or cash equivalents.
- 10% of the Trust's assets may be invested in debt securities that are non-rated or below investment grade as long as those securities are in a diversified and managed portfolio of bonds and/or stock.
- The percentage of the Trust assets (debt and equity) invested in any one company is limited to 5% at market with the exception of debt securities or other instruments issued or fully guaranteed as to principal and interest by the United States of America or any agency or instrumentality thereof. The Trust does not include cash equivalents in the calculation of maximums allowed for certain types of securities.
- Cash flow, other than an automatic withdrawal of the income on a monthly basis, may be required to maintain the long-range asset allocation target and to satisfy claim liabilities.

A. Equity

Excluding any securities issued by the Debtors, the Trust shall not acquire or hold, directly or indirectly, any common or preferred stock, convertible securities, REITS,'s or Royalty Trusts ("Stock") unless such stock is included in a diversified and managed portfolio or portfolios which include various industry sectors.

1. S&P 500 Index Strategy

- The objective of the S&P 500 index strategy is to tax-efficiently track the **S&P 500 Index**, with a tracking error (defined as annualized standard deviation of the portfolio's monthly returns relative to the S&P 500) of 100 basis points or less. The percent ownership of any company is limited to 5% of market value, unless the

company's representation in the S&P 500 Index is greater than 5%. If the company's representation in the S&P 500 Index is greater than 5%, then the portfolio can hold up to that percentage, subject to a 10% limit.

2. Opportunistic Equity Strategy

- The objective of the opportunistic equity strategy is to provide for long-term growth and additional after-tax returns to the Trust and exceed the **Russell 3000 Index** over a market cycle.
- The percent ownership of any company within this portfolio is limited to 10% of portfolio market value.
- Capitalizations, sector weightings, and portfolio characteristics will be of secondary importance.
- Dividends and capital gains are of similar importance. The primary objective for pursuing dividends will be to stabilize returns.
- Portfolio turnover should be kept at a minimum to defer the recognition of capital gains and the payment of taxes.

3. International Equity Strategy

- The objective of the international equity strategy is to provide an additional source of long-term growth and after-tax returns to the Trust and exceed the **MSCI ACWI ex-US Index** over a full market cycle.
- The actively managed international equity portfolio must be diversified by country, region, industry and security. The percent ownership of any company within this portfolio is limited to 5% of the portfolio's market value. In addition exposure to Emerging Markets is limited to 35% of market value.

4. Yield Oriented Equity Strategy

- The objective of the Yield Oriented Equity strategy is to provide an additional source of long-term growth and after-tax returns to the Trust and exceed the **Russell 3000 Value** index over a full market cycle.
- The actively managed portfolio will invest predominantly in common stocks of companies listed in the United States. These common stocks in aggregate should exhibit a higher yield than that offered by the broad market, as measured by the S&P 500.

5. Equity Income Strategy

- The objective of the equity income strategy is to maximize income and/or growth in income by investing in securities which may include common stocks, convertible bonds, preferred stocks, REITS, royalty trusts, and

bonds, including high yield debt securitie s. Lim its include the equity limits of the Trust and the non investment grade bond limits of the Trust as well as the individual limits on ownership of any one company's equity or debt. The percent ownership of any company within th is portf olio is limited to 10% of the portfolio's market value. No m ore than 50% of the portfolio can be invested in fixed income securities rated below investment grade. This actively m anaged portfolio is exp ected to exc eed the returns of a **custom blended benchmark consisting of 25% 3-Month Treasury Bills, 25% 10-Year Treasury Bonds, 25% NAREIT Index, and 25% S&P 500**.

B. U.S. Fixed-Income

Allowable securities are as follows:

- U.S. Treasury and agency securities
- Agency and non-agency m ortgage-backed securities backed by loans secured by residential, multifamily and comm ercial pr operties in cluding but no t lim ited to p ass-throughs, C MOs, REMICs, CMBS, project loan s, construction loans and adjustable rate mortgages
- Obligations of domestic and foreign corporations
- Asset backed securities
- Municipal bonds, both taxable and tax-exempt
- Municipal pre-refunded bonds backed by U. S. Treasury or Agency Securities Municipal inflation protected securities (MIPS)
- Preferred stock, including non-convertible preferred stock such as bank trust preferreds
- Money market instruments rated A-1 or P-1 or better at time of purchase
- Repurchase obligations as long as, in the opi nion of the Trustees and asset m anager, they are adequately collateralized
- Obligations of foreign governments and supra-national organizations
- Obligations of domestic and foreign commercial banks
- 144A securities including issues in the corporate, mortgage and asset-backed sectors
- CDs may be held as long as all of the publicly held long-term debt securities, if any, of the issuing entity are rated investment grade (see credit criteria below) or above.
- Non investm ent grade bonds subject to an ove rall limit of 10% of Trust's assets and within a managed and diversified portfolio.

Credit Criteria

- To be deem ed investment grade, securities must be rated investm ent grade or better at the time of purchase by a na tionally recognized rating ag ency (Moody's, Standard & Poors and F itch). Split rated securities sh all be assumed to ha ve the higher credit grade.
- If a portfolio holding is downgraded to belo w investment grade and the holding is in a portfolio w hich is not perm itted to purcha se below inv estment gra de secur ities,

manager shall promptly notify the Trust and provide an evaluation and recommended plan of action.

1. **Municipal Bond Crossover Portfolio**

   - The portfolio's investment objective is to provide an after-tax total rate of return that exceeds the after-tax total return of the **Barclays Capital 1-10 Year Municipal Bond Index.**
   - The portfolio will have a targeted duration of approximately +/-40% around the benchmark.
   - With the exception of Treasury, Agency debentures, pass-throughs or REMICs, no more than 5% of the portfolio may be invested in securities of a single issuer.
   - 15% maximum in BBB rated securities.
   - Securities must be rated investment grade at time of purchase. Non-rated, pre-refunded bonds fully backed by U.S. Treasury and Agency Securities are exempt from this restriction.

2. **Taxable Fixed Income Portfolio**
   - The portfolio's objective is to invest in the short to intermediate portion of the yield curve and to outperform the target benchmark.
   - The portfolio's **custom blended benchmark consists of 30% Barclays Capital Intermediate Government Index, 40% Barclays Capital Intermediate Credit Index, and 30% Barclays Capital Mortgage Index**.
   - The portfolio will have a targeted duration of approximately +/-25% around the benchmark.
   - No more than 5% of the portfolio may be invested in securities of a single issuer, with the exception of the U.S. Treasury, agency and agency mortgage issues.
   - The weighted average credit quality of the portfolio shall be maintained at a minimum of Aa3 by Moody's and/or AA- by Standard and Poor's or Fitch.
   - Securities must be rated investment grade at time of purchase.

3. **Short Duration Enhanced Cash Portfolio**
   - The portfolio's objective is to provide a high level of liquidity and preserve principal. Adding incremental yield is a secondary objective.
   - Benchmark is the **BC 1-3 Year Government Index.**

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- No more than 5% of the portfolio may be invested in securities of a single issuer, with the exception of the U.S. Treasury and U.S. Agency debt.
- The portfolio's duration will not exceed 130% of the index's duration.
- Portfolio's weighted average credit quality must be at least Aa2 by Moody's and/or AA by Standard and Poor's or Fitch.
- All securities must be rated investment grade and have a final maturity less than or equal to 5 years from time of purchase. No more than 15% of the portfolio can be rated less than A-, or its equivalent.
- Portfolio level spread duration can not exceed 2 years.

C. Derivatives Policy

Derivatives shall be held for the purposes of hedging, cost reduction and liquidity enhancement only. Derivatives shall not be used for speculative purposes.

- No leverage shall be introduced through the use of derivatives
- The Trust shall not acquire or hold any options

D. Other Investments

Pursuant to Section 3.2 (d) of the Trust Agreement as Amended, in order to achieve the overall after tax real rate of return Trust Investment objective and to meet other Trust objectives, the Trust may under conditions and terms satisfactory to the Trustees, acquire securities or other instruments issued by any person not otherwise defined in this Investment Policy ("Other Investments"), provided however that the aggregate market value of all such Other Investments after acquisition do not exceed five percent of the aggregate value of the Trust Estate.

Proxy Voting Guidelines

Investment managers employed by the Trust are required to vote proxies with the primary objective of maintaining and advancing the economic value of the Trust. Investment managers should work with the Trust custodian to ensure timely receipt of proxies. Investment managers should have specific guidelines and institute a regular review process for voting proxies.

Guidelines for Manager Selection

The Trustees and Executive Director, with the assistance of the Futures Representative and Chair of the TAC, if desired by the Trustees, will select appropriate investment managers to manage the Trust's assets. This selection process shall include the establishment of specific search criteria, and documentation of analysis and due diligence on potential candidates. All manager candidates must meet the following minimum criteria:

(1) Be a bank, insurance company, investment management company, or investment adviser as defined by the Registered Investment Advisers Act of 1940.

(2) Provide historical quarterly performance numbers calculated on a time-weighted basis, based on a composite of all fully discretionary accounts of similar investment style.

(3) Provide performance evaluation reports prepared by an objective third party that illustrate the risk/return profile of the manager relative to other managers of like investment style.

(4) Provide detailed information on the history of the firm, key personnel, key clients, fee schedule, and support personnel and demonstrate financial and professional staff stability.

(5) Clearly articulate the investment strategy that will be followed and document that the strategy has been successfully adhered to over time.

(6) All investment manager candidates are expected to comply with all laws, regulations, and standards of ethical conduct.

Trustees

Fiduciary and Investment Responsibilities of the Trustees:

- Maintain overall responsibility for financial management of the Trust including the investment of Trust assets consistent with all Trust documents
- Determine the asset allocation of Trust assets through the Investment Policy Statement and investment manager guidelines
- Use “prudent experts” to assist in making investment decisions
- Control investment expenses
- In recognition of their fiduciary duties, the Trustees must act in good faith and not allow their personal interests to prevail over that of the Trust

EXHIBIT 4

FOURTH AMENDMENT TO AND COMPLETE RESTATEMENT OF THORPE INSULATION COMPANY ASBESTOS PERSONAL INJURY SETTLEMENT TRUST DISTRIBUTION PROCEDURES

FOURTH AMENDMENT TO AND COMPLETE RESTATEMENT OF THORPE INSULATION COMPANY ASBESTOS PERSONAL INJURY SETTLEMENT TRUST DISTRIBUTION PROCEDURES

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FOURTH AMENDMENT TO AND COMPLETE RESTATEMENT OF THORPE INSULATION COMPANY ASBESTOS PERSONAL INJURY SETTLEMENT TRUST DISTRIBUTION PROCEDURES

The Thorpe Insulation Company Asbestos Personal Injury Settlement Trust Distribution Procedures ("TDP") contained herein provide for satisfying all asbestos-related personal injury and death claims ("Asbestos Claims") caused by conduct of, and/or exposure to asbestos-containing products for which, Thorpe Insulation Company and/or Pacific Insulation Company (collectively, "Thorpe"), its predecessors, successors, and assigns have legal responsibility (hereinafter for all purposes of this TDP defined as "Trust Claims"), as provided in and required by the Thorpe Insulation Company Plan of Reorganization ("Plan") and the Thorpe Insulation Company Asbestos Personal Injury Settlement Trust Agreement ("Trust Agreement"). The Plan and Trust Agreement establish The Thorpe Insulation Company Asbestos Personal Injury Settlement Trust ("Trust"). The Trustees of the Trust ("Trustees") shall implement and administer this TDP in accordance with the Trust Agreement. Capitalized terms used herein and not otherwise defined shall have the meanings assigned to them in the Plan.

SECTION I

Introduction

1.1 Purpose. This TDP has been adopted pursuant to the Trust Agreement. It is designed to provide fair and equitable treatment for all Trust Claims that may presently exist or may arise in the future in substantially the same manner.

1.2 Interpretation. Except as expressly provided below, nothing in this TDP shall be deemed to create a substantive right for any claimant. The rights and benefits expressly provided herein to holders of Trust Claims shall vest in such holders as of the Effective Date.

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SECTION II

Overview

2.1 Trust Goals. The goal of the Trust is to treat all similarly situated claimants, present and future, equitably. This TDP furthers that goal by setting forth procedures for processing and paying Trust Claims generally on an impartial, first-in-first-out ("FIFO") basis, with the intention of paying all claimants over time as equivalent a share as possible of the Thorpe several share of the value of their claims based on the level of settlements, verdicts or judgments historically received for substantially similar claims litigated under state tort law (the "Tort System"). To this end, the TDP establishes for unliquidated claims in the Case Valuation Matrix ("Matrix"), attached hereto as Appendix I, a schedule of five asbestos-related diseases ("Compensable Diseases"), which have presumptive medical and exposure requirements ("Medical/Exposure Criteria"), criteria for establishing liquidated values ("Matrix Values"), anticipated average values ("Average Values"), and caps on liquidated values ("Maximum Values"). The Compensable Diseases, Medical/Exposure Criteria, Matrix Values, Average Values and Maximum Values, which are set forth in the attached Matrix, have all been selected and derived with the intention of achieving a fair allocation of the Trust funds as among claimants suffering from different disease processes in light of the best available information, considering the settlement, verdict and/or judgments that claimants would receive in the Tort System for the Thorpe several share absent the bankruptcy. The TDP also provides mechanisms for the treatment and payment of Liquidated Claims.

2.2 Trust Claim Liquidation Procedures. Trust Claims shall be processed based on their place in the FIFO Processing Queue to be established pursuant to Section 5.3 below. The Trust shall liquidate all Trust Claims that meet the presumptive Medical/Exposure Criteria in accordance with the Matrix. Claims that do not meet the presumptive Medical/Exposure

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Criteria for the relevant Compensable Disease may undergo the Trust's Individual Review Process described in the Matrix. In such a case, notwithstanding that the claim does not meet the presumptive Medical/Exposure Criteria for the relevant Compensable Disease, the Trust can offer the claimant an amount up to the Average Value as defined in the Matrix of that Compensable Disease if the Trust is satisfied that the claimant has presented a claim that would be cognizable, valid and compensable in the Tort System.

All unresolved disputes over a claimant's medical condition, exposure history and/or the liquidated value of the claim shall be subject to binding or non-binding arbitration, at the election of the claimant, under the Arbitration Rules. Disputes with the Trust that cannot be resolved by non-binding arbitration may enter the Tort System as provided in Sections 5.9 and 7.3 below. However, if and when a claimant obtains a judgment in the Tort System, the judgment will be payable (subject to the Funds Received Ratio, Maximum Annual Payment, Company Category Claims Payment Ratio and Disease Category Claims Payment Ratio provisions set forth below) as provided in Section 7.4 below.

2.3 Trust Application of the Funds Received Ratio. The Debtor, through the Trust and this TDP, is liable to pay to full amount of the liquidated value of all Trust Claims. The Trust will pay as much of the liquidated value of each Trust Claim as is possible, as described in more detail in section 4.2 below, taking into consideration the net funds received by the Trust to date from all sources ("Funds Received"), including payments by those insurers of Debtors that have settled the Coverage Litigation and paid their share of Debtors' liability, the anticipated present value of future Trust Claims, income taxes, inflation, the anticipated cost of Trust administration and the anticipated return on Trust investments. The Initial Funds Received Ratio will be set by the Trust, with the consent of the TAC and Futures Representative, once the Trust has collected sufficient assets to make the expense and burden on claimants of a distribution

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worthwhile. The Funds Received Ratio will be calculated on the assumption that the Matrix's Average Values will be achieved with respect to existing present claims liquidated under the Matrix and projected future claims.

Upon receipt of additional funds from Debtors' other insurers, the Trust shall review the Funds Received Ratio to determine if there are sufficient funds to adjust that ratio. The Funds Received Ratio shall be adjusted upwards or downwards from time to time by the Trust with the consent of the TAC (as defined in Section 3.1 below) and the Futures Representative (as defined in Section 3.1 below) to reflect then-current estimates of the fair market value of the Trust's assets and the net present value of its liabilities, as well as the estimated value of then-pending and future claims. However, any adjustment to the initial Funds Received Ratio shall be made only pursuant to Section 4.2 below. When the Funds Received Ratio is increased as Debtors' other insurers pay their share of Debtors' liability, claimants who have previously been paid by the Trust will receive a proportional additional payment unless the Trust with consent of the TAC and the Futures Representative concludes that the amount is so modest and the administrative costs and burdens are so great in comparison to the benefits to claimants that such additional payments shall be omitted or deferred. A claimant may only participate in such additional payments which have been approved pursuant to Section 4.2 on or before the later of the following dates: (1) The fifteenth anniversary of the Trust's first payment to the claimant; or (2) the tenth anniversary of the resolution of the Coverage Litigation. If it becomes relevant, the date of resolution of the Coverage Litigation will be determined by the Trust with the consent of the TAC and the Futures Representative.

2.4 Trust's Determination of the Maximum Annual Payment. At any given time and based upon the Funds Received, the Trust shall estimate or model the amount of cash flow anticipated to be necessary over its entire life to ensure that funds will be available to treat all

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present and future claimants as similarly as possible. In each year, the Trust will be empowered to pay out all of the interest earned during the year, together with a portion of its principal, calculated so that the application of Trust funds over its life shall correspond with the needs created by the anticipated flow of claims (the "Maximum Annual Payment"). The Trust's distributions to claimants for that year shall not exceed the Maximum Annual Payment determined for that year; provided, however, that the Maximum Annual Payment limitation shall not apply to any Pre-Petition Liquidated Claims as defined in Section 5.2(a) below because those amounts are known and have already been taken into account in the projected cash flow.

2.5 Trust Claims Disease Category Claims Payment Ratio. Based upon Thorpe's claim settlement history and analysis of present and future claims, a Disease Category Claims Payment Ratio is hereby established. The Trust's determination of the anticipated number and value of future asbestos claims incorporates the historical disease payment ratio. If there is a material deviation from the historical Disease Category Claims Payment Ratio in the actual Trust Claims received by the Trust, there could be an adverse impact on future asbestos claimants as a whole. The Trust, with the consent of the TAC and the Futures Representative, will set the Disease Category Claims Payment Ratio for "Category A" claims, which consist of Trust Claims involving malignant claims that were unliquidated as of the Petition Date, and for "Category B" claims, which are Trust Claims involving non-malignant claims that were similarly unliquidated as of the Petition Date.

In each year, after the determination of the Maximum Annual Payment, the Disease Category Claims Payment Ratio for each category multiplied by the Maximum Annual Payment amount shall be available to pay the respective Disease Category Claims that have been liquidated since the Petition Date.

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In the event there are insufficient funds in any year to pay the liquidated claims in a Disease Category, the available funds within the particular Disease Category shall be paid to the maximum extent to claimants in the particular Disease Category based on their place in the FIFO Payment Queue described in Section 5.3(c) below based upon the date of claim liquidation. Claims for which there are insufficient funds will be carried to the next year where they will be placed at the head of the FIFO Payment Queue. If there are excess funds in either or both Disease Category, because there was an insufficient amount of liquidated claims to exhaust the respective Maximum Annual Payment amount for that Disease Category, then the excess funds for either or both Disease Categories will be rolled over and remain dedicated to the respective Disease Category to which they were originally allocated.

The number and value of the Pre-Petition Liquidated Claims are known and have already been taken into account in determining the Trusts liabilities and cash flow. Thus, the Disease Category Claims Payment Ratios shall not apply to any Pre-Petition Liquidated Claims.

2.6 Adjustments to Forecast. The Trustees, with the consent of the TAC and the Futures Representative, may in a particular year conform the Disease Category Claims Payment Ratio to the revised estimates of future claims by a qualified expert subject to the Fundamental Adjustments described below.

2.7 Fundamental Adjustments. The Disease Category Claims Payment Ratio and its rollover provisions shall be continued absent circumstances, such as a significant change in law or medicine, necessitating amendment to avoid manifest injustice ("Fundamental Adjustment"). The accumulation, rollover and subsequent delay of claims resulting from application of the Disease Category Claims Payment Ratio, shall not, in and of itself, constitute such circumstances, nor may an increase in the numbers of Disease Category B claims beyond those predicted or expected be considered as a factor in deciding whether to reduce the

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percentage allocated to Disease Category A. In considering whether to make any Fundamental Adjustment to the Disease Category Claims Payment Ratio and/or its rollover provisions, the Trustees should also consider the reasons for which the Disease Category Claims Payment Ratio and its rollover provisions were adopted, the settlement history that gave rise to its calculation, and the foreseeability or lack of foreseeability of the reasons why there would be any need to make a Fundamental Adjustment. In that regard, the Trustees should keep in mind the interplay between the Funds Received Ratio and the Disease Category Claims Payment Ratio as it affects the net cash available at any given time to pay to claimants. In any event, no Fundamental Adjustment to the Disease Category Claims Payment Ratio may be made without the consent of the TAC and the Futures Representative pursuant to the consent process set forth in Section 2.2(f) of the Trust Agreement. However the Trustees may offer the option of a reduced payment to either Disease Category for any or all Company Categories in return for prompter payment (the "Reduced Payment Option"), after first obtaining the consent of the TAC and the Futures Representative as described above.

2.8 Trust Indemnity and Contribution Claims. As set forth in Section 5.6 below, Trust Claims for indemnity and contribution (if any) will be subject to the same categorization, evaluation, and payment provisions of this TDP as all other Trust Claims.

SECTION III

TDP Administration

3.1 Trust Advisory Committee and Futures Representative. Pursuant to the Plan and the Trust Agreement, this TDP will be administered by the Trustees in consultation with a five-member Trust Advisory Committee ("TAC"), that represents the interests of holders of present Trust Claims, and a Legal Representative for Future Asbestos-Related Claimants ("Futures Representative"), who represents the interests of holders of Trust Claims that will be

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asserted in the future. The Trustees shall obtain the consent of the TAC and the Futures Representative to any amendments to these Procedures pursuant to Section 8.1 below, and to such other matters as are otherwise required below and in Section 2.2(f) of the Trust Agreement. The Trustees shall also consult with the TAC and the Futures Representative on such matters as are provided below and in Section 2.2(e) of the Trust Agreement. The initial members of the TAC and the initial Futures Representative are identified in the Trust Agreement.

3.2 Consent and Consultation Procedures. In those circumstances in which consultation or consent is required, the Trustees will provide written notice to the TAC and the Futures Representative of the specific amendment or other action that is proposed. The Trustees will not implement such amendment nor take such action unless and until the parties have engaged in the consultation process described in Section 2.2(e), or the Consent Process described in Sections 5.6 and 6.6 and if necessary, 5.7 and 6.7 of the Trust Agreement.

SECTION IV

Funds Received Ratio; Periodic Evaluations

4.1 Uncertainty of Thorpe's Asbestos Claim Liabilities. As discussed above, there is inherent uncertainty regarding Thorpe's total Asbestos Claim liabilities, as well as the total value of the Funds Received available to pay such claims. Consequently, there is inherent uncertainty when or if the Trust will be able to pay the full amount of the liquidated amount of Trust Claims. To seek to ensure substantially equivalent treatment of all present and future claims, the Trustees must determine from time to time the Funds Received Ratio of the full liquidated value that holders of Trust Claims will be likely to receive absent receipt of additional payments on behalf of the Debtors for Debtors' liability to pay the full liquidated value, as described in Section 2.3 above and Section 4.2 below.

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4.2 Computation of Funds Received Ratio. The Initial Funds Received Ratio will be set by the Trust, with the consent of the TAC and Futures Representative, once the Trust has collected sufficient assets to make the expense and burden on claimants of a distribution worthwhile. The Funds Received Ratio will be calculated on the assumption that the Matrix's Average Values will be achieved with respect to existing present claims liquidated under the Matrix and projected future claims. The Funds Received Ratio shall be revised if and when material additional funds are received, subject to the terms of this TDP and the Trust Agreement. In addition, the Funds Received Ratio shall be revised if the Trustees determine, with consent of the TAC and the Futures Representative, that an adjustment is required. Commencing on the first day of January, after the Plan has been Confirmed, the Trustees shall reconsider the then applicable Funds Received Ratio to assure that it is based on accurate current information and may, after such reconsideration, change the Funds Received Ratio if necessary with the consent of the TAC and the Futures Representative. Thereafter, no less frequently than once every three years, commencing with the first day of January occurring after the Plan is consummated, the Trustees shall reconsider the then applicable Funds Received Ratio to assure that it is based on accurate, current information and may, after such reconsideration, change the Funds Received Ratio if necessary with the consent of the TAC and the Futures Representative. The Trustees shall also reconsider the then applicable Funds Received Ratio at shorter intervals if they deem such reconsideration to be appropriate or if requested to do so by the TAC or the Futures Representative. The Trustees must base their determination of the Funds Received Ratio on Funds Received, the current estimates of the number, types, and values of present and future Trust Claims, the value and liquidity of the assets then available to the Trust for their payment, all anticipated administrative and legal expenses, and any other material matters that are reasonably likely to affect the sufficiency of funds to pay a comparable percentage of the full

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value of liquidated claims to all holders of Trust Claims. When making these determinations, the Trustees shall exercise common sense and flexibly evaluate all relevant factors. The Funds Received Ratio applicable to one category of claims may not be reduced to alleviate delays in another category claims' payments caused by a backlog in that category. All claims will receive the same Funds Received Ratio then in effect at the time of payment subject to provisions of Section 4.3.

4.3 Applicability of the Funds Received Ratio. No holder of a Trust Claim shall receive a payment that exceeds the Trust's determination of the then existing Funds Received Ratio unless a Reduced Payment Option applies. If a redetermination of the Funds Received Ratio has been proposed in writing by the Trustees to the TAC and the Futures Representative but has not yet been adopted, the claimant shall receive the lower of the current Funds Received Ratio or the proposed Funds Received Ratio. However, if the proposed Funds Received Ratio was the lower amount but is not subsequently adopted, the claimant shall thereafter receive the difference between the lower proposed amount and the higher current amount. Conversely, if the proposed Funds Received Ratio was the higher amount and is subsequently adopted, the claimant shall thereafter receive the difference between the lower current amount and the higher adopted amount.

SECTION V

Resolution of Trust Claims

5.0 General Requirements. Subject to the requirements of Section 5.11 below, all Trust Claims shall be resolved as set forth in this TDP and the Claims Matrix.

5.1 Threshold Requirement for Submitting a Claim to the Trust. If a Claimant or Injured Person has commenced litigation seeking compensation for asbestos-related injuries or death that are the subject of a claim in a court where one or more of the Debtors liable for such

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claim was subject to *in personam* jurisdiction as of October 15, 2007, then that jurisdiction shall determine which limitations period shall be used subject to the exceptions stated herein. If multiple pre-petition lawsuits in different jurisdictions naming one or more of the Debtors liable for such claim have been filed for an Injured Person or Claimant, then such Injured Person or Claimant may choose the pre-petition jurisdiction (from among the different jurisdictions in which the pre-petition lawsuits naming one or more of the Debtors liable for such claim were filed for that Injured Party or Claimant, so long as in personam jurisdiction existed) in which the limitations period shall be used. If a Claimant does not have a pending lawsuit against one or more of the Debtors at the time of the submission to the Trust, then in lieu of having a tort action filed for purposes of this TDP, the Claimant or Injured Person must submit a verified certification under penalty of perjury, either of counsel based upon counsel's records, or of Claimant or Injured Person stating facts which establish in personam jurisdiction in a court where one or more of the Debtors liable for such claim was subject to in personam jurisdiction as of October 15, 2007 or incorporate a lawsuit which asserts those facts, and therefore such person can meet the jurisdictional requirements of the particular state in which the tort claim would have been timely and properly filed. The Trust shall have the right to contest any such certification. The jurisdiction so certified shall determine which limitations period shall be used subject to the exceptions stated herein.

5.2 Statute of Limitations or Repose for Trust Claims. The statute of limitations and the choice of law determination applicable to claims against the Trust shall be determined by reference to the tort system where a claim against a Debtor was pending on the filing date of these cases, or where such a claim could have been timely and properly filed as asserted by the Claimant or Injured Person.

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5.3 Ordering, Processing and Payment of Claims.

5.3(a) Ordering of Claims.

5.3(a)(1) Establishment of the FIFO Processing Queue. The Trust will order unliquidated claims for processing purposes on a FIFO basis except as otherwise provided herein (the "FIFO Processing Queue"). For all claims filed on or before the date six months after the Effective Date (the "Initial Claims Filing Date"), a claimant's position in the FIFO Processing Queue shall be determined as of the earlier of (i) the date prior to October 15, 2007 "Petition Date" (if any) that the specific claim was either served or filed against Thorpe in a court in which Thorpe could properly have been sued or was actually submitted to Thorpe pursuant to an administrative processing agreement; (ii) the date before the Petition Date that a claim was filed or served against another defendant in the Tort System if at the time the claim was subject to a tolling agreement with Thorpe; (iii) the date after the Petition Date (if any) but before the Effective Date that the claim was filed or served against another defendant in a court in which Thorpe could properly have been sued; or (iv) the date after the Effective Date but on or before the Initial Claims Filing Date that the claim was served or filed with the Trust. Following the Initial Claims Filing Date, the claimant's position in the FIFO Processing Queue shall be determined by the date the claim was filed with the Trust. For all claims filed on the same date, the claimant's position in the FIFO Processing Queue shall be determined by the date of the diagnosis of the asbestos-related disease.

5.3(a)(2) Effect of Statutes of Limitations and Repose. All claims barred by the applicable statute of limitations or repose, as determined in Section 5.2 above, at the Petition Date shall remain barred on and after the Petition Date. All claims not so barred shall be tolled as of the Petition Date to and including April 20, 2012, without the need of

the claimant to take any action whatsoever, including without limitation, filing a Proof of Claim in the Reorganization Cases.

5.3(b) Processing of Unliquidated Trust Claims. Within six months after the establishment of the Trust, the Trustees with the consent of the TAC and the Futures Representative shall adopt procedures for reviewing and liquidating all unliquidated Trust Claims, which shall include deadlines for processing such claims. Such procedures shall also require claimants seeking resolution of unliquidated Trust Claims to first file a Trust Claim form, together with the required supporting documentation, in accordance with the provisions of Sections 6.1 and 6.2 below. It is anticipated that the Trust shall provide an initial response to the claimant within six months of receiving the Trust Claim form. All claims filed with the Trust shall be deemed to be a claim for the highest Compensable Disease for which the claim qualifies at the time of filing, with all lower Compensable Diseases for which the claim then qualifies or may qualify in the future subsumed into the higher Compensable Disease for both processing and payment purposes. Upon filing of a valid Trust Claim form with the required supporting documentation, the claim shall be placed in the FIFO Processing Queue in accordance with the ordering criteria described in Section 5.3(a) above.

The five Compensable Diseases covered by this TDP are set forth in detail in the Matrix attached as Appendix I. The Compensable Diseases, Matrix Values, and Medical/ Exposure Criteria shall apply to all unliquidated claims filed with the Trust.

As a general practice, the Trust will review its claims files on a regular basis and notify all claimants whose claims are likely to come up in the FIFO Processing Queue in the near future.

5.3(c) Payment of Claims. Trust Claims shall be paid in FIFO order based on the date their liquidation became final (the "FIFO Payment Queue"), all such payments being

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subject to the applicable Funds Received Ratio, Maximum Annual Payment, and Disease Category Claims Payment Ratio, except as otherwise provided herein. For all claims liquidated on the same date, each claimant's position in the FIFO Payment Queue shall be determined by the date of the diagnosis of the claimant's asbestos-related disease.

5.3(d) Adjustment for Inflation. All payments made to holders of Trust Claims shall be adjusted for inflation annually beginning with the first calendar year after the Effective Date.

5.3(e) Post-Petition Interest. No interest shall be paid on any post-petition Trust Claims.

5.4 Resolution of Pre-Petition Trust Claims. As soon as practicable after the Effective Date, the Trust shall pay all Trust Claims that were liquidated by (i) a settlement agreement entered into prior to the Petition Date for the particular claim, or (ii) a judgment of any kind entered on or before October 15, 2007 (collectively, "Pre-Petition Liquidated Claims"). Notwithstanding the foregoing, these payments shall be subject to the limitations set forth below in this section. The liquidated value of a Pre-Petition Liquidated Claim shall be the amount agreed to in the binding settlement agreement, or the amount of the judgment, as the case may be, plus interest, if any, that has accrued on that amount in accordance with the terms of the agreement, if any, or under applicable state law as of the Petition Date; however, pursuant to Section 7.2 below, the liquidated value of a Pre-Petition Liquidated Claim shall not include any punitive or exemplary damages.

Pre-Petition Liquidated Claims shall be processed and paid within 90 days of the Effective Date, if feasible, or as soon thereafter as is possible. The amounts payable with respect to such claims shall not be subject to or taken into account in consideration of the Maximum

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Annual Payment or the Disease Category Claims Payment Ratio, but shall be subject to the Funds Received Ratio provisions set forth in Section 4.2 above.

5.5 Hardship Claims. At any time the Trust may liquidate and pay certain Trust Claims that qualify as Hardship Claims. Such claims may be considered separately no matter what the order of processing otherwise would have been under this TDP. A Hardship Claim, following its liquidation, shall be placed at the head of the FIFO Liquidation Queue for purposes of payment, subject to the Maximum Annual Payment and Disease Category Claims Payment Ratio described above. A Trust Claim qualifies for payment as an Hardship Claim if the Trust, in its sole discretion, determines (a) that the claimant needs financial assistance on an immediate basis based on the claimant's expenses and all sources of available income, and (b) that there is a causal connection between the claimant's dire financial condition and the claimant's asbestos-related disease.

5.6 Contribution Claims. Contribution Claims that are asserted against the Trust based upon theories of contribution or indemnification under applicable law may not be processed or paid by the Trust (a) unless such claim would not be disallowed by Section 502(e) of the Code if the Trust were a debtor in a case under the Code, and (b) the holder of such claim (the "Indirect Claimant") establishes to the satisfaction of the Trustees that (i) the Indirect Claimant has paid in full the liability and obligations of the Trust to the direct claimant to whom the Trust would otherwise have had a liability or obligation under these Procedures, (ii) the direct claimant and the Indirect Claimant have forever released the Trust from all liability to the direct claimant, and (iii) the claim is not otherwise barred by a statute of limitations or repose or by other applicable law. In no event shall any Indirect Claimant have any rights against the Trust superior to the rights of the related direct claimant against the Trust, including any rights with respect to the timing, amount or manner of payment.

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The Trust shall not pay any Indirect Claimant unless and until the Indirect Claimant's aggregate liability for the direct claimant's claim has been fixed, liquidated and paid by the Indirect Claimant pursuant to final judgment and not by settlement.

The credit or offset which a co-defendant is entitled in the Tort System for settlement with the trust is the amount of the Trust's Payment to the Claimant shall be (a) the actual amount received to date by the Claimant; or (b) if no funds have yet been received, the amount of the liquidated value agreed to by the Claimant and the Trust, multiplied by the pro rata share in effect at the time the set-off is being applied.

Contribution Claims shall be processed in accordance with procedures to be developed and implemented by the Trustees, which procedures (a) shall determine the validity, allowability and enforceability of such claims; and (b) only then shall otherwise provide the same liquidation and payment procedures and rights to the holders of such claims as the Trust would have afforded the holders of the underlying valid Trust Claims.

5.7 Claim Auditing and Review Procedures.

5.7(a) Claims Audit Program. The Trust with consent of the TAC and Futures Representative shall develop methods for auditing the reliability of evidence reasonably related to the value of the claim, including additional reading of x-rays and verification of pulmonary function tests, as well as the reliability of evidence of exposure to asbestos, including exposure to asbestos-containing products manufactured or distributed by Thorpe, and requesting from claimants or other Trusts, claims materials submitted to other Trusts. In the event that the Trust reasonably determines that any unreliable individual or entity has engaged in a pattern or practice of providing unreliable medical or other evidence to the Trust, it may decline to accept additional evidence from such provider in the future. Further, in the event that an audit reveals that fraudulent information has been provided to the Trust, the Trust may penalize any responsible

claimant or claimant's attorney by disallowing the related Trust Claim or by other means including, but not limited to, requiring the claimant or attorney submitting the fraudulent information to pay the costs associated with the audit and any future related audit or audits, reordering the priority of payment of all affected claimants' Trust Claims, raising the level of scrutiny of additional information submitted from the medical facility or other source, refusing to accept additional evidence from the same, seeking the prosecution of the claimant or claimant's attorney for presenting a fraudulent claim in violation of 18 U.S.C. 152, and seeking Rule 11 sanctions.

5.7(b) Review by the Trust for the benefit of the TAC and Futures Representative. The Trust shall cause a review of the filed claims, paid claims, average payments and disallowed claims by Compensable Disease to be performed bi-annually or upon the request of the TAC or the Futures Representative, sufficient to allow an estimation of the adequacy of the Trust fund to compensate Claimants as compared to the current claims forecast.

5.8 Second Disease Claims.

5.8(a) Second Disease (Malignancy) Claims. The holder of a claim involving a non-malignant asbestos-related disease may file a new claim for a malignant disease that is subsequently diagnosed ("Second Disease Claim"). Any payments to which such claimant may be entitled for such asbestos-related malignancy shall be reduced by the amount paid by the Trust for the non-malignant asbestos-related disease.

5.8(b) Second Disease Judgment Claims. Claimants who received personal injury judgments are allowed to file i) a wrongful death claim, if the claimant subsequently died of an asbestos-related disease; and/or ii) a Second Disease Claim. These claims will be valued, pursuant to the Matrix, at either i) one-half of the otherwise appropriate liquidated value of the wrongful death or Second Disease Claim award from the Trust; or ii) at full value of the new

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claim, wrongful death claim or Second Disease Claim less a dollar for dollar credit on money actually received from the Trust pursuant to Section 5.4 above, as the claimant may elect.

5.9 Arbitration.

5.9(a) Establishment of Arbitration Procedures. The Trust, with the consent of the TAC and the Futures Representative, shall institute Arbitration Rules for resolving disputes concerning the Trust's outright rejection or denial of a claim, or concerning the claimant's medical condition or exposure history for purposes of categorizing a claim. Binding and non-binding arbitration shall also be available for resolving disputes over the liquidated value of a claim. In all arbitrations, the arbitrator shall consider the same medical and exposure evidentiary requirements that are set forth in the Matrix. In the case of an arbitration involving the liquidated value of a claim, the arbitrator shall consider the same valuation factors that are set forth in the Matrix. With respect to all claims eligible for arbitration, the claimant, but not the Trust, may elect either nonbinding or binding arbitration. If the claimant elects non-binding arbitration, claimant will be responsible for 1 /2 of arbitrator's fees and costs. The Arbitration Rules may be modified by the Trust with the consent of the TAC and the Futures Representative. Such amendments may also include adoption of mediation procedures, as well as establishment of an Extraordinary Claims Panel to review such claims pursuant to the Matrix.

5.9(b) Claims Eligible for Arbitration. A claim is eligible for arbitration, if it has been rejected by the Trust, or the Trust has made an offer which was rejected by the claimant. The claimant must notify the Trust of such rejection in writing.

5.9(c) Limitations on and Payment of Arbitration Awards. The arbitrator shall not return an award in excess of the appropriate Matrix Value for such claim based upon the facts as found by the arbitrator. For an Extraordinary Claim, the arbitrator shall not return an award greater than the Maximum Extraordinary Value for such a claim as set forth in the Matrix.

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A claimant who submits to arbitration and who accepts the arbitral award will receive payments in the same manner as one who accepts the Trust's original valuation of the claim.

5.10 Litigation. A claimant who elects non-binding arbitration and then rejects the arbitral award retains the right to exit to the Tort System pursuant to Sections 7.3 below. However, a claimant shall be eligible for payment of a judgment for monetary damages obtained in the Tort System from the Trust's available cash only as provided in Section 7.4 below.

5.11 Trust Claims Determined by the Trust to be Covered by Policies Issued by Non-Settling Insurers. The Trustees, with the consent of the TAC and the Futures Representative, may adopt alternative claims handling procedures to those set forth herein to be offered for Trust Claims determined by the Trust to be Covered by Policies Issued by Non-Settling Insurers.

SECTION VI

Claims Materials

6.1 Claims Materials. The Trust shall prepare suitable and efficient claims materials ("Claims Materials"), and shall provide such Claims Materials upon written request. The Trust Claim form to be submitted to the Trust shall include a certification by the claimant or his or her attorney sufficient to meet the requirements of Rule 11(b) of the Federal Rules of Civil Procedure. A copy of the Trust Claim forms to be used by the Trust for Pre-Petition Liquidated Claims and unliquidated Claims will be created with the consent of the TAC and the Futures Representative within three months of the establishment of the Trust. The Trust Claim forms may be changed by the Trust with the consent of the TAC and the Futures Representative. The Trust shall also establish procedures for electronic filing of claims.

6.2 Content of Claims Materials. The Claims Materials shall include a copy of this TDP, such instructions as the Trustees shall approve, and Trust Claim forms. The Trust

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Claim forms shall be submitted with supporting documentation in accordance with the relevant criteria as set forth below and in compliance with Section I of the Matrix. At a minimum, the unliquidated Trust Claim form shall require submission of sufficient information to prove, and any relevant information tending to disprove exposure, disease and damages including:

(a) All relevant information called for in the San Francisco Superior Court General Order 129 Form Interrogatories, Set 1 and Set 2 including the required complete occupational history and identification of other exposures, with the information relevant to exposure used to qualify this claim for the particular category highlighted and the pages tabbed.

(b) If the claimant was involved in any type of asbestos litigation, a complete copy of any litigation interrogatory responses created in support of that claim must be submitted to the Trust regardless of the jurisdiction in which the lawsuit was filed with any information exposures asserted in this claim highlighted and the pages tabbed (or, if applicable, noting that the interrogatories contain no reference to exposures asserted in this claim). In addition, the claimant who was involved in any type of asbestos litigation must identify all prior depositions of the claimant and produce them upon request.

(c) If the Claimant is utilizing the Trust Approved Interrogatories (set forth on the Trust Web site), portions of litigation interrogatories that were amended after the litigation was concluded or declarations to establish the Trust Claim, the responses and/or declarations must meet the following requirements:

(i) The interrogatories and/or declarations must be verified or made by a person who is competent to testify to the information stated in the interrogatories and/or declarations and the person must have personal direct knowledge of the factual information relevant to the claim and the answers and/or declarations must provide sufficient

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background information to explain how the person verifying the interrogatories and/or the declarant(s) acquired the personal direct knowledge of factual matters relevant to this claim, to allow the Trust to determine the credibility of the person verifying the interrogatories and/or the declarants;

(ii) Where the person lacks personal direct knowledge, the answers and/or declarations must provide sufficient information to explain how, when and from what sources the person verifying the interrogatories and/or the declarants acquired any indirect knowledge of factual matters relevant to the claim;

(iii) The interrogatory responses and/or declarant must provide specifics about the claimant's (or claimant's decedent's) exposure and not use boilerplate wording;

(iv) If the person verifying the interrogatories and/or declarants relied upon documents as the basis for the responses given in the interrogatories and/or declarations (i.e. military records, social security records, etc.), those documents must be specifically identified and relevant portions of any such documents included in the supporting documents attached to the claim;

(v) The truth of the facts asserted in the interrogatories must be affirmed or verified under the penalty of perjury and any declarations must be made under penalty of perjury;

(vi) All declarations must be specific to the claim. In appropriate circumstances, the Trust may accept expert opinions pertaining to issues that are of general application and that are relevant to the specific claimant's claim.

(vii) The Trust shall have the right to interview by phone or in person (always with the participation or presence of claimant's counsel), anyone who verifies

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interrogatories, or has provided information to the person verifying the interrogatories or who submits a declaration in support of a claim submitted to the Trust.

(d) Medical records, medical reports and/or death certificates evidencing the claimed disease, with the diagnosis highlighted and the pages tabbed. For lung cancer and other cancer cases, evidence of markers or other factors which would lead to an upward adjustment under the Matrix will be highlighted and the pages tabbed. For Grade I claims, evidence of x-ray and PFT values that would lead to an increased award will be highlighted and the pages tabbed.

(e) For Serious Asbestosis claims, evidence to support this categorization will be highlighted and the pages tabbed.

(f) For an Injured Person seeking a multiplier for an economic loss in excess of the base case amount, an economic report of evidence supporting claimed wage/pension/home services loss, with total claimed loss highlighted and the page tabbed.

(g) For an Injured Person seeking a multiplier for medical expenses in excess of the base case amount, an affidavit summarizing medical expenses, or submission of medical bills to substantiate the total claimed amount.

(h) An endorsed/filed copy of the face page of the complaint or equivalent proof of commencement of litigation if applicable, or alternatively a certification under Section 5.1.

(i) Social Security records, front or identifying face page and portions relevant to facts asserted in connection with the claim of deposition transcript(s), union records, railroad records, military records (including leave records), or any other employment records all highlighted and tabbed. If such records are unavailable, the claimant or

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representative attorney must explain why such records are unavailable and attest that every reasonable effort has been made to obtain them.

6.3 Withdrawal of Claims. A claimant can withdraw a Trust Claim at any time upon written notice to the Trust and file another claim subsequently without affecting the status of the claim for statute of limitations purposes, but any such claim filed after withdrawal shall be given a place in the FIFO Processing Queue based on the date of such subsequent filing. A claim will be deemed to have been withdrawn if the claimant neither accepts, rejects, nor initiates arbitration within six months of the Trust's offer of payment or rejection of the claim. Upon written request and good cause, the Trust may extend this period for an additional six months.

6.4 Filing Fees. There will be a filing fee of $250.00 for each unliquidated claim which will be refunded by the Trust if the claim is allowed. The Trust may waive the refundable filing fee if it is determined that such a fee would create undue hardship for the claimant. The size of the fee will be reviewed by the Trust on a yearly basis.

6.5 Confidentiality of Claimants' Submissions. All submissions to the Trust by a holder of a Trust Claim or a proof of claim form and materials related thereto shall be treated as made in the course of settlement discussions between the holder and the Trust and intended by the parties to be confidential and to be protected by all applicable state and federal privileges, including, but not limited to, those directly applicable to settlement discussions. The Trust will preserve the confidentiality of such claimant submissions, and shall disclose the contents thereof only, with the permission of the holder, to another trust established for the benefit of asbestos personal injury claimants pursuant to section 524(g) of the Bankruptcy Code or other applicable law, to such other persons as authorized by the holder, or in response to a valid subpoena of such materials issued by the Bankruptcy Court or any state or federal Court having personal

jurisdiction over the Trust. Furthermore, the Trust shall provide counsel for the holder a copy of any such subpoena immediately upon being served. The Trust shall on its own initiative or upon request of the claimant in question take all necessary and appropriate steps to preserve said privilege before the Bankruptcy Court or any state or federal Court having personal jurisdiction over the Trust and before those courts having appellate jurisdiction related thereto. Nothing in the TDP, the Plan, or the Trust Agreement expands, limits or impairs the obligation under applicable law of a claimant to respond fully to lawful discovery in an underlying civil action regarding his or her submission of factual information to the Trust for the purpose of obtaining compensation for asbestos-related injuries from the Trust.

SECTION VII

General Guidelines for Liquidating and Paying Claims

7.1 Discretion to Vary the Order and Amounts of Payments in Event of Limited Liquidity. Consistent with the provisions hereof and subject to the FIFO Processing and Liquidation Queues, Maximum Annual Payment, and Disease Category Claims Payment Ratio requirements set forth above, the Trustees shall proceed with due diligence to liquidate valid Trust Claims, and shall make payments to holders of such claims in accordance with this TDP promptly as funds become available and as claims are liquidated, while maintaining sufficient resources to pay future valid claims in substantially the same manner. Because the Trust's income over time remains uncertain, and decisions about payments must be based on estimates that cannot be done precisely, they may have to be revised in light of experiences over time, and there can be no guarantee of any specific level of payment to claimants. However, the Trustees shall use their best efforts to treat similar claims in substantially the same manner, consistent with their duties as Trustees, the purposes of the Trust, the established allocation to Categories A and B, and the practical limitations imposed by the inability to predict the future with precision.

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In the event that the Trust faces temporary periods of limited liquidity, the Trustees may, with the consent of the TAC and the Futures Representative, suspend the normal order of payment and may temporarily limit or suspend payments altogether, and if appropriate, at any time may offer a Reduced Payment Option.

7.2 Punitive Damages. In determining the value of any liquidated or unliquidated Trust Claim, punitive or exemplary damages, i.e., damages other than compensatory damages, shall not be considered or allowed, notwithstanding their availability in the Tort System.

7.3 Suits in the Tort System.

7.3(a) Suits in the Tort System Not Involving Insurers. If the holder of a disputed claim disagrees with the Trust's determination regarding the Compensable Disease of the claim, the claimant's exposure history or the liquidated value of the claim, and if the holder has first submitted the claim to nonbinding arbitration as provided in Section 5.9 above and rejected the resulting arbitration award, the holder may file a lawsuit in the jurisdiction where in personam jurisdiction over Trust can be obtained. Any such lawsuit must be filed by the claimant in his or her own right and name and not as a member or representative of a class. No such lawsuit may be consolidated with any other lawsuit, with the exception of a personal injury or survival claim which may be consolidated with a wrongful death claim brought as a result of the death of the Injured Party. If the claimant was alive at the earlier of the date on which the initial complaint was filed or the date the Trust Claim form was filed, the case will be treated as a personal injury case with all personal injury damages to be considered even if the claimant has died during the pendency of the claim. All defenses (including, with respect to the Trust, all defenses which could have been asserted by Thorpe) shall be available to the Trust at trial and the Trust may waive any defense and/or concede any issue of fact or law; provided, however that any such waiver or concession on the part of the Trust waives, to the extent provided by

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applicable law, the Trust's right to tender the defense to, or recoup any monies from, Non-Settling Insurers that may have otherwise had coverage liability under their applicable Insurance Policies with respect to such claim.

7.3(b) Suits in the Tort System Involving Insurers. An insurer as to which the Trust asserts coverage liability in respect to the claim of a claimant filing a lawsuit consistent with the provisions of this Section (a "Litigation Claim"), which insurer continues to be entitled under the terms of its policies and applicable state law to control or participate in the resolution of such claim against the Debtors or the Trust, shall have the right to control or participate in the resolution of the Litigation Claim according to the policy language in the insurer's applicable Insurance Policy and applicable law so long as it continues to be prosecuted in a court of law.

7.4 Payment of Judgments for Money Damages. If and when a claimant obtains a judgment in the Tort System, the claim shall be placed in the FIFO payment queue based on the date on which the judgment became final. Thereafter, the claimant shall receive from the Trust an initial payment (subject to the Funds Received Ratio, the Maximum Annual Payment and Disease Category Claims Payment Ratio provisions set forth above) of an amount equal to one-hundred percent (100%) of the lesser of a) the jury award or b) the greater of (i) the Trust's last offer to the claimant or (ii) the award that the claimant declined in non-binding arbitration. The claimant shall receive the balance of the judgment, if any, in ten (10) equal installments in years six (6) through fifteen (15) following the year of the initial payment (also subject to the Funds Received Ratio, the Maximum Annual Payment, and Disease Category Claims Payment Ratio provisions set forth above). Under no circumstances shall interest be paid under otherwise applicable law on any judgments obtained in the Tort System post-petition.

7.5 Releases. The Trustees shall have the discretion, with the consent of the TAC and Futures Representative, to determine the form and substance of the releases to be provided to

the Trust in order to maximize recovery for claimants against other tortfeasors without increasing the risk or amount of claims for indemnification or contribution from the Trust. The Release utilized by the Trust shall include all Personal Injury, Wrongful Death, and/or Derivative claims related to the Injured Party, with the exception of the Second Disease Claims, as described above in Section 5.8. As a condition to making any payment to a claimant, the Trust shall obtain a general, partial, limited, or other release as appropriate in accordance with the applicable state or other law. If allowed by state law, the endorsing of a check or draft for payment by or on behalf of a claimant shall constitute such a release.

7.6 Third-Party Services. Nothing in this TDP shall preclude the Trust from contracting with another asbestos claims resolution organization to provide services to the Trust so long as decisions about the categorization and liquidated value of Trust Claims are based on the relevant provisions of this TDP, including the Compensable Diseases, Matrix Values, Average Values, Maximum Values, and Medical/Exposure Criteria set forth in the Matrix.

7.7 Trust Disclosure of Information. Periodically, but not less often than once a year, the Trust shall make available to claimants and other beneficiaries, a statistical summary of the number of claims by Compensable Diseases that have been resolved by settlement, arbitration or trial by jurisdiction.

SECTION VIII

Miscellaneous

8.1 Amendments. Except as otherwise provided herein, the Trustees may amend, modify, delete, or add to any provisions of this TDP (including, without limitation, amendments to conform this TDP to advances in scientific or medical knowledge or other changes in circumstances), provided they first obtain the consent of the TAC and the Futures Representative pursuant to the Consent Process set forth in Sections 5.6 and 6.6 and, if necessary, Sections 5.7

and 6.7 of the Trust Agreement, except that the right to amend the Disease Category Claims Payment Ratio provisions set forth above) are governed by the restrictions in Section 2.5 above, and the right to adjust the Funds Received Ratio as governed by Section 4.2 above.

8.2 Severability. Should any provision contained in this TDP be determined to be unenforceable, such determination shall in no way limit or affect the enforceability and operative effect of any and all other provisions of this TDP. Should any provision contained in this TDP be determined to be inconsistent with or contrary to Thorpe's obligations to any insurance company providing insurance coverage to Thorpe in respect of claims for personal injury based on Thorpe Exposure, no payment shall be made by the Trust in respect of any such claim from proceeds from said insurance coverage.

8.3 Governing Law. This TDP shall be governed by, and construed in accordance with, the laws of the State of California, without regard to California conflict of laws principles.

8.4 Attorneys' Fees. Attorneys' fees payable in connection with Trust claims paid through this TDP, whether based on hourly rates or where calculated as a percentage of recovery, shall be the lower of the fee provided in the contract between claimant and counsel or 25% of recovery, exclusive of costs chargeable to the claimant, which costs shall be deducted from the gross amount paid before computation of fees. This recovery shall be measured by the actual payments from the Trust to the claimant, not the liquidated value of the claim. Legal fees shall be paid as payment to claimants are made by the Trust.

8.5 Trust as Defendant. The holder of an asbestos claim who is a citizen of the State of California has the option to name the Trust as a party defendant where the only claims against the Trust are for Thorpe related personal injury, wrongful death or derivative claim case filed or served in California. However, the Trust shall not participate in the litigation and shall be removed from all service lists. No payment shall be made to such holder of an asbestos claim

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except as provided by the Matrix and the TDP. In the event a California citizen opts to name the Trust in an action commenced in California state court, the Trust shall not consent to remove the action to any federal court and if requested to do so, shall provide a declaration that it did not consent to any removal. The Trust shall not be required to answer or participate in the litigation and no payment shall be made to such Injured Person except as provided by the TDP and Matrix.

IN WITNESS WHEREOF, the Trustees of the Thorpe Insulation Company Asbestos Settlement Trust have executed this Fourth Amendment to and Complete Restatement of Thorpe Insulation Company Asbestos Personal Injury Settlement Trust Distribution Procedures this 17th day of April, 2014.

TRUSTEES:

By: _____
Dr. Sandra R. Hernandez

By: _____
John F. Luikart

By: _____
Stephen M. Snyder, Managing Trustee

Consented to by:

FUTURES REPRESENTATIVE:

By: _____
The Honorable Charles B. Renfrew (Ret.)

TRUST ADVISORY COMMITTEE:

By: _____
Alan R. Brayton
Its: Chair

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EXHIBIT 5

THIRD AMENDMENT TO AND COMPLETE RESTATEMENT OF THORPE INSULATION COMPANY ASBESTOS SETTLEMENT TRUST CASE VALUATION MATRIX

The Case Valuation Matrix ("Matrix") is designed to approximate Thorpe's several liability (as contrasted with joint and several liability) share of the value of asbestos personal injury and wrongful death claims ("Asbestos Claims") based on the level of settlements, verdicts or judgments historically received for substantially similar claims litigated under state tort law (the "Tort System"). To achieve this goal, historical settlements, verdicts and/or judgments have been evaluated in California where Thorpe performed significant work and had a history of being sued and settling cases. Because Thorpe's insurers have asserted that Thorpe's historical settlement history is confidential, plan proponents have used the average settlement value used in the Western Asbestos Settlement Trust Matrix, adjusted for inflation using the United States Department of Labor Statistics Urban Wage Earners and Clerical Workers index (CPI-W) ("Inflation Adjustment"). Once additional data is available, these settlement values may be adjusted as appropriate to current settlement values using settlement data from Thorpe and derived from other defendants who remained active in the Tort System. Compensable diseases include mesothelioma, lung cancer, other cancers (as defined herein) and two grades of non-malignant asbestos-related disease. The Matrix establishes the minimum criteria which must be met in order to qualify in each disease category.

The following represents the Thorpe several share of the value of Asbestos Claims determined as described above ("Average Value") based upon the above described methodology:

Disease	Average Value for Thorpe Insulation Several Share
Mesothelioma	$597,913
Lung Cancer	$227,281
Other Cancer	$85,575
Grade I Non-Malignancy	$58,827
Grade II Non-Malignancy	$24,892

The Matrix is designed to value cases using base case values. These base case values are then increased and/or decreased by a series of adjustment factors that approximate factors which add or subtract value to cases in the Tort System. The base case values have been derived from the Western Asbestos Settlement Trust Matrix using the Inflation Adjustment. As other information becomes available, these base values may be adjusted:

Disease	Thorpe Insulation Company Base Case Value
Mesothelioma	$315,463
Lung Cancer	$70,794
Other Cancer	$25,442
Grade I Non-Malignancy	$36,661
Grade II Non-Malignancy	$21,193

I. GENERAL CLAIM PROVISIONS

a. **Minimum and Maximum Values.** All claims after being valued at their respective base case value and any appropriate adjustments are subject to the following minimum and maximum values.

(i) **Minimum Value.** Any Injured Person who has submitted an approved claim under a Compensable Disease category and has submitted a Trust Claim form to the Trust

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with all required documentation as outlined in the Trust Distribution Plan and herein, will receive a minimum of 10% of the Average Value of the claim for that disease in the controlling jurisdiction.

(ii) **Maximum Value.** Any Injured Person who has submitted an approved claim under a Compensable Disease category and has submitted a Trust Claim form to the Trust with all required documentation as outlined in the Trust Distribution Plan and herein, will receive a maximum of four times the Average Value of the claim for that disease in the controlling jurisdiction, unless it qualifies as an Extraordinary Claim as defined in Section IX of the Matrix.

b. **Medical Diagnoses.** Any diagnosis of pulmonary asbestosis shall be made by a (i) a Pathologist, who personally reviewed the Injured Person's pathology, or (ii) an Internist, Pulmonologist or Occupational Medicine Physician who actually examined the Injured Person. These findings will be contained in a detailed narrative written report of the examination. All medical diagnoses in the Matrix are required to be made by Board-Certified physicians in appropriate specialties to a level of reasonable medical probability. Specifically, medical reports that only come to a conclusion that findings are "consistent with" asbestos-related disease will not, standing alone, be sufficient to establish compliance with the medical criteria in the Matrix. Medical experts who are not Board-Certified but who meet equivalent medical experience and expertise requirements may be approved by the Trust with the consent of the Trust Advisory Committee ("TAC") and Futures Representative upon application by a Claimant.

c. **Record Review Exception.** Notwithstanding subsection (b) above, in the event that the Trust determines upon adequate showing under penalty of perjury that good cause exists to excuse either (1) personal review of Injured Person's pathology by a Pathologist; and/or (2) actual examination of the Injured Person by an Internist, Pulmonologist or Occupational Medicine Physician, the Trust in its exercise of discretion may permit those medical professionals to submit their diagnosis of pulmonary asbestosis on the basis of a review of the Injured Person's medical records ("Record Review Claim"), provided however, the Maximum Value for any such claim shall be the limit set in Section VIII for Individual Review. Examples of record review claims would be wrongful death actions where no pathology exists, or Injured Persons who are in such extremis or other circumstances exist that no such examination is practicable.

d. **Claimant's Burden to Submit Credible Reliable Claim Information.** Information submitted in support of a claim must comply with recognized medical standards (including but not limited to standards regarding equipment, testing methods, and procedures) and/or legal evidentiary and authenticity standards.

(i) While the Trust will not strictly apply rules of evidence, information provided in support of claims must be reliable and credible so that the Trust and, if needed, ADR neutrals are fully informed regarding the foundations for facts asserted in support of claims. The Trust normally will accept copies instead of authenticated copies of x-ray reports, laboratory tests, medical examinations, other medical records and reviews that otherwise comply with recognized medical and/or legal standards unless circumstances indicate that the copies of the and/or the tests, reports, or review are not authentic or are otherwise unreliable.

(ii) The Trust normally will accept copies instead of authenticated copies of deposition testimony, invoices, affidavits, business records, deck logs, military service records (including leave records) or other credible indirect or secondary evidence in a form otherwise acceptable to the Trust that establishes an Injured Person's occupation, occupational history, business or other losses or the Injured Person's presence at a particular ship, facility, job site, building or buildings or location during a time period in which the asbestos-containing material for which Thorpe is responsible was present, unless circumstances show that the information being submitted is unreliable.

(iii) Examples of unreliable information include where the circumstances raise questions of authenticity of copies or where persons authoring or verifying facts offered in support of a claim lack direct knowledge of such facts but fail to reveal and describe what facts, and how and from what sources they learned those facts, they relied upon as the basis for their assertion of such facts. Under these circumstances, the Trust and any ADR neutrals shall apply the rules of evidence to exclude evidence where the witness or verifying party declines to provide such foundational information, e.g., on grounds that the information relied upon is privileged or confidential.

e. **Trust's Right to Require Additional Evidence.** The Trust may require the submission any other evidence to support or verify a Trust claim, including but not limited to additional exposure information, x-rays, laboratory tests, medical examinations or reviews, medical reports, or other medical evidence all of which must also meet the requirements of Section I (d) above.

f. **Conspiracy Theory Claims Prohibited.** Claims based on conspiracy theories that do not involve exposure to asbestos-containing materials installed or removed by Thorpe are not compensable under this Matrix.

II. MESOTHELIOMA

a. **Base Case** ("M"). The base case value for a Mesothelioma case is referred to in this Agreement as "M". A case will be considered a base case Mesothelioma under this Matrix when it satisfies each of the following criteria:

(i) Injured Person diagnosed with malignant Mesothelioma by a Pathologist, Internist, Pulmonologist or Occupational Medicine Physician;

(ii) Injured Person deceased at commencement of litigation or the time of filing of proof of claim, whichever is earlier;

(iii) Injured Person aged 75 years old at death;

(iv) Injured Person had a spouse;

(v) Injured Person had no other dependents or minor children at time of death;

(vi) Injured Person's loss of earnings, pension, social security and home services total up to, but no more than, $200,000;

(vii) Injured Person's medical and funeral expenses total up to, but no more than, $200,000;

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(viii) Injured Person had Standard Exposure to Thorpe's asbestos-containing products in traditional occupations at traditional shipyard, refinery, power plants or other sites, as defined herein; and

(ix) The Injured Person had at least a 10-year latency period between the date of the first exposure to asbestos and the date of diagnosis of the disease.

(x) **Adjustments.** Certain features of a Mesothelioma case will warrant an adjustment in the liquidated value either above or below the base case Mesothelioma value, as set forth herein. The following adjustments are provided as multipliers of the base case value M. For example, an adjustment of 1.3M for a Living 55 year-old mesothelioma Injured Person indicates that such an Injured Person would receive 1.3 times the base case Mesothelioma value. In situations where numerous adjustments are required for an Injured Person's case, all of the applicable adjustment multipliers shall be multiplied together, and times the base case value M, to determine the liquidated value of the case. For example, an Injured Person who is age 55 (1.3M) and alive at the commencement of litigation or the time of filing of proof of claim, whichever is earlier (1.3M), and who had exposure at what is known to be a high exposure site (1.5M), would be eligible for a liquidated value of 1.3 times 1.3 times 1.5 or 2.535 M times the base case value.

(xi) **Age.** Age shall be determined as of the commencement of litigation or the time of filing of the proof of claim, whichever is earlier. The adjustment factor for age shall be decreased .015 for every year over 75 years of age up to a maximum downward adjustment to .7M, and shall be increased .015 for every year under 75 years of age up to a maximum upward adjustment to 1.4M.

(xii) **Exposure.** The following adjustments are based on exposure in traditional occupations at traditional shipyard, refinery, power plant, or other sites as set forth herein:

Exposure Rating	**Adjustment**
Very high exposure sites, as defined herein	3.0 M
High exposure sites, as defined herein	1.5 M
Standard exposure sites, as defined herein	1.0 M
Low exposure sites, as defined herein	0.5 M
Very Low exposure sites, as defined herein	0.25 M

(xiii) If an Injured Person is living as of the date litigation commences or the proof of claim is filed, whichever is earlier, the Injured Person's case will be adjusted by 1.3 M.

(xiv) If an Injured Person does not have a spouse as of the date litigation commences or the proof of claim is filed, whichever is earlier, the Injured Person's case will be adjusted by .8 M. If an Injured Person has minor children, adult disabled dependent children or dependent minor grandchildren living with the Injured Person at the time of diagnosis, the Injured Person's case will be adjusted by 1.5 M. If an Injured Person can demonstrate to the Trust's satisfaction that he or she has minor children, adult disabled dependent children or

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dependent minor grandchildren not living with the Injured Person but for whom the Injured Person provides support to the same extent as if they were living with Injured Person, then the Injured Person's case may also be adjusted by 1.5 M but not otherwise.

(xv) **Total Economic Loss (excluding medical and funeral expenses).** An Injured Person who has incurred economic losses for loss of earnings, pension, social security and home services in an amount greater than $200,000, shall be adjusted upward .001 for every thousand dollars of economic loss over $200,000, up to a maximum upward adjustment to 2 M. For example, a total economic loss of $500,000 would result in an increase of .3 to 1.3 M. All claimed economic loss over $200,000 must be supported by adequate documentation. Total economic loss shall not include any amount for hedonic damages.

(xvi) **Medical and Funeral Expenses.** An Injured Person who has or will incur medical and funeral expenses in an amount greater than the base Mesothelioma case maximum of $200,000, shall be adjusted upward .001 for every thousand dollars of medical and funeral expenses over $200,000, up to a maximum adjustment to 2M. All claimed medical and funeral expenses over $200,000 must be supported by adequate documentation. Standard future medical expenses are presumed to be $75,000. Future medical expenses exceeding $75,000 require documentation supported by affidavit.

III. LUNG CANCER

a. **Base Case** ("LC"). The base case value for a Lung Cancer case is referred to in this Agreement as "LC". A case will be considered a base case Lung Cancer under this Matrix when it satisfies each of the following criteria:

(i) Injured Person diagnosed with primary lung cancer by a Pathologist, Internist, Pulmonologist or Occupational Medicine Physician who attributes or finds asbestos exposure to be a substantial contributing factor in the development of the primary cancer;

(ii) Injured Person deceased at time of commencement of litigation or the time of filing of the proof of claim, whichever is earlier;

(iii) Injured Person aged 75 years old at death;

(iv) Injured Person had a spouse;

(v) Injured Person had no other dependents or minor children at time of death;

(vi) Injured Person's loss of earnings, pension, social security and home services total up to, but no more than, $200,000;

(vii) Injured Person's medical and funeral expenses total up to, but no more than, $200,000;

(viii) Injured Person had Standard Exposure to Thorpe's asbestos-containing products in traditional occupations at traditional shipyard, refinery, power plant or other sites, as defined herein;

(ix) Injured Person had a 20-80 pack-year history of smoking;

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(x) Injured Person was still smoking at the time of diagnosis, or had quit smoking less than 10 years before diagnosis;

(xi) Injured Person had been not diagnosed with clinical or pathological asbestosis, but Injured Person had both:

(A) A reliable history of exposure to asbestos; and

(B) Evidence of asbestos-related anatomical changes, such as: asbestos-related pleural disease, chest X-ray abnormalities graded 1/0 or higher on the ILO scale attributed to prior asbestos exposure, computed tomography (CT) evidence of interstitial disease attributed to prior asbestos exposure, or asbestos bodies or increased fiber burden indicative of occupational exposure to asbestos; and

(xii) The Injured Person had at least a 10-year latency period between the date of the first exposure to asbestos and the date of diagnosis of the disease.

b. **Adjustments.** Certain features of a Lung Cancer Case will warrant an adjustment in the liquidated value either above or below the base case Lung Cancer value, as set forth herein. The following adjustments are provided as multipliers of the base case value LC. For example, an adjustment of 1.3 LC for a living 55 year-old lung cancer Injured Person **indicates that such an** Injured Person **would receive 1.3 times the base case Lung Cancer value.** In situations where numerous adjustments are required for an Injured Person's case, all of the applicable adjustment multipliers shall be multiplied together, and times the base case value LC, to determine the liquidated value of the case. For example, an Injured Person who is age 55 (1.3 LC) and alive at the commencement of litigation or the time of filing of proof of claim, whichever is earlier (1.3 LC), and who had exposure at what is known to be a high exposure site (1.5 LC), would be eligible for a liquidated value of 1.3 times 1.3 times 1.5 or 2.535 LC times the base case value.

(i) **Age.** Age shall be determined as of the commencement of litigation or the time of filing of the proof of claim, whichever is earlier. The adjustment factor for age shall be decreased .015 for every year over 75 years of age up to a maximum downward adjustment to .7 LC, and shall be increased .015 for every year under 75 years of age up to a maximum upward adjustment to 1.4 LC.

(ii) **Exposure.** The following adjustments are based on exposure in traditional occupations at traditional shipyard, refinery or power plant, or other sites as set forth herein:

Exposure Rating	**Adjustment**
Very high exposure sites, as defined herein	3.0 LC
High exposure sites, as defined herein	1.5 LC
Standard exposure sites, as defined herein	1.0 LC
Low exposure sites, as defined herein	0.5 LC
Very Low exposure sites, as defined herein	0.25 LC

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(iii) If an Injured Person is living as of the date litigation commences or the proof of claim is filed, whichever is earlier, the Injured Person's case will be adjusted by 1.3 LC.

(iv) If an Injured Person does not have a spouse as of the date litigation commences or the proof of claim is filed, whichever is earlier, the Injured Person's case will be adjusted by .8 LC. If an Injured Person has minor children, adult disabled dependent children or dependent minor grandchildren living with the Injured Person at the time of diagnosis, the Injured Person's case will be adjusted by 1.5 LC. If an Injured Person can demonstrate to the Trust's satisfaction that he or she has minor children, adult disabled dependent children or dependent minor grandchildren not living with the Injured Person but for whom the Injured Person provides support to the same extent as if they were living with Injured Person, then the Injured Person's case may also be adjusted by 1.5 LC but not otherwise.

(v) **Total Economic Loss (excluding medical and funeral expenses).** An Injured Person who has incurred economic losses for loss of earnings, pension, social security and home services in an amount greater than the greater than $200,000, shall be adjusted upward .001 for every thousand dollars of economic loss over $200,000, up to a maximum upward adjustment to 2 LC. For example, a total economic loss of $500,000 would result in an increase of .3 to 1.3 LC. All claimed economic loss over $200,000 must be supported by adequate documentation. Total economic loss shall not include any amount for hedonic damages.

(vi) **Medical and Funeral Expenses.** An Injured Person who has or will incur medical and funeral expenses in an amount greater than the base Lung Cancer case maximum of $200,000, shall be adjusted upward .001 for every thousand dollars of medical and funeral expenses over $200,000, up to a maximum adjustment to 2 LC. All claimed medical and funeral expenses over $200,000 must be supported by adequate documentation. Standard future medical expenses are presumed to be $75,000. Future medical expenses exceeding $75,000 require documentation supported by affidavit.

(vii) **Medical Causation.** The following adjustments apply to Injured Persons who have different smoking histories and/or medical findings than those described for the base Lung Cancer case. In no event can any of the adjustments listed below be combined for an overall causation adjustment in excess of 3.0 LC.

Causation Information	**Adjustment**
Pathological diagnosis of asbestosis, or occupational levels of asbestos bodies or asbestos fibers in lung tissue	2.0 LC
Clinical diagnosis of asbestosis (in absence of pathological diagnosis)	1.5 LC
No radiographic evidence of asbestos exposure and no increased fiber burden as a marker of asbestos exposure (Applicable to smokers only)	0.5 LC
Lifetime non-smoker	2.0 LC
1-20 pack-years of smoking	1.2 LC

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Over 80 pack-years of smoking	0.6 LC
Diagnosis over 10 years since Injured Person quit smoking	1.2 LC
Diagnosis over 15 years since Injured Person quit smoking	1.5 LC

IV. OTHER CANCER

a. **Base Case** ("OCA"). The base case value for an Other Cancer case is referred to in this Agreement as "OCA". A case will be considered a base case Other Cancer under this Matrix when it satisfies each of the following criteria:

(i) Injured Person diagnosed with laryngeal, esophageal, kidney, colo-rectal cancer, non-Hodgkin's lymphoma or chronic lymphocytic leukemia by a Pathologist, Internist, Pulmonologist or Occupational Medicine Physician who attributes or finds asbestos exposure to be a substantial contributing factor in the development of the primary cancer;

(ii) Injured Person deceased at commencement of litigation or the time of filing of proof of claim, whichever is earlier;

(iii) Injured Person aged 75 years old at death;

(iv) Injured Person had a spouse;

(v) Injured Person had no other dependents or minor children at time of death;

(vi) Injured Person's loss of earnings, pension, social security and home services total up to but no more than, $200,000;

(vii) Injured Person's medical and funeral expenses total up to, but no more than, $200,000;

(viii) Injured Person had Standard Exposure to Thorpe's asbestos-containing products in traditional occupations at traditional shipyard, refinery, power plant or other sites, as defined herein;

(ix) Injured Person had a 20-80 pack-year history of smoking;

(x) Injured Person was still smoking at the time of diagnosis, or had quit smoking less than 10 years before diagnosis;

(xi) Injured Person not diagnosed with clinical or pathological asbestosis, but Injured Person had both:

(A) A reliable history of exposure to asbestos, and

(B) Evidence of asbestos-related anatomical changes, such as: asbestos-related pleural disease chest X-ray abnormalities graded 1/0 or higher attributed to prior asbestos exposure on the ILO scale, or computed tomography (CT) evidence of interstitial disease attributed to prior asbestos exposure; and

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(xii) The Injured Person had at least a 10-year latency period between the date of the first exposure to asbestos and the date of manifestation of the disease.

b. **Adjustments.** Certain features of an Other Cancer case will warrant an adjustment in the liquidated value either above or below the base case Other Cancer value, as set forth herein. The following adjustments are provided as multipliers of the base case value OCA. For example, an adjustment of 1.3 OCA for a living 55 year-old other cancer Injured Person indicates that such an Injured Person would receive 1.3 times the base case Other Cancer value. In situations where numerous adjustments are required for an Injured Person's case, all of the applicable adjustment multipliers shall be multiplied together and times the base case value OCA, to determine the liquidated value of the case. For example, an Injured Person who is age 55 (1.3 OCA) and alive at the commencement of litigation or the time of filing of proof of claim, whichever is earlier (1.3 OCA), and who had exposure at what is known to be a high exposure site (1.5 OCA), would be eligible for a liquidated value of 1.3 times 1.3 times 1.5 or 2.535 OCA times the base case value.

(i) **Age.** Age shall be determined as of the commencement of litigation or the time of filing of the proof of claim, whichever is earlier. The adjustment factor for age shall be decreased .015 for every year over 75 years of age up to a maximum downward adjustment to .7 OCA, and shall be increased .015 for every year under 75 years of age up to a maximum upward adjustment to 1.4 OCA.

(ii) **Exposure.** The following adjustments are based on exposure in traditional occupations at traditional shipyard, refinery, power plant or other sites, as set forth herein:

Exposure Rating	**Adjustment**
Very high exposure sites, as defined herein	3.0 OCA
High exposure sites, as defined herein	1.5 OCA
Exposure Rating	**Adjustment**
Standard exposure sites, as defined herein	1.0 OCA
Low exposure sites, as defined herein	0.5 OCA
Very Low exposure sites, as defined herein	0.25 OCA

(iii) If an Injured Person is living as of the date litigation commences or the proof of claim is filed, whichever is earlier, the Injured Person's case will be adjusted by 1.3 OCA.

(iv) If an Injured Person does not have a spouse as of the date litigation commences or the proof of claim is filed, whichever is earlier, the Injured Person's case will be adjusted by .8 OCA. If an Injured Person has minor children, adult disabled dependent children or dependent minor grandchildren living with the Injured Person at the time of diagnosis, the Injured Person's case will be adjusted by 1.5 OCA. If an Injured Person can demonstrate to the Trust's satisfaction that he or she has minor children, adult disabled dependent children or dependent minor grandchildren not living with the Injured Person but for whom the Injured

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Person provides support to the same extent as if they were living with Injured Person, then the Injured Person's case may also be adjusted by 1.5 OCA but not otherwise.

(v) **Total Economic Loss (excluding medical and funeral expenses).** An Injured Person who has incurred economic losses for loss of earnings, pension, social security and home services in an amount greater than $200,000, shall be adjusted upward .001 for every thousand dollars of economic loss over $200,000, up to a maximum upward adjustment to 2 OCA. For example, a total economic loss of $500,000 would result in an increase of .3 to 1.3 OCA. All claimed economic loss over $200,000 must be supported by adequate documentation. Total economic loss shall not include any amount for hedonic damages.

(vi) **Medical and Funeral Expenses.** An Injured Person who has or will incur medical and funeral expenses in an amount greater than the base Other Cancer case maximum of $200,000, shall be adjusted upward .001 for every thousand dollars of medical and funeral expenses over $200,000, up to a maximum adjustment to 2 OCA. All claimed medical and funeral expenses over $200,000 must be supported by adequate documentation. Standard future medical expenses are presumed to be $75,000. Future medical expenses exceeding $75,000 require documentation supported by affidavit.

(vii) **Medical Causation.** The following adjustments apply to Injured Persons who have different smoking histories and/or medical findings than those described for the base Other Cancer case. In no event can any of the adjustments listed below be combined for an overall causation adjustment in excess of 3.0 OCA.

Causation Information	**Adjustment**
Pathological diagnosis of asbestosis, or occupational levels of asbestos bodies or asbestos fibers in lung tissue	2.0 OCA
Clinical diagnosis of asbestosis (in absence of pathological diagnosis)	1.5 OCA

Causation Information	**Adjustment**
No radiographic evidence of asbestos exposure and no increased fiber burden as a marker of asbestos exposure	0.25 OCA

For laryngeal, esophageal, kidney other cancers, the following additional adjustments shall be applied:

Causation Information	**Adjustment**
Lifetime non-smoker	2.0 OCA
1-20 pack-years of smoking	1.2 OCA
Over 80 pack-years of smoking	0.6 OCA
Diagnosis over 10 years since Injured Person quit smoking	1.2 OCA
Diagnosis over 15 years since Injured Person quit smoking	1.5 OCA

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(viii) **Other Organ Cancers.** An Injured Person who has not been diagnosed with cancers of the organs described for the base Other Cancer case (i.e., laryngeal, esophageal kidney, colo-rectal cancers, non-Hodgkin's lymphoma and chronic lymphocytic leukemia) may still obtain compensation under this Matrix, if the Injured Person has been diagnosed with a primary cancer of a different organ and a Board-Certified specialist in an appropriate specialty or a Board-Certified occupational medicine physician at the time of the report attributes the malignancy to prior asbestos exposure. An Injured Person's case which meets the criteria set forth above, subject to the Trust's consent, shall be classified as an "Other Organ Cancer" and will be adjusted by .5 OCA.

V. GRADE I NON-MALIGNANCY

a. **Base Case** ("I"). The base case value for a Grade I Non-malignancy Case is referred to in this Matrix as "I". A case will be considered a base case Grade I Non-malignancy under this Matrix when it satisfies each of the following criteria:

(i) Injured Person aged 75 years old;

(ii) Injured Person has a spouse;

(iii) Injured Person has no other dependents or minor children;

(iv) Injured Person's loss of earnings, pension, social security and home services total up to, but no more than, $200,000;

(v) Injured Person's medical and funeral expenses total up to, but no more than, $200,000;

(vi) Injured Person had Standard Exposure to asbestos-products in traditional occupations at traditional shipyard, refinery, power plant or other sites, as defined herein;

(vii) Injured Person satisfies all the following criteria of interstitial lung disease with impairment of lung function:

1. The Injured Person must establish at least a 10-year latency period between the date of the first exposure to asbestos and the date of diagnosis of the disease, and clinical evidence of asbestosis defined in subsection 2;

2. Clinical Evidence of Asbestosis. A diagnosis of pulmonary asbestosis by a Pulmonologist, Internist or Occupational Medicine Physician who actually examined the Injured Person based on the following minimum objective criteria:

(a) Chest X-rays which, in the opinion of a Certified B-reader, show small irregular opacities of ILO Grade 1/0 or greater, or a report from a Pulmonologist, Internist or Occupational Medicine Physician that the Injured Person has evidence of asbestos related interstitial fibrosis on high resolution CT scan; and

(b) Pulmonary Function Testing results demonstrating either:

1) FVC<80% of Predicted Value with FEV-1/FVC≥65% (actual value) if the individual tested is at least 70 years old at the date of testing, ≥70% (actual value) if the individual tested is at least 60 years old but less than 70 years old at the date of testing, and ≥75% (actual value) if the individual tested is less than 60 years old at the date of testing; or

2) TLC<80% of Predicted Value; or

3) DLCO<75% of Predicted Value with FEV-1/FVC≥65% (actual value) if the individual tested is at least 70 years old at the date of testing, ≥70% (actual value) if the individual tested is at least 60 years old but less than 70 years old at the date of testing, and ≥75% (actual value) if the individual tested is less than 60 years old at the date of testing and a statement by a Pulmonologist or an Occupational Medicine Physician stating that the asbestos-related lung disease is the probable explanation for the test result.

3. Pathological Evidence of Asbestosis. A diagnosis of asbestosis by a Pathologist that examined the pathology of the claimant. See also Section I(c) above.

4. Those claims wherein the Injured Person suffers from extensive disabling asbestos-related pleural disease may be submitted to the Individual Review process, as described in Section VIII of this Matrix, provided however such a claim shall not be limited to Average Value and may be awarded up to the Maximum Value for Grade I.

b. **Adjustments.** Certain features of a Grade I Non-malignancy Case will warrant an adjustment in the liquidated value either above or below the base case Grade I Non-malignancy value, as set forth herein. The following adjustments are provided as multipliers of the base case value I. For example, an adjustment of 1.3 I for a 55 year-old Grade I non-malignancy Injured Person indicates that such an Injured Person would receive 1.3 times the base case Grade I Non-malignancy value. In situations where numerous adjustments are required for an Injured Person's case, all of the applicable adjustment multipliers shall be multiplied together and times the base case value I, to determine the liquidated value of the case. For example, an Injured Person who is age 55 (1.3 I) and determined to be an Enhanced Grade I non- malignancy Injured Person as defined in section (vi) herein (1.5 I) and who had exposure at what is known to be a high exposure site (1.5 I), would be eligible for a liquidated value of 1.3 times 1.5 times 1.5, or 2.925 I, times the base case value.

(i) **Age.** Age shall be determined as of the commencement of litigation or the time of filing of the proof of claim, whichever is earlier. The adjustment factor for age shall be decreased .015 for every year over 75 years of age up to a maximum downward adjustment to .7 I, and shall be increased .015 for every year under 75 years of age up to a maximum upward adjustment to 1.4 I.

(ii) **Exposure.** The following adjustments are based on exposure in traditional occupations at traditional shipyard, refinery or power plant, or other sites as set forth herein:

Exposure Rating	**Adjustment**
Very high exposure sites, as defined herein	3.0 I

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High exposure sites, as defined herein	1.5 I
Standard exposure sites, as defined herein	1.0 I
Low exposure sites, as defined herein	0.5 I
Very Low exposure sites, as defined herein	0.25 I

(iii) If an Injured Person does not have a spouse as of the date litigation commences or the proof of claim is filed, whichever is earlier, the Injured Person's case will be adjusted by .8 I. If an Injured Person has minor children, adult disabled dependent children or dependent minor grandchildren living with the Injured Person at the time of diagnosis, the Injured Person's case will be adjusted by 1.5 I. If an Injured Person can demonstrate to the Trust's satisfaction that he or she has minor children, adult disabled dependent children or dependent minor grandchildren not living with the Injured Person but for whom the Injured Person provides support to the same extent as if they were living with Injured Person, then the Injured Person's case may also be adjusted by 1.5I but not otherwise.

(iv) **Total Economic loss (excluding medical).** An Injured Person who has incurred economic losses for loss of earnings, pension, social security and home services in an amount greater than $200,000, shall be adjusted upward .001 for every thousand dollars of economic loss over $200,000, up to a maximum upward adjustment to 2 I. For example, a total economic loss of $500,000 would result in an increase of .3 to 1.3 I. All claimed economic loss over $200,000 must be supported by adequate documentation. Total economic loss shall not include any amount for hedonic damages.

(v) **Medical Expenses.** An Injured Person who has or will incur medical expenses in an amount greater than the base Grade I Non-malignancy case maximum of $200,000, shall be adjusted upward .001 for every thousand dollars of medical and funeral expenses over $200,000, up to a maximum adjustment to 2 I. All claimed medical and funeral expenses over $200,000 must be supported by adequate documentation. Standard future medical expenses are presumed to be $75,000. Future medical expenses exceeding $75,000 require documentation supported by affidavit.

(vi) **Enhanced Grade I Non-Malignancy.** If an Injured Person has evidence of asbestosis of a severity exceeding the following criteria, the liquidated value of that Injured Person's case will be adjusted by 1.5 I.

1. The Injured Person must establish at least a 10-year latency period between the date of first exposure to asbestos and the date of manifestation of the disease, and either clinical or pathological evidence of asbestosis as defined in subsection 2 or 3;

2. Clinical Evidence of Asbestosis. A diagnosis of pulmonary asbestosis by an Internist, Pulmonologist or an Occupational Medicine Physician who actually examined the Injured Person based on the following minimum objective criteria:

Chest X-rays which, in the opinion of a Certified B-reader, show small irregular opacities of ILO Grade 1/1 or greater, or asbestos related interstitial fibrosis on high resolution CT scan; and Pulmonary Function Testing results demonstrating either:

(a) FVC<60% of Predicted Value with FEV-1/FVC≥65% (actual value) if the individual tested is at least 70 years old at the date of testing, ≥70% (actual value) if the individual tested is at least 60 years old but less than 70 years old at the date of testing, and ≥75% (actual value) if the individual tested is less than 60 years old at the date of testing; or

(b) TLC≥70% of Predicted Value; or

(c) DLCO<60% of Predicted Value with FEV-1/FVC≥65% (actual value) if the individual tested at least 70 years old at the date of testing, ≥70% (actual value) if the individual tested is at least 60 years old but less than 70 years old at the date of testing, and ≥75% (actual value) if the individual tested is less than 60 years old at the date of testing and a statement by a Pulmonologist, Internist or an Occupational Medicine Physician at the time of the stating that the asbestos-related lung disease is the probable explanation for the test result; or

(d) VO MAX<20mL (kg•min) or <5.7 METS with FEV-1/FVC≥65% (actual value) if the individual tested is at least 70 years old at the date of testing, ≥70% (actual value) if the individual tested is at least 60 years old but less than 70 years old at the date of testing, and ≥75% (actual value) if the individual tested is less than 60 years old at the date of testing and a statement by a Pulmonologist, Internist or an Occupational Medicine Physician stating that the asbestos-related lung disease is the probable explanation for the test result.

3. Pathological Evidence of Asbestosis. A statement by a Pathologist, Pulmonologist, Internist or an Occupational Medicine Physician that a representative section of lung tissue demonstrates asbestosis as defined by the 1982 report of the Pneumoconiosis Committee of the College of American Pathologists and the National Institute for Occupational Safety and Health including the "demonstration of discrete foci of fibrosis in the walls of respiratory bronchioles associated with accumulations of asbestos bodies", and also that there is no more probable explanation for the presence of the fibrosis than prior asbestos exposure.

(vii) **"Serious asbestosis"** is asbestosis with ILO 2/2 or greater and AMA Class IV Impairment, or where the Injured Person is on oxygen with a report by a Pulmonologist, Internist or an Occupational Medicine Physician that asbestosis is the predominant cause of the need for oxygen. "Asbestosis death" is where asbestosis is listed as the cause or a substantial contributing factor to the death on the death certificate, or where a report from a Pathologist, Pulmonologist, Internist or an Occupational Medicine Physician states that asbestosis was a substantial contributing factor in the death. If an Injured Person has evidence of serious asbestosis or asbestosis death, and exposure to Thorpe products or conduct was a substantial contributing factor in the development of the serious asbestosis or asbestosis death, then the valuation criteria for lung cancer, including the base Lung Cancer case, as defined in (II)(a), shall be utilized to determine the value of the claim. An Injured Party who qualifies for Serious Asbestosis automatically meets the requirements for Grade I Non-Malignancy claims.

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VI. GRADE II NON-MALIGNANCY

a. **Base Case** ("II"). The base case value for a Grade II Non-malignancy Case is referred to in this Matrix as "II". A case will be considered a base case Grade II Non-malignancy under this Matrix when it satisfies each of the following criteria:

(i) Injured Person aged 75 years old;

(ii) Injured Person had Standard Exposure to Thorpe asbestos-products in traditional occupations at traditional shipyard, refinery, power plant or other sites, as defined herein;

(iii) Injured Person satisfies the following criteria for asbestos-related disease:

1. The Injured Person must establish at least a 10-year latency period between the date of the first exposure to asbestos and the date of diagnosis of the disease; and

2. The Injured Person must establish evidence of an asbestos related disease including:

(a) Clinical Evidence of Asbestosis. A diagnosis of pulmonary asbestosis by an Internist, Pulmonologist or qualified Occupational Medicine Physician who actually examined the Injured Person based on the following minimum objective criteria:

1) Chest X-rays which, in the opinion of a Certified B-reader, show small irregular opacities of ILO Grade 1/0 or greater, or

2) Asbestos related interstitial fibrosis on high resolution CT scan or appropriate diagnostic imaging procedure; or

(b) Clinical Evidence of Asbestos-Related Pleural Disease. A diagnosis of asbestos-related pleural disease by an Internist, Pulmonologist or Occupational Medicine Physician.

b. **Adjustments.** Certain features of a Grade II Non-malignancy case will warrant an adjustment in the liquidated value either above or below the base Grade II Non-malignancy value, as set forth herein. The following adjustments are provided as multipliers of the base case value II. For example, an adjustment of 1.3 II for a 55 year-old Grade II non-malignancy Injured Person indicates that such an Injured Person would receive 1.3 times the base case Grade II Non-malignancy value. In situations where numerous adjustments are required for an Injured Person's case, all of the applicable adjustment multipliers shall be multiplied together and times the base case value II, to determine the liquidated value of the case. For example, an Injured Person who is age 55 (1.3 II) and who had exposure at what is known to be a high exposure site (1.5 II), would be eligible for a liquidated value of 1.3 times 1.5, or 1.95 II, times the base case value.

(i) **Age.** Age shall be determined as of the commencement of litigation or the time of filing of the proof of claim, whichever is earlier. The adjustment factor for age shall be decreased .015 for every year over 75 years of age up to a maximum downward adjustment to

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.7 II, and shall be increased .015 for every year under 75 years of age up to a maximum upward adjustment to 1.4 II.

(ii) **Exposure.** The following adjustments are based on exposure in traditional occupations at traditional shipyard, refinery or power plant, or other sites as set forth herein:

Exposure Rating	**Adjustment**
Very high exposure sites, as defined herein	3.0 II
High exposure sites, as defined herein	1.5 II
Standard exposure sites, as defined herein	1.0 II
Low exposure sites, as defined herein	0.5 II
Very Low exposure sites, as defined herein	0.25 II

VII. EXPOSURE REQUIREMENTS

a. **Standard Exposure Criteria.** Subject to Section 6.2 of the Trust Distribution Procedures, exposure to asbestos-containing material for which Thorpe is responsible can be established by evidence described in Section I (d) and (e) above. The Trust shall have the right to consider all other appropriate evidence of exposure and may establish appropriate alternative exposure criteria after consultation with the TAC and the Futures Representative. The burden shall be on the Claimant or Injured Person to establish exposure to Thorpe products by credible reliable evidence.

1. **Ship Exposure.** Evaluation of shipboard exposure shall be as follows:

a) Claims of shipboard exposure will require evidence that Thorpe products were actually installed on the ship, and that the Injured Person can demonstrate presence in an area of the ship that would constitute an exposure to these products.

b) Exposure on board a ship at a shipyard during a repair or overhaul will constitute an exposure at that shipyard if the Injured Person remained onboard during the repair or overhaul, subject to meeting the duration of exposure requirements outlined herein.

c) Evidence that an Injured Person was subsequently present on a ship that was repaired or overhauled at a shipyard where Thorpe products were used is not sufficient to constitute exposure. See Dumin v. Owens Coming Fiberglas Corp., 28 Cal. App. 4th 650 (1994).

d) It shall not be sufficient for an Injured Person to show that Thorpe products were generally used at a shipyard where a particular ship that the Injured Person worked on was repaired. Specific identification of Thorpe products on board the ship, and meeting the duration of exposure requirements on the ship are both required. See Dumin v. Owens Corning Fiberglas Corp., 28 Cal. App. 4th 650 (1994).

2. **Derivative Exposure.** An Injured Person exposed to Thorpe products solely from exposure to an occupationally exposed person, such as a family member, will have their claims valued by the trust as follows:

a) The Injured Person must establish that the occupationally exposed person would have met the exposure requirements under the Matrix that would have been applicable had that person filed a direct claim with the Trust.

b) The Injured Person must establish that he or she is suffering from one of the Compensable Diseases and that his or her own exposure to the occupationally exposed person occurred within the same time frame as the occupationally exposed person experienced Thorpe exposure as defined herein and that such exposure was a substantial contributing factor in the development of the disease. All other liquidation and payment rights and limitations under this Matrix shall be applicable to such claims.

3. **Longshore Exposure.** A Longshoreman working in Southern California ports with Thorpe exposure will be treated as a Standard exposure.

b. **Site List.** The Trust in consultation with the TAC will compile a list of the ships, facilities and other locations where Thorpe asbestos-containing materials were present including relevant dates when available. The Trust may use this list to establish and to characterize exposure and to create a list of sites where exposure is accepted. The Trust with consent of the TAC and Futures Representative may modify the list in light of additional evidence or experience with claims processing. Any Injured Person may submit additional evidence to establish Thorpe presence at a site, or in support of a higher exposure categorization in a particular case.

c. **Minimum Exposure Criteria.**

1. To meet the minimum exposure requirements, an Injured Person filing a claim as a Mesothelioma case must establish that the Injured Person's asbestos exposure at approved Thorpe sites totals at least three months or at least 10% of the Injured Person's total asbestos exposure. Notwithstanding the foregoing, an Injured Person filing a claim as a Mesothelioma case who can establish that the Injured Person's exposure at approved Thorpe sites totals at least one month (but less than three months) exposure shall be entitled to a reduced liquidated claim value.

2. An Injured person filing in any other Compensable Disease category must establish that the Injured Person's asbestos exposure at approved Thorpe sites totals at least one year or at least 25% of the Injured Person's total asbestos exposure. Notwithstanding the foregoing, an Injured Person filing in any other Compensable Disease category who can establish that the Injured Person's exposure at approved Thorpe sites totals at least three months (but less than one year) exposure shall be entitled to a reduced liquidated claim value.

3. If no one site is sufficient to establish the duration necessary, an Injured Person may aggregate exposure at multiple sites to meet the minimum exposure requirements. The Trust will use a blending formula to give credit for exposure time beginning with the highest rated site.

4. If the Injured Person has exposure at multiple sites, but there is no evidence supporting actual length of time at any of the sites, for purposes of applying the provisions 3, above, the Trust will allocate exposure based upon an even distribution of the total

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length of exposure among all sites claimed. The Injured Person's attorney and the Injured Person or Personal Representative must provide declarations stating that the work sites listed include all work sites where the Injured Person worked, and that there is no other information available to demonstrate actual work time at each site. In addition, the interrogatories accompanying the claim must contain the Injured Person's entire work history.

Nothing in sub-paragraphs 3 and 4, above, shall diminish the obligation of a claimant to offer evidence of exposure that meets the minimum required exposure at approved Thorpe's Sites set forth in paragraph c. above to qualify for a Matrix Claim.

d. **Exposure Site Rating.**

1. **Standard Exposure Sites.** Standard Sites include typical exposures to asbestos at shipyards, refineries, power plants and other industrial and commercial sites where Thorpe was determined by the Trust to be responsible for a significant portion of asbestos exposure at the worksite.

2. **High Exposure Sites.** High Exposure Sites include the same type of exposure settings as Standard Sites; except that in High Exposure Sites, Thorpe has been identified as a primary supplier such that Thorpe was responsible for a large portion of asbestos exposure at the work site.

3. **Very High Exposure Sites.** Very High Exposure Sites include the same type of exposure settings as High Exposure Sites, except that in Very High Exposure Sites, Thorpe has been identified as being responsible for the overwhelming majority of asbestos exposure at the work site.

4. **Low Exposure Sites.** Low Exposure Sites include exposures occurring at shipyards, refineries, power plants and other industrial and commercial sites settings where Thorpe was not a major source of exposure but has been identified as having some responsibility for the asbestos exposure at the site.

5. **Very Low Exposure Sites.** Very Low Exposure Sites include work sites with occupational asbestos exposure outside the typical exposures occurring at shipyards, refineries, power plants and other industrial and commercial sites. Very Low Exposure Sites include construction settings and other such settings where exposure was not primarily to products supplied and/or installed by Thorpe.

VIII. INDIVIDUAL REVIEW

Any Claimant or Injured Person whose claim does not meet the medical or exposure criteria for any Compensable Disease shall have the opportunity for individual consideration and evaluation of their claim. In such a case, the Trust shall either deny the claim or, if the Trust is satisfied that the Injured Person has presented a claim that would be cognizable and valid in the Tort System, the Trust can offer the Injured Person a liquidated value amount up to the Average Value for that Compensable Disease, unless the claim qualifies as an Extraordinary Claim as defined in IX below, in which case its liquidated value cannot exceed the maximum value specified for such a claim.

In special circumstances where it would be unjust to enforce the Individual Review cap, the cap may be relaxed if the Executive Director makes a recommendation to a panel, which shall consist of one Trustee, the Futures Representative and the Chair of the TAC. In the case of

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a claim submitted by the Chair of the TAC's firm, another member of the TAC will substitute. The Individual Review cap will be relaxed only if the decision of the panel is unanimous.

IX. EXTRAORDINARY CLAIMS PROVISION

a. **Extraordinary Claims.** In extraordinary situations such as where an Injured Person was exposed only to Thorpe, or where Thorpe exposure constituted over 80% of the Injured Person's asbestos exposure, where extraordinary present or future medical expenses are incurred, or where special damages are exceptionally large, the Trust may individually evaluate and liquidate a claim for an amount that exceeds the Maximum Value for the particular Compensable Disease asserted by the Injured Person. Any dispute as to Extraordinary Claim status shall be submitted to arbitration by a special Extraordinary Claims panel established by the Trust. Under no circumstances shall an Extraordinary Claim be valued at more than 8 times the Average Value for the particular Compensable Disease.

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EXHIBIT 6

SECOND AMENDMENT TO AND COMPLETE RESTATEMENT OF THORPE INSULATION COMPANY ASBESTOS SETTLEMENT TRUST BYLAWS

ARTICLE I - OFFICES

SECTION 1. Principal Office. The initial principal office of the Thorpe Insulation Company Asbestos Settlement Trust (the "Trust") shall be in the County of Washoe, the State of Nevada, or at such other place other than any location in California as the Trustees shall from time to time select.

SECTION 2. Other Offices. The Trust may have such other offices at such other places as the Trustees may from time to time determine to be necessary for the efficient and cost-effective administration of the Trust; provided that the Trust may not have any offices in California at any time.

ARTICLE II – TRUSTEES

SECTION 1. Control of Property, Business and Affairs. The property, business and affairs of the Trust shall be managed by or under the direction of the Trustees, provided that certain decisions of the Trustees shall be subject to the consent of the Futures Representative and the TAC, as provided in the Trust Agreement to which these Bylaws are attached as Annex A.

SECTION 2. Number, Resignation and Removal. The number of Trustees and the provisions governing the resignation and removal of a Trustee and the appointment of a successor Trustee shall be governed by the provisions of Article 4 of the Trust Agreement.

SECTION 3. Quorum and Manner of Acting. A majority of the Trustees shall constitute a quorum for the transaction of business. In the absence of a quorum, the Trustees present may adjourn the meeting from time to time until a quorum shall be present. The vote, at a meeting at which a quorum is present, of a majority of Trustees shall be an act of the Trustees.

SECTION 4. Regular Meetings. Regular meetings of the Trustees with the Futures Representative and TAC may be held at such time and place as shall from time to time be determined by the Trustees, provided that the Trustees shall meet at least four times a year, as close as practicable on a quarterly basis, pursuant to a schedule announced as soon as practicable after the Effective Date and each year thereafter, and provided further that all meetings shall be held in the State of Nevada or such other state (other than California) as may be selected by the Trustees. After there has been such determination, and a notice thereof has been once given to each Trustee, the Futures Representative and the TAC, regular meetings may be held without further notice being given. The Futures Representative and the TAC shall have the right to attend and participate in Regular Meetings of the Trust.

SECTION 5. Special Meeting Notice. Special meetings of the Trustees shall be held whenever called by one or more of the Trustees. Notice of each such meeting shall be delivered by overnight courier to each Trustee, the Futures Representative and the TAC, addressed to each such party at the place designated by such party for receipt of such notice, or, failing such designation, at such party's residence or usual place of business, at least three days before the date on which the meeting is to be held, or shall be sent to such party at such place by

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personal delivery or by telephone or telecopy not later than two days before the day on which such meeting is to be held. Such notice shall state the place, date and hour of the meeting and the purposes for which it is called. In lieu of the notice to be given as set forth above, a waiver thereof in writing, signed by the Trustee or Trustees, the Futures Representative or the TAC, entitled to receive such notice, whether before or after the meeting, shall be deemed equivalent thereto for purposes of this Section 5. No notice or waiver by any Trustee, the Futures Representative or the TAC, with respect to any special meeting shall be required if such person or entity shall be present at said meeting. The Futures Representative and the TAC shall be entitled to attend every special meeting of the Trustees. All special meetings shall be held in the State of Nevada or such other state (other than California) as may be selected by the Trustees.

SECTION 6. Action without a Meeting; Meeting by Conference Call. Any action required or permitted to be taken at any meeting of the Trustees may be taken without a meeting if all Trustees, after notice to the Futures Representative and the TAC, consent thereto in writing, and the writing or writings are filed with the minutes of proceedings of the Trustees; provided that no such consents may be provided by a Trustee acting in the State of California.

The Trustees also may take action required or permitted to be taken at any meeting by means of conference telephone or similar communication equipment provided that all persons participating in the meeting can hear each other and provided that no Trustee shall participate in such a meeting from the State of California. Participation in a meeting pursuant to this paragraph shall constitute presence in person at such meeting.

SECTION 7. Meeting of Trustees Only.

(a) The Trustees may meet outside the presence of the TAC and Futures Representative for the purpose of (i) formulating policies to be presented to the TAC and Futures Representative at a Regular or Special Meeting of the Trustees, TAC and Futures Representative or (ii) meeting with counsel to the Trust regarding Trust documents and the fiduciary duties of the Trustees.

(b) In addition, the Trustees may also meet outside the presence of the TAC and the Futures Representative when necessary for routine administration of the Trust, including personnel, financial, investment or claims matters arising in the course of managing the affairs of the Trust or under circumstances where the Trustees in their judgment conclude that it is a matter requiring prompt action before a regular or special meeting could be scheduled. In all such circumstances, the Trustees shall record, and make available to the TAC and Futures Representative, the minutes of any meeting held pursuant to this Section 7(b). At the request of the TAC or Futures Representative the subject of any meeting held pursuant to Section 7(b) shall be placed on the agenda for the next regularly scheduled or special Trust meeting.

ARTICLE III – OFFICERS

SECTION 1. Principal Officers. The principal officer of the Trust shall be the Managing Trustee, as appointed pursuant to Section 4.1 of the Trust Agreement. The Trust may also have such other officers as the Trustees may appoint after determining that such appointment will promote the efficient and cost-effective administration of the Trust.

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SECTION 2. Election and Term of Office. The principal officers of the Trust shall be chosen by the Trustees. Each such officer shall hold office until his or her successor shall have been duly chosen and qualified or until the earlier of his or her death, resignation, retirement or removal.

SECTION 3. Subordinate Officers. In addition to the principal officer enumerated in Section I of this Article III, the Trust may have such other subordinate officers, agents and employees as the Trustees may deem necessary for the efficient and cost-effective administration of the Trust, each of whom shall hold office for such period, have such authority, and perform such duties as the Trustees may from time to time determine. The Trustees may delegate to any principal officer the power to appoint and to remove any such subordinate officers, agents or employees.

SECTION 4. Removal. The Managing Trustee or any other officer may be removed with or without cause, at any time, by resolution adopted by the Trustees at any regular meeting of the Trustees or at any special meeting of the Trustees called for that purpose; provided, however, that the consent of the TAC and the Futures Representative shall be required for the removal of the Managing Trustee without cause.

SECTION 5. Resignations. Any officer may resign at any time by giving written notice to the Trustees. The resignation of any officer shall take effect upon receipt of notice thereof or at such later time as shall be specified in such notice and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

SECTION 6. Powers and Duties. The officers of the Trust shall have such powers and perform such duties as may be conferred upon or assigned to them by the Trustees.

ARTICLE IV – AMENDMENTS

The Bylaws of the Trust, other than Article I, Article II, Article III Section 4, and this Article IV and any provisions relating to the activities of the Trustees in California, may be amended by the Trustees at any meeting of the Trustees, provided that notice of the proposed amendment is contained in the notice of such meeting. The remaining Bylaws may be amended by the Trustees only after receipt of the consent of the Approving Entities to the proposed amendment.

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CERTIFICATION

Each of the undersigned hereby certifies that he or she is a duly-selected and Bankruptcy Court-approved Trustee for the Trust and that the foregoing is a true and correct copy of the Second Amendment to and Complete Restatement of Thorpe Insulation Company Asbestos Settlement Trust Bylaws authorized by action of the Trust.

IN WITNESS WHEREOF, each of the undersigned Trustees set his or her hand this 20th day of February, 2014.

By: _____
Dr. Sandra R. Hernandez

By: _____
John F. Luikart

By: _____
Stephen M. Snyder

EXHIBIT 7

FILED & ENTERED

MAY 08 2013

CLERK U.S. BANKRUPTCY COURT
Central District of California
BY kaaumoar DEPUTY CLERK

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UNITED STATES BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA
LOS ANGELES DIVISION

In re

THORPE INSULATION COMPANY,[1]

Reorganized Debtor.

Case No. 2:07-bk-19271-BB (Jointly Administered with Case No. 2:07-bk-20016-BB)

Chapter 11

ORDER CONFIRMING SIXTH AMENDED JOINT PLAN OF REORGANIZATION OF THORPE INSULATION COMPANY AND PACIFIC INSULATION COMPANY (FOLLOWING REMAND)

Date: May 1, 2013
Time: 11:00 a.m.
Place: United States Bankruptcy Court
255 East Temple St., Courtroom 1475
Los Angeles, CA
Judge: Honorable Sheri Bluebond

[1] The Debtors were Thorpe Insulation Company, a California corporation, 5608 Bayshore Walk, Long Beach, CA 90803, Fed. Tax ID No. 95-1559386 ("Thorpe"), and Pacific Insulation Company, a California corporation, 2741 South Yates Ave., Los Angeles, CA 90040, Fed. Tax ID No. 95-4812741 ("Pacific"). The two Debtors merged on October 22, 2010 pursuant to the *Fifth Amended Joint Plan of Reorganization of Thorpe Insulation Company and Pacific Insulation Company* and the surviving corporation, Thorpe, was renamed Pacific Insulation Company, and is the Reorganized Debtor.

The Court has entered its *Findings of Fact and Conclusions of Law in Support of Confirmation of Sixth Amended Joint Plan of Reorganization of Thorpe Insulation Company and Pacific Insulation Company (Following Remand)* (the "Findings and Conclusions"), in connection with the *Sixth Amended Joint Plan of Reorganization of Thorpe Insulation Company and Pacific Insulation Company (Following Remand)* [Dkt. No. 3418] (the "Plan"). The Plan was filed by the Reorganized Debtor on behalf of Thorpe Insulation Company ("Thorpe") and Pacific Insulation Company ("Pacific" and, together with Thorpe, the "Debtors"), and by the Official Committees of Unsecured Creditors ("Committee"), and the Futures Representative appointed in the above-captioned cases (together, as defined in the Plan, the "Proponents").

The Proponents filed the Plan following the Ninth Circuit Court of Appeals' reversal and remand of the previously-confirmed *Fifth Amended Joint Plan of Reorganization of Thorpe Insulation Company and Pacific Insulation Company dated December 17, 2009* (the "Fifth Plan"). Unless otherwise defined, a capitalized term used in this Order shall have the meaning set forth in the Plan. Appearances are noted on the record of the proceedings of the Confirmation Hearing. The Court has further examined the entire record compiled in the Chapter 11 Cases and has considered the offers of proof and the arguments and representations of counsel at the Confirmation Hearing. Based upon the foregoing matters, due deliberation having been given to the transactions set forth in the Plan and good cause appearing, the Court makes the following order confirming the Plan:

I.

ORDER CONFIRMING PLAN

Based upon the record of the Confirmation Hearing, all the proceedings held before this Court in the Chapter 11 Cases, and the Findings and Conclusions:

IT IS HEREBY ORDERED THAT:

1. Plan Confirmed.

The Plan is confirmed. Any objections to confirmation of the Plan, or to the adequacy of the Disclosure Statement, as supplemented, and to any matters relating to the solicitation of the Plan, unless previously withdrawn, are overruled. The modifications to the Plan from the Fifth Plan are approved pursuant to Section 1127(b) of the Bankruptcy Code. The Reorganized Debtor and the

Debtors are authorized to (a) take such actions as may be necessary or appropriate to carry out the Plan, and (b) execute such documents and instruments as may be required to implement the Plan. Pursuant to Section 1142(b) of the Bankruptcy Code, the Trust shall assist the Debtors and the Reorganized Debtor by providing such entities with reasonable and continuing cooperation as contemplated by the Plan and the Trust Documents. The Debtors, the Reorganized Debtor, and any other entity designated pursuant to the Plan are authorized, empowered and directed to execute, deliver, file and record any document, and to take any action necessary or appropriate, to implement, consummate and otherwise effect the Plan in accordance with its terms in all material respects, and all such entities shall be bound by the terms and provisions of all documents executed and delivered by them that are necessary or appropriate to effectuate the transactions contemplated by the Plan.

On the Confirmation Remand Effective Date, the Proponents, the Reorganized Debtor and the Trust shall be free to perform any act, to execute and deliver any document or instrument, and to consummate any transfer or transaction that is conditioned upon the occurrence of the Confirmation Remand Effective Date or the Effective Date. The occurrence of the Confirmation Remand Effective Date shall satisfy, effective as of the occurrence of the Effective Date, any condition or other requirement in the Plan that is based upon the occurrence of the Effective Date. Further, the occurrence of the Confirmation Remand Effective Date shall satisfy, effective as of the Effective Date, any condition or other requirement in the Plan that the Effective Date have occurred (a) as to any act taken, document executed or delivered, transaction or transfer made or consummated, in reliance on the occurrence of the Effective Date, and (b) as to any matter that the Plan provides occurs or becomes effective on, or as a result of the occurrence of, the Effective Date.

2. Confirmed Plan Binding.

Pursuant to Section 1141(a) of the Bankruptcy Code, and subject to Section 5.4.2 of the Plan, upon the Effective Date, the provisions of the Plan bind (a) the Debtors, the Reorganized Debtor and the Trust, and (b) any Creditor of the Debtors and any holder of any Interests, whether or not (i) such Creditor or holder has filed a proof of Claim or interest or is deemed to have filed a proof of Claim or interest under Sections 501 or 1111 of the Bankruptcy Code, (ii) the Claim or interest of such

Creditor or holder is allowed under Section 502 of the Bankruptcy Code, (iii) such Creditor or holder has accepted the Plan, or (iv) such Creditor or holder is impaired under the Plan.

The *Expedited Ex Parte Motion for Approval of Notices re Hearing on Confirmation of Sixth Amended Joint Plan of Reorganization of Thorpe Insulation Company and Pacific Insulation Company (Following Remand)* [Dkt. No. 3410] is granted, and the form, manner and scope of notice of the Confirmation Hearing are approved as providing notice that complies with the Bankruptcy Code and Bankruptcy Rules and is in any event sufficient and appropriate under the circumstances of this case to bind all creditors and other parties in interest, whether known or unknown.

3. Revesting of Property of Estates.

Pursuant to Section 1141(b) of the Bankruptcy Code, as of the Effective Date, with the exception of all Trust Assets that are vested in the Trust pursuant to Section 5.4.1 of the Plan and all Subject Insurance Policies and Insurance Rights (each as defined in the Asbestos Insurance Settlements) bought back by Settling Asbestos Insurers pursuant to Asbestos Insurance Settlements, title to (i) all remaining Thorpe Assets, and (ii) all remaining Pacific Assets (following the consummation of the Merger), vests in the Reorganized Debtor for the purposes contemplated under the Plan and no longer constitutes property of the Estates created for Thorpe and Pacific in their respective Chapter 11 Cases. Pursuant to Section 1141(c) of the Bankruptcy Code, as of the Effective Date, all property dealt with by the Plan revests in the Reorganized Debtor or is transferred to the Trust free and clear of all Claims and Interests, including Liens, charges or other encumbrances of Creditors.

4. Discharge.

Pursuant to Section 1141(d) of the Bankruptcy Code, as of the Effective Date, the Confirmation of the Plan discharges Thorpe, Pacific and the Reorganized Debtor from all Claims or other debts that arose at any time before the Effective Date, and all debts of the kind specified in Sections 502(g), 502(h) or 502(i) of the Bankruptcy Code, whether or not: (i) a proof of claim based on such debt is filed or deemed filed under Section 501 of the Bankruptcy Code; (ii) a Claim based on such debt is Allowed under Section 502 of the Bankruptcy Code; or (iii) the holder of a Claim has accepted the Plan. As of the Effective Date, all entities that have held, currently hold or may hold a

Claim or other debt or liability that is discharged or any other right that is terminated under the Bankruptcy Code or the Plan are permanently enjoined, to the full extent provided under Section 524(a) of the Bankruptcy Code, from "the commencement or continuation of an action, the employment of process, or an act, to collect, recover or offset any such debt as a personal liability" of Thorpe, Pacific or the Reorganized Debtor.

5. Establishment of the Trust Approved.

The Trust was created in accordance with the Fifth Plan and the Trust Documents as of the Effective Date and has operated continuously since that date. Upon the creation of the Trust, all right, title, and interest in and to the Trust Assets was transferred to, and vested in, the Trust. The Trust and the Trustees have been authorized and empowered to receive the Trust Assets from and after the Effective Date. The Trust is a "qualified settlement fund" within the meaning of the QSF Law. The purposes of the Trust are, among other things, to assume Asbestos Related Claims, subject to the terms of the Plan, and to use the Trust Assets to pay the holders of Asbestos Related Claims that are submitted for payment by the Trust in accordance with the Trust Documents. The appointment of the initial trustees of the Trust is approved as of the Effective Date, subject to any subsequent changes in accordance with the terms of the Trust Agreement. As of the Effective Date, the initial trustees serve as trustees in accordance with the terms of the Trust Agreement, and the trustees of the Trust have been qualified to act under the terms of the Trust Documents continuously from and after the Effective Date. Similarly, the initial members of the Trust Advisory Committee were appointed as of the Effective Date and the Trust Advisory Committee has been authorized to act continuously from and after the Effective Date pursuant to the terms of the Trust Documents. In consideration for the property transferred to the Trust pursuant to Section 5.1.2 of the Plan, as of the Effective Date, and without any further action of the Bankruptcy Court or further act or agreement of any entity, (i) all Asbestos Related Claims are assumed by the Trust, subject in all respects to the terms of the Plan and any Asbestos Related Defenses, (ii) all Asbestos Related Claims are automatically and perpetually transferred and channeled to the Trust, and (iii) the Trust is solely responsible for any and all obligations of the Trust under the terms of the Asbestos Insurance Settlements and the Trust Agreement.

6. Means of Implementation Approved.

The Debtors are authorized to take all actions necessary or appropriate to implement, effectuate and consummate the Plan in accordance with its terms.

a. Merger.

The merger of the Debtors is approved as of the Effective Date and the Debtors are authorized to consummate the Merger Agreement, and file articles of merger conforming to the requirements of the California general corporation law with the Secretary of State of the State of California as of such date. Pursuant to the Merger, all Intercompany Claims between the Debtors are deemed extinguished, Pacific is merged into Thorpe, the separate existence of Pacific thereupon ceases, and Thorpe, as the Surviving Corporation in the Merger, continues its separate corporate existence with all the powers of a corporation under the laws of the State of California. Upon the completion of the Merger, Thorpe is the Reorganized Debtor for purposes of consummating the transactions required in connection with this Plan. The Charter of the Reorganized Debtor is deemed amended to provide that the name of the Reorganized Debtor is "Pacific Insulation Company." Following the Merger, the Reorganized Debtor may continue to engage in business and may use, acquire and dispose of the Thorpe Assets, and all Pacific Assets acquired pursuant to the Merger, that are all revested in the Reorganized Debtor pursuant to the Plan, without further supervision by the Bankruptcy Court and free of any restrictions under the Bankruptcy Code or the Bankruptcy Rules.

b. Farwest Settlement Approved.

The Farwest Settlement is reasonable and in the best interests of the Estates and Creditors and is hereby approved as of the Effective Date.

c. Appointment of Reorganized Debtor Officers and Directors.

The initial board of directors of the Reorganized Debtor following the Effective Date is composed of the Reorganized Debtor Directors. Each of the members of such initial board of directors serve in accordance with applicable nonbankruptcy law and the Reorganized Debtor's Charter, as the same may be amended from time to time. The Reorganized Debtor Officers are

deemed appointed, as of the Effective Date, to serve as officers of the Reorganized Debtor without further action under applicable law, regulation, order or rule including, without limitation, any action by the stockholders or directors of the Reorganized Debtor.

d. Fulfillment of Duties by Debtors' Officers and Directors.

As of the Effective Date, and without any further action by the shareholders or directors of either of the Debtors, the Pacific Officers, the Pacific Directors, the Thorpe Officer and the Thorpe Directors shall each be deemed to have fulfilled their respective duties and shall be released and discharged from all further responsibilities with respect to the management, business and affairs of the Debtors.

e. Charter.

The Reorganized Debtor's Charter is deemed amended as of the Effective Date to prohibit the issuance of nonvoting equity securities.

f. Buy-Back of Century Insurance Rights.

On the Confirmation Remand Effective Date, the Reorganized Debtor is authorized to sell, convey, assign, transfer and deliver the Subject Insurance Policies and Insurance Rights (each as defined in the Century Settlement Agreement) to the Century Insurers as contemplated by the Century Settlement Agreement, free and clear of liens, claims, encumbrances, and/or interests of any kind or nature whatsoever as contemplated by, and pursuant to, the terms of the Century Settlement Agreement, including the Subject Claims, as defined in this Court's *Order Approving: (I) Settlement with Century Insurers; (II) Modification of Fifth Amended Joint Plan of Reorganization; and (III) Post-Remand Petition for Instructions Regarding the Thorpe Insulation Company Asbestos Settlement Trust* entered February 6, 2013 [Dkt. No. 3364]. Effective upon the payment of the Settlement Amount, the sale of the Insurance Rights to the Century Insurers will vest in the Century Insurers all right, title and interest that any of the TPFBF Parties (as defined in the Century Settlement Agreement), the Debtors or the bankruptcy estate ever had in such property, free and clear of claims, including Subject Claims. The Century Insurers are approved as buyers in good faith, and the Century Insurers shall be entitled to all protections afforded to a buyer in good faith.

g. Buy-Back of Continental Insurance Rights.

On the Confirmation Remand Effective Date, the Reorganized Debtor is authorized to sell, convey, assign, transfer and deliver the Subject Insurance Policies and Insurance Rights (each as defined in the Continental Settlement Agreement) to the Continental Insurers as contemplated by the Continental Settlement Agreement, free and clear of liens, claims, encumbrances, and/or interests of any kind or nature whatsoever as contemplated by, and pursuant to, the terms of the Continental Settlement Agreement, including the Subject Claims, as defined in this Court's *Order Approving: (I) Settlement with Continental Insurers; (II) Modification of Fifth Amended Joint Plan of Reorganization; and (III) Post-Remand Petition for Instructions Regarding the Thorpe Insulation Company Asbestos Settlement Trust* entered March 12, 2013 [Dkt. No. 3389]. Effective upon the payment of the Settlement Amount, the sale of the Insurance Rights to the Continental Insurers will vest in the Continental Insurers all right, title and interest that any of the TPFBF Parties (as defined in the Continental Settlement Agreement), the Debtors or the bankruptcy estate ever had in such property, free and clear of claims, including Subject Claims. The Continental Insurers are approved as buyers in good faith, and the Continental Insurers shall be entitled to all protections afforded to a buyer in good faith.

h. Buy-Back of Middlesex/Sentry Insurance Rights.

On the Confirmation Remand Effective Date, the Reorganized Debtor is authorized to sell, convey, assign, transfer and deliver the Subject Insurance Policy and Insurance Rights (each as defined in the Middlesex/Sentry Settlement Agreement) to Middlesex/Sentry as contemplated by the Middlesex/Sentry Settlement Agreement, free and clear of liens, claims, encumbrances, and/or interests of any kind or nature whatsoever as contemplated by, and pursuant to, the terms of the Middlesex/Sentry Settlement Agreement, including the Subject Claims, as defined in this Court's *Order Approving: (I) Settlement with Middlesex/Sentry; (II) Modification of Fifth Amended Joint Plan of Reorganization; and (III) Post-Remand Petition for Instructions Regarding the Thorpe Insulation Company Asbestos Settlement Trust* entered March 12, 2013 [Dkt. No. 3387]. Effective upon the payment of the Settlement Amount, the sale of the Insurance Rights to Middlesex/Sentry will vest in Middlesex/Sentry all right, title and interest that any of the TPFBF Parties (as defined in

the Middlesex/Sentry Settlement Agreement), the Debtors or the bankruptcy estate ever had in such property, free and clear of claims, including Subject Claims. Middlesex/Sentry is approved as a buyer in good faith, and Middlesex/Sentry shall be entitled to all protections afforded to a buyer in good faith.

7. Tax Exemption.

Pursuant to Section 1146(c) of the Bankruptcy Code, the making or delivery of an instrument of transfer related to any property dealt with by the Plan shall not be taxed under any law imposing a stamp tax or similar tax.

8. Plan Exoneration and Release Provisions.

The Court expressly approves the exonerations and releases set forth in Section 8.7 of the Plan and the Bankruptcy Court expressly retains jurisdiction to enforce and protect such exonerations and releases.

9. Channeling Injunction.

a. Terms.

Pursuant to Sections 524(g) and 105(a) of the Bankruptcy Code, upon the Confirmation Remand Effective Date, all entities (except as expressly allowed below) which have held or asserted, which hold or assert, or which may in the future hold or assert any Asbestos Related Claim shall be, and hereby are, permanently stayed, restrained and enjoined from taking any legal action for the purpose of directly or indirectly collecting, recovering or receiving payment or recovery with respect to any such claim from or against any Protected Party, including, but not limited to:

(i) commencing, conducting or continuing in any manner any action or other proceeding of any kind (including a judicial arbitration or other proceeding) against any Protected Party, or against the property of any Protected Party, with respect to any Asbestos Related Claim;

(ii) enforcing, attaching, levying, collecting or recovering, by any manner or means, any judgment, award, decree, or other order against any Protected Party, or against the property of any Protected Party, with respect to any Asbestos Related Claim;

(iii) creating, perfecting, or enforcing in any manner any Lien of any kind against any Protected Party, or against the property of any Protected Party, with respect to any Asbestos Related Claim;

(iv) asserting or accomplishing any setoff, right of subrogation, indemnity, contribution or recoupment of any kind, directly or indirectly, against any obligation due any Protected Party, or against the property of any Protected Party, with respect to any Asbestos Related Claim; and

(v) taking any act, in any manner, in any place whatsoever, that does not conform to, or comply with, the provisions of the Plan relating to any Asbestos Related Claim.

b. Reservations.

The provisions of this Channeling Injunction shall not shall bar (i) any action pursuant to Section 5.1.6 of the Plan against the Reorganized Debtor that strictly conforms to the pleading requirements of Section 5.1.6 of the Plan, and/or (ii) any action against any Asbestos Insurer that is neither a Settling Asbestos Insurer nor an Asbestos Insurer protected by the Asbestos Insurer Injunction at the time such action is brought.

10. Settling Asbestos Insurer Injunction.

a. Terms.

Pursuant to Sections 524(g) and 105(a) of the Bankruptcy Code, upon the Confirmation Remand Effective Date, all entities which have held or asserted, which hold or assert, or which may in the future hold or assert any Asbestos Insurance Policy Claim shall be, and hereby are, permanently stayed, restrained and enjoined from taking any legal action for the purpose of directly or indirectly collecting, recovering or receiving payment or recovery with respect to any such claim from or against any Settling Asbestos Insurer, only to the extent that such Settling Asbestos Insurer has been released from any claim under one or more Asbestos Insurance Policies pursuant to one or more Asbestos Insurance Settlements, including, but not limited to:

(i) commencing, conducting or continuing in any manner any action or other proceeding of any kind (including a judicial arbitration or other

proceeding) against any Settling Asbestos Insurer, or against the property of any Settling Asbestos Insurer, with respect to any Asbestos Insurance Policy Claim;

(ii) enforcing, attaching, levying, collecting or recovering, by any manner or means, any judgment, award, decree, or other order against any Settling Asbestos Insurer, or against the property of any Settling Asbestos Insurer, with respect to any Asbestos Insurance Policy Claim;

(iii) creating, perfecting, or enforcing in any manner any Lien of any kind against any Settling Asbestos Insurer, or against the property of any Settling Asbestos Insurer, with respect to any Asbestos Insurance Policy Claim;

(iv) asserting or accomplishing any setoff, right of subrogation, indemnity, contribution or recoupment of any kind, directly or indirectly, against any obligation due any Settling Asbestos Insurer, or against the property of any Settling Asbestos Insurer, with respect to any Asbestos Insurance Policy Claim; and

(v) taking any act, in any manner, in any place whatsoever, that does not conform to, or comply with, the provisions of the Plan relating to any Asbestos Insurance Policy Claim.

b. Reservations.

If a Non-Settling Asbestos Insurer asserts that it has an Asbestos Insurance Policy Claim against a Settling Asbestos Insurer, (i) such Asbestos Insurance Policy Claim may be asserted as a defense or counterclaim against the Trust or the Reorganized Debtor (as applicable) in any Asbestos Insurance Litigation involving such Non-Settling Asbestos Insurer, and the Trust or the Reorganized Debtor (as applicable) may assert the legal or equitable rights, if any, of the Settling Asbestos Insurer in response thereto, and (ii) to the extent such Asbestos Insurance Policy Claim is determined to be valid by the court presiding over the Asbestos Insurance Litigation initiated by the Trust or the

Reorganized Debtor (as applicable), the liability (if any) of such Non-Settling Asbestos Insurer to the Trust or the Reorganized Debtor (as applicable) shall be reduced dollar for dollar by the amount so determined of such Asbestos Insurance Policy Claim.

11. Asbestos Insurer Injunction.

a. Terms.

Pursuant to Section 105(a) of the Bankruptcy Code, in order to carry out the provisions of Section 524(g) of the Bankruptcy Code, upon the Confirmation Remand Effective Date, all entities (except as expressly allowed below), which have held or asserted, which hold or assert, or which may in the future hold or assert any Asbestos Related Claim shall be, and hereby are, permanently stayed, restrained and enjoined from taking any legal action for the purpose of directly or indirectly collecting, recovering or receiving payment or recovery with respect to any such claim from or against any Asbestos Insurer, including, but not limited to:

(i) commencing, conducting or continuing in any manner any action or other proceeding of any kind (including a judicial arbitration or other proceeding) against any Asbestos Insurer, or against the property of any Asbestos Insurer, with respect to any Asbestos Related Claim;

(ii) enforcing, attaching, levying, collecting or recovering, by any manner or means, any judgment, award, decree, or other order against any Asbestos Insurer, or against the property of any Asbestos Insurer, with respect to any Asbestos Related Claim;

(iii) creating, perfecting, or enforcing in any manner any Lien of any kind against any Asbestos Insurer, or against the property of any Asbestos Insurer, with respect to any Asbestos Related Claim;

(iv) asserting or accomplishing any setoff, right of subrogation, indemnity, contribution or recoupment of any kind, directly or indirectly, against any obligation due any Asbestos Insurer, or against the property of any Asbestos Insurer, with respect to any Asbestos Related Claim; and

(v) taking any act, in any manner, in any place whatsoever, that does not conform to, or comply with, the provisions of the Plan relating to any Asbestos Related Claim.

b. Reservations.

The provisions of this Asbestos Insurer Injunction shall not preclude the Trust from pursuing any claim that may exist under any Asbestos Insurance Policy against any Asbestos Insurer. The provisions of this Asbestos Insurer Injunction shall not impair or affect (i) any Asbestos Insurance Litigation brought by the Trust or the Reorganized Debtor against any Asbestos Insurer, or (ii) any Asbestos Insurance Rights held by the Trust or on behalf of the Reorganized Debtor. Except for the immediately following two sentences, the provisions of this Asbestos Insurer Injunction are not issued for the benefit of any Asbestos Insurer and no such insurer is a third-party beneficiary of this Asbestos Insurer Injunction. The Trust shall have the sole and exclusive authority at any time, upon written notice to any affected Asbestos Insurer, to terminate, or reduce or limit the scope of this Asbestos Insurer Injunction with respect to any Asbestos Insurer, provided, however, that the Trust may not permit the assertion of any Asbestos Related Claim by an Asbestos Claimant against a Non-Settling Asbestos Insurer unless and until such Asbestos Claimant agrees in writing to be bound by the proviso in the next-to-last sentence of Section 5.1.6 of the Plan, and provided further that, in the event an Asbestos Related Claim results in a claim based on contribution, subrogation or indemnity in favor of a Non-Settling Asbestos Insurer against a Settling Asbestos Insurer to share in the costs of resolving or satisfying such an Asbestos Related Claim (including, without limitation, attorneys' fees and expenses incurred in defense of such Asbestos Related Claim) (a "Contribution Claim") that such Non-Settling Asbestos Insurer is unable to fully satisfy by the judgment reduction provided by Section 5.1.6 of the Plan, such Non-Settling Asbestos Insurer may bring an action to recover the unsatisfied portion of such Contribution Claim against the Trust in any non-bankruptcy forum of competent jurisdiction notwithstanding any of the injunctions contained in the Plan, and the Trust shall be obligated to pay the full unsatisfied amount of any such Contribution Claim to the extent determined to be valid by such nonbankruptcy forum (including any appeals therefrom). For the avoidance of doubt, the provisions of this Asbestos Insurer Injunction shall not

impair or affect any Claims between or among Non-Settling Asbestos Insurers. Notwithstanding any provision of the Plan to the contrary, including the Asbestos Insurer Injunction set forth in this Paragraph 11, no new equitable contribution rights are created in favor of the Non-Settling Asbestos Insurers but instead the two preceding sentences allocate who is responsible, if anybody, for such equitable contribution claims that can be established by Non-Settling Asbestos Insurers against Settling Asbestos Insurers pursuant to existing law.

12. Effect of Confirmation.

No provision of the Plan, the Findings and Conclusions or this Order shall diminish or impair the right of any Asbestos Insurer, in any Asbestos Insurance Litigation or otherwise, to assert any Asbestos Insurance Defense, and all of such defenses shall be preserved in all respects. Any evidence adduced as part of the Confirmation Hearing with respect to the Asbestos Related Claims, and any findings of the court related to that evidence, shall be solely for the purpose of establishing the requirements of Sections 524(g) and 1129 of the Bankruptcy Code in connection with Confirmation and shall not (a) bind any Asbestos Insurer in any Asbestos Insurance Litigation, or (b) limit the right of any Asbestos Insurer to assert any Asbestos Insurance Defense. Neither the assumption by the Trust of the Asbestos Related Claims, nor the fact that it is the Trust, and not the Debtors, that is liquidating, resolving, paying and satisfying all Asbestos Related Claims in accordance with the TDP, shall be construed in any way to diminish any obligation of any Asbestos Insurer under any Asbestos Insurance Policy to any of the Debtors or the Trust, subject to any applicable Asbestos Insurance Settlement or Asbestos Insurance Defense. The duties and obligations, if any, of each Asbestos Insurer under such insurer's Asbestos Insurance Policies shall not be impaired, altered, reduced or diminished by the: (1) discharge granted to the Debtors under the Plan pursuant to Section 1141(d) of the Bankruptcy Code, (2) exonerations and releases contained in Section 8.7 of the Plan, (3) Injunctions granted under the Plan pursuant to Sections 105(a) and 524(g) of the Bankruptcy Code, or (4) termination of the protections afforded under the Asbestos Insurer Injunction in accordance with its terms as set forth on **Exhibit C** to the Plan. This Paragraph 12 shall not, however, affect or limit, or be construed as affecting or limiting, (i) the binding effect of the Plan, this Order and the Injunctions on the Debtors, the Reorganized

Debtor, the Trust or the beneficiaries of the Trust; (ii) the protections afforded to entities addressed by the Injunctions, or (iii) the binding effect of the Findings and Conclusions, specifically including the determination that the vesting of the Asbestos Insurance Rights in and for the benefit of the Trust pursuant to Section 5.4.1 of the Plan is valid and enforceable and otherwise does not breach the terms of any Asbestos Insurance Policy, Asbestos Insurance Settlement, or any other agreement with any Asbestos Insurer.

13. Assumption and Rejection Approved.

As of the Effective Date, the assumption and rejection by Thorpe and Pacific, as the case may be, pursuant to Sections 365(a) and 1123(b)(2) of the Bankruptcy Code, of the executory contracts and unexpired leases identified pursuant to Sections 6.1 and 6.2 of the Plan, is approved and authorized.

14. Post-Confirmation Bar Dates and Notices.

The Administrative Claim Bar Date and Professional Fees Bar Date are as set forth in the *Notice of Effective Date of Plan, Applicable Deadlines under Plan and Issuance of Injunctions* [Dkt. No. 2944] (the "Effective Date Notice"). Any holder of an Administrative Claim and any Professional asserting a claim for Professional Fees for which a proof of Claim, motion or application (as the case may be) was required to be filed and was not filed on or before the applicable date set forth in the Effective Date Notice shall not participate in any distribution under the Plan and shall be forever barred from asserting such Claim against the Reorganized Debtor, the Debtors, and any property of the Debtors and the Trust.

Following the Effective Date, notices will only be served on the Reorganized Debtor, the Office of the United States Trustee and those Persons who file with the Court and serve upon the Reorganized Debtor a request, which includes such Person's name, contact person, address, telephone number and facsimile number, that such Person receive notice of post-Effective Date matters. Persons who had previously filed with the Court requests for special notice of the proceedings and other filings in the Chapter 11 Cases will not receive notice of post-Confirmation matters unless and until such Persons file a new request, in accordance with Section 11.10.2 of the Plan, following the Effective Date.

15. Entry of Confirmation Order and Notice of Effective Date.

As soon as practicable after the Confirmation Remand Effective Date, the Reorganized Debtor shall file and mail the notice of entry of the Confirmation Remand Order to all parties entitled to notice pursuant to Bankruptcy Rules 2002(f) and 3020(c). The notice shall further identify the Confirmation Remand Effective Date and shall set forth the Injunctions and any deadlines that may be established under the Plan or the Confirmation Order.

16. Retention of Jurisdiction.

This Court shall retain jurisdiction over the Chapter 11 Cases and all matters arising out of or related to the Chapter 11 Cases and the Trust to the fullest extent permissible under (i) Sections 105(a), 524(g) and 1142 of the Bankruptcy Code, (ii) Bankruptcy Rule 3020(d), (iii) Article 9 of the Plan, and (iv) 28 U.S.C. § 468B (and related regulations, including without limitation 26 C.F.R. § 1.468B-1(c) *et seq.*) and as otherwise necessary or useful to aid in the confirmation and consummation of the Plan. Notwithstanding the closing of the Thorpe Chapter 11 Case, parties in interest shall continue to make all filings under the jointly administered Case No. 2:07-bk-19271-BB, and the Court shall retain jurisdiction over all matters, including, without limitation, any adversary proceedings, pending under Case No. 2:07-bk-19271-BB (including without limitation Adversary Proceeding No. 2:12-ap-02183-BB, *Thorpe Insulation Company Asbestos Settlement Trust v. Michael Mandelbrot and the Mandelbrot Law Firm*).

17. United States Trustee Fees and Reports.

All fees payable under 28 U.S.C. § 1930(a)(6) shall be paid by the Debtors in the amounts and at the times such fees may become due up to and including the Confirmation Remand Effective Date. Thereafter, the Trust shall file reports and pay all fees payable under 28 U.S.C. § 1930(a)(6) with regard to the Chapter 11 Case of Pacific, Case No. 2:07-bk-20016-BB. The Reorganized Debtor shall provide to the Trust such information as the Trust reasonably requests, if any is required, to complete such reports. The Reorganized Debtor shall file reports and pay all fees payable under 28 U.S.C. § 1930(a)(6) with regard to the Chapter 11 Case of Thorpe, Case No. 2:07-bk-19271-BB, until that case is closed. As soon as practicable following the Confirmation Remand Effective Date, the Reorganized Debtor shall file and prosecute a motion to close the

Chapter 11 Case of Thorpe.

Upon the Effective Date, the Reorganized Debtor shall be relieved from the duty to make the reports and summaries required under Bankruptcy Rule 2015(a). Notwithstanding the foregoing, the Reorganized Debtor shall file and serve the status reports required by Local Bankruptcy Rule 3020-1(b) commencing after the first full calendar quarter following the Effective Date. The status report shall be made on a consolidated basis by the Reorganized Debtor.

18. Construction of Order.

The failure to reference a particular provision of the Plan in this Order shall not affect the validity or enforceability of such provision. Each provision of the Plan shall be deemed authorized and approved by this Order, whether or not mentioned in this Order.

19. Role of Committee and Futures Representative.

On the Effective Date, the Committee is dissolved and the members of the Committee released and discharged from any further authority, duties, responsibilities, liabilities and obligations related to, or arising from, the Chapter 11 Cases, except that the Committee continues in existence for the purposes, and remains authorized and empowered to take any actions, set forth in Section 5.8.4 of the Plan.

Prior to the Confirmation Remand Effective Date, the Futures Representative shall have the functions, rights and obligations as set forth in the Bankruptcy Code. In addition, following the Effective Date, the Futures Representative shall serve pursuant to the Trust Agreement and shall have the rights, duties and responsibilities provided in the Trust Agreement. The Futures Representative shall be released and discharged from any further rights and duties under the Trust Agreement at the time, and under the circumstances, set forth in the Trust Agreement.

20. Disbursing Agent.

The Reorganized Debtor will act as Disbursing Agent under the Plan.

21. Trust Appointed as Estate Representative.

The Trust is appointed as the representative of the Debtors under Section 1123(b)(3)(B) of the Bankruptcy Code to enforce, manage, settle, transfer or otherwise dispose of all Asbestos Insurance Litigation including, without limitation, the Coverage Litigation, at its sole direction and

expense. The Trust is permitted, if necessary or appropriate, to substitute as the real party in interest for the Debtors in the Coverage Litigation. All Proceeds of any Asbestos Insurance Litigation shall be paid to the Trust or to the Reorganized Debtor for remittance to the Trust consistent with the Plan. The Reorganized Debtor shall assist and cooperate with the Trust in the prosecution of the Asbestos Insurance Litigation.

22. Reorganized Debtor Appointed as Estate Representative.

The Reorganized Debtor is appointed as the representative of Pacific under Section 1123(b)(3) of the Bankruptcy Code to carry out the Plan. The Reorganized Debtor shall be authorized to: (i) make all Distributions required to be made on or after the Effective Date to the holders of Allowed Claims against Pacific in the amounts, at the times and according to the treatment provisions of this Plan; and (ii) settle, resolve and object to Disputed Claims against Pacific.

23. Status of Prior Confirmation Order.

This Order shall replace and supersede in its entirety the Court's prior *Order Confirming Fifth Amended Joint Plan of Reorganization of Thorpe Insulation Company and Pacific Insulation Company,* entered February 1, 2010 [Dkt. No. 2611].

24. Post-Confirmation Reporting and Status Conference.

On or before **September 6, 2013**, the Reorganized Debtor will file a status report explaining what progress has been made toward consummation of the Plan. The report shall be served on the Office of the United States Trustee, the Committee, and the Futures Representative (provided such entities are still in existence at such time), and those parties who have requested special notice. A post-confirmation status conference will be held on **September 18, 2013 at 11:00 a.m**. in Courtroom 1475 at which time, among other things, the Court shall determine what additional reports, if any, shall be filed either by the Trust or the Reorganized Debtor with respect to the status and consummation of the Plan. A status report shall be filed by **September 6, 2013**.

The Reorganized Debtor is authorized to notice its motion to close the Chapter 11 Case of Thorpe to be heard on regular notice on **September 18, 2013 at 11:00 a.m.**

####

Date: May 8, 2013

Sheri Bluebond
United States Bankruptcy Judge

NOTICE OF ENTERED ORDER AND SERVICE LIST

Notice is given by the court that a judgment or order entitled (*specify*): ORDER CONFIRMING SIXTH AMENDED JOINT PLAN OF REORGANIZATION OF THORPE INSULATION COMPANY AND PACIFIC INSULATION COMPANY (FOLLOWING REMAND) was entered on the date indicated as "Entered" on the first page of this judgment or order and will be served in the manner stated below:

1. SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF) - Pursuant to controlling General Orders and LBRs, the foregoing document was served on the following persons by the court via NEF and hyperlink to the judgment or order. As of (*date*) May 2, 2013, the following persons are currently on the Electronic Mail Notice List for this bankruptcy case or adversary proceeding to receive NEF transmission at the email addresses stated below:

SEE ATTACHED SERVICE LIST

☒ Service information continued on attached page.

2. SERVED BY THE COURT VIA UNITED STATES MAIL: A copy of this notice and a true copy of this judgment or order was sent by United States mail, first class, postage prepaid, to the following persons and/or entities at the addresses indicated below:

☐ Service information continued on attached page.

3. TO BE SERVED BY THE LODGING PARTY: Within 72 hours after receipt of a copy of this judgment or order which bears an "Entered" stamp, the party lodging the judgment or order will serve a complete copy bearing an "Entered" stamp by United States mail, overnight mail, facsimile transmission or email and file a proof of service of the entered order on the following persons and/or entities at the addresses, facsimile transmission numbers, and/or email addresses stated below:

☐ Service information continued on attached page.

ADDITIONAL SERVICE INFORMATION (if needed):

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This form is mandatory. It has been approved for use by the United States Bankruptcy Court for the Central District of California.

June 2012

F 9021-1.1.NOTICE.ENTERED.ORDER

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June 2012

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June 2012

F 9021-1.1.NOTICE.ENTERED.ORDER

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UNITED STATES BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA
LOS ANGELES DIVISION

In re

THORPE INSULATION COMPANY,[1]

Debtor.

Case No.: 2:07-bk-19271-BB (Jointly Administered with Case No. 2:07-bk-20016-BB)

Chapter 11

SIXTH AMENDED JOINT PLAN OF REORGANIZATION OF THORPE INSULATION COMPANY AND PACIFIC INSULATION COMPANY (FOLLOWING REMAND)

Dated: May 1, 2013

[1] The Debtors are Thorpe Insulation Company, a California corporation, 5608 Bayshore Walk, Long Beach, CA 90803, Fed. Tax ID No. 95-1559386 (Main Debtor) and Pacific Insulation Company, a California corporation, 2741 South Yates Ave., Los Angeles, CA 90040, Fed. Tax ID No. 95-4812741.

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Thorpe Insulation Company, Pacific Insulation Company, the Official Committees of Unsecured Creditors appointed in these Chapter 11 cases, and the appointed legal representative for the holders of future demands for payment on account of asbestos injuries, collectively propose the following plan of reorganization under Sections 524(g) and 1121(a) of the Bankruptcy Code for the resolution of the Debtors' outstanding Claims and Interests. All Creditors and other parties in interest should refer to the Disclosure Statement for a discussion of each Debtor's history, business, properties, results of operations, events leading up to the contemplated restructuring and for a summary and analysis of the Plan and certain related matters. ***All holders of Claims against, and Interests in, either of the Debtors are encouraged to read the Plan, the Disclosure Statement and the related solicitation materials in their entirety before voting to accept or reject the Plan.***

Subject to the restrictions on modifications set forth in Section 1127 of the Bankruptcy Code and Bankruptcy Rule 3019, and those restrictions on modifications set forth in Section 10.1 of this Plan, the Proponents expressly reserve the right to alter, amend or modify the Plan one or more times before its substantial consummation.

The Plan provides, among other matters, for the issuance of injunctions under Section 524(g) of the Bankruptcy Code that will result in the channeling of certain asbestos-related liabilities of the Debtors (excluding, for example, any liabilities for workers' compensation claims or asbestos-related property damage) to a newly created Trust, as more fully described herein. The terms, conditions and entities subject to the foregoing injunctions are set forth in Exhibit A, Exhibit B, Exhibit C, and Exhibit D to this Plan. Except as expressly permitted by the terms of the injunctions, the injunctions will prohibit any acts to collect, recover or offset any asbestos-related liabilities of the Debtors against the Debtors, the Reorganized Debtor, certain third parties, and various persons and entities related to such parties. Pursuant to Section 524(g), all distributions under the Plan to the holders of asbestos-related personal injury claims will be the sole responsibility of the Trust, and the Debtors and the Reorganized Debtor shall have no further personal liability for such claims. All other claims against the Debtors, with certain exceptions, will be satisfied by the Reorganized Debtor pursuant to the Plan. This general description of the Plan is qualified in its entirety by the terms, conditions

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and definitions set forth below in the Plan.

ARTICLE 1

DEFINITIONS AND RULES OF INTERPRETATION

For purposes of this Plan, except as expressly provided or unless the context otherwise requires, all capitalized terms not otherwise defined herein have the meanings ascribed to them in Article 1 of the Plan. Any term used in the Plan that is not defined herein but is defined in the Bankruptcy Code or the Bankruptcy Rules retains the meaning specified for such term in the Bankruptcy Code or the Bankruptcy Rules, as applicable. Whenever the context requires, each of the terms defined herein includes the plural as well as the singular, the masculine gender includes the feminine gender, and the feminine gender includes the masculine gender.

As used in this Plan, the following terms have the meanings specified below:

1.1 Administrative Claim.

A Claim for any expense of administration of the Chapter 11 Cases under Section 503(b) of the Bankruptcy Code and entitled to priority under Section 507(a)(2) of the Bankruptcy Code, including, without limitation: (a) actual and necessary costs and expenses incurred in the ordinary course of the Debtors' businesses; (b) actual and necessary costs and expenses of preserving the Estates or administering the Chapter 11 Cases, and (c) all Professional Fees. For purposes of this Plan, Administrative Claims shall also include fees payable under 28 U.S.C. § 1930.

1.2 Administrative Claim Bar Date.

The sixtieth (60^{th}) day after the Effective Date, which shall be the date by which certain entities asserting an Administrative Claim against either of the Debtors must have filed a request for payment with the Bankruptcy Court under Section 503(a) of the Bankruptcy Code, or be forever barred from asserting an Administrative Claim against the Debtors and/or sharing in any distribution under the Plan.

1.3 Affiliate.

Has the meaning set forth in Section 101(2) of the Bankruptcy Code.

1.4 Agent.

Any shareholder, director, officer, employee, partner, member, agent, attorney, accountant,

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advisor or other representative of any person or entity (solely in their respective capacities as such, and not in any other capacity).

1.5 Allowed.

With respect to any Claim against the Debtors (except for Asbestos Related Claims, which are being channeled to the Trust for payment and processing by the Trust), or Interest in the Debtors: (a) proof of which, request for payment of which, or application for allowance of which, was filed on or before the Bar Date, Administrative Claim Bar Date, or Professional Fees Bar Date, as applicable, for Claims of such type against the Debtors; (b) if no proof of Claim or Interest is filed, which has been or is listed by the Debtors in the Schedules as liquidated in amount and not disputed or contingent; (c) provided that, if either such Claim or Interest under *(a)* or *(b)* is Disputed, a Claim that has been allowed by a Final Order (unless the Debtors or the Reorganized Debtor, in their (or its) sole and absolute discretion, waive the requirement that the order be a Final Order), but only to the extent that such Claim or Interest has been so allowed; or (d) a Claim or Interest that is expressly allowed by the Plan or under any agreement entered into in connection with the Plan. The term "Allowed," when used to modify a reference in the Plan to any Claim, Interest, Class of Claims or Class of Interests, means a Claim or Interest (or any Claim or Interest in any such Class) that is so allowed. The term "Allowed Claim," will not, for purposes of computing distributions under the Plan, include interest on such claim from and after the respective Petition Dates, other than as permitted under Section 506(b) of the Bankruptcy Code, provided that, the holders of Allowed Class 3 and Class 4 Claims shall be entitled to an additional distribution of interest on account of such claims as provided in Sections 4.3 and 4.4 of the Plan.

1.6 Asbestos Available Insurance.

Any Asbestos Insurance Policy that remains available for ongoing or additional Asbestos Insurance Coverage, to the extent that such policy has not otherwise been settled, reduced to Cash proceeds, repurchased or commuted, provided that, Asbestos Available Insurance shall not include any Asbestos Insurance Policy issued by Fireman's Fund or Continental so long as the Wellington Settlement and the Wellington Ruling are enforceable against the Debtors and the Trust or are not set aside.

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1.7 Asbestos Claimant.

A holder of an Asbestos Related Claim.

1.8 Asbestos Indirect Claim.

Any Claim against the Debtors (or either of them) for contribution, reimbursement, indemnity, subrogation or under any other legal or equitable theory based on, arising under or attributable to the payment of all or any part of any Asbestos Injury Claim or Asbestos Injury Demand.

1.9 Asbestos Injury Claim.

Any Claim against the Debtors (or either of them) seeking, directly or indirectly, recovery for damages for personal injury, bodily harm or wrongful death allegedly caused by the presence of, or exposure to, asbestos or asbestos-containing products, provided that, such Claims shall **not** include (i) any Claim under, or covered by, any state or federal workers' compensation program, insurance or law, and (ii) any Asbestos Property Damage Claim.

1.10 Asbestos Injury Demand.

Any demand for payment, present or future, against the Debtors (or either of them) that (i) was not an Asbestos Injury Claim during the Chapter 11 Cases, (ii) arises out of the same or similar conduct or events that gave rise to the Asbestos Injury Claims, and (iii) pursuant to the Plan, is to be paid by the Trust.

1.11 Asbestos Insurance Coverage.

All rights, obligations and amounts provided under any Asbestos Insurance Policy for the defense, payment, indemnity or reimbursement of any Asbestos Related Claim.

1.12 Asbestos Insurance Defenses.

Any legal, equitable or contractual defense that any Asbestos Insurer may have under applicable non-bankruptcy law to Business Loss or to an assertion that such Asbestos Insurer is obligated to defend, pay, indemnify or reimburse, or provide insurance coverage for, any Asbestos Related Claim under any Asbestos Insurance Policy, *except* for any defense (a) that is based on the assertion that the transfer of the Asbestos Insurance Rights to the Trust pursuant to Section 5.4 of the Plan is invalid, unenforceable or otherwise breaches the terms of any Asbestos Insurance Policy,

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Asbestos Insurance Settlement, or any other agreement with any Asbestos Insurer, (b) that has been released, waived, altered or otherwise resolved, in full or in part, in any Asbestos Insurance Settlement, or any other agreement with any Asbestos Insurer, (c) to the extent affected by application of principles of res judicata, collateral estoppel, claim preclusion or issue preclusion, or (d) premised upon the commencement of the Chapter 11 Cases under Section 301 of the Bankruptcy Code. Notwithstanding anything in the Plan to the contrary, Fireman's Fund and Continental shall have the right to contest and defend any claim authorized by Section 1.16(g) of the Plan that the Wellington Settlement, the Wellington Ruling or the Wellington Agreements are unenforceable or should be set aside under applicable law or in equity, but shall not have the right to assert that the transfer of such claims, if any, to the Trust pursuant to the Plan violated the Wellington Settlement, the Wellington Ruling or the Wellington Agreements.

1.13 Asbestos Insurance Litigation.

Any Claim, counterclaim, demand or cause of action of the Debtors, the Trust or any Asbestos Claimant against an Asbestos Insurer, including, without limitation, (i) those claims asserted by the Debtors in the Coverage Litigation as of the Effective Date, (ii) any other Asbestos Insurance Policy Claims of the Debtors and (iii) any direct action commenced by an Asbestos Claimant against an Asbestos Insurer.

1.14 Asbestos Insurance Policy.

Any insurance policy of the Debtors providing, or potentially providing, for Asbestos Insurance Coverage.

1.15 Asbestos Insurance Policy Claim.

Any Claim against any Asbestos Insurer based on, arising under, or related to any Asbestos Insurance Policy or Asbestos Insurance Settlement, including but not limited to any Claim (i) for "bad faith," or extra-contractual liability, (ii) under Section 11580 of the California Insurance Code, its subdivisions or any related or similar statute in any jurisdiction, (iii) for Asbestos Insurance Coverage, damages or equitable relief related to any Asbestos Insurance Policy, or (iv) for contribution, reimbursement, indemnity or subrogation related to any Asbestos Insurance Policy.

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1.16 Asbestos Insurance Rights.

Any and all of the Debtors' rights, titles, privileges, interests, claims, demands or entitlements to any Proceeds, payments, initial or supplemental dividends, scheme payments, supplemental scheme payments, state guaranty fund payments, causes of action and choses in action under, for, or related to the following: (a) the Asbestos Insurance Policies; (b) any Asbestos Available Insurance; (c) any coverages under insurance policies other than Asbestos Insurance Policies; (d) the Asbestos Insurance Settlements; (e) any other settlement agreements with respect to any Asbestos Insurance Policy (excluding, however, the Wellington Settlement); (f) the Asbestos Insurance Litigation; and (g) the right, if any, to seek to set aside or challenge the enforceability against the Debtors and the Trust of the Wellington Agreements, the Wellington Settlement and/or the Wellington Ruling as permitted under applicable law or in equity; provided, however, that Asbestos Insurance Rights shall *not* include (i) any Asbestos Insurance Policy, Asbestos Insurance Settlement, or other insurance policy or settlement agreement itself, or (ii) any rights under any Asbestos Insurance Policy issued by Fireman's Fund or Continental so long as the Wellington Settlement and the Wellington Ruling are enforceable against the Debtors and the Trust or are not set aside (provided that, with respect to this subclause *(ii)*, to the extent that either of the Debtors may succeed to any contribution, reimbursement, indemnity, subrogation or similar rights against Fireman's Fund or Continental from third parties pursuant to an Asbestos Insurance Settlement or otherwise, then such contribution, reimbursement, indemnity, subrogation or similar rights shall constitute Asbestos Insurance Rights). For the avoidance of doubt, Asbestos Insurance Rights shall also *not* include any cause of action or right to bring a cause of action held by any Asbestos Claimant directly against any Asbestos Insurer on account of such claimant's Asbestos Related Claim, all of which shall be retained by Asbestos Claimants (subject, however, to the applicable terms of the Injunctions), and shall not be transferred to the Trust.

1.17 Asbestos Insurance Settlement.

Each agreement between the Debtors and the Asbestos Insurers listed in **Exhibit D** to the Plan, including any ancillary agreements to such agreements, as such exhibit may be amended from time to time up to and including, but not after, the conclusion of the Confirmation Remand

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Proceedings before the Bankruptcy Court.

1.18 Asbestos Insurer.

Any entity that has issued an Asbestos Insurance Policy, and each of its Affiliates, predecessors in interest and Agents, but only in relation to such Asbestos Insurance Policy.

1.19 Asbestos Insurer Injunction.

The supplemental injunction issued in connection with the Confirmation Order set forth in **Exhibit C** to the Plan.

1.20 Asbestos Property Damage Claim.

Any Claim seeking, directly or indirectly, recovery for damages for property damage allegedly caused by the presence of, exposure to, or the removal or abatement of asbestos or asbestos-containing products.

1.21 Asbestos Related Claim.

Any Asbestos Injury Claim, Asbestos Injury Demand or Asbestos Indirect Claim.

1.22 Asbestos Related Defenses.

Any legal, equitable or contractual defense that either of the Debtors may have under applicable non-bankruptcy law to the validity or amount of, or liability for, any Asbestos Related Claim, including any applicable statutes of limitation or repose.

1.23 Assumption Obligations.

Any monetary amounts payable to the non-debtor party to any executory contract or unexpired lease, pursuant to Section 365(b)(1) of the Bankruptcy Code, as a condition to the assumption of such contract or lease.

1.24 Avoidance Actions.

All causes of actions of the Estates under Sections 506(c), 510, 542, 543, 544, 545, 547, 548, 549, 550 and 553 of the Bankruptcy Code, whether or not such actions seek an affirmative recovery or are raised as a defense to or offset against the allowance of a Claim.

1.25 Bankruptcy Code.

Title 11 of the United States Code, 11 U.S.C. §§ 101-1330, as amended from time to time and as applicable to the Chapter 11 Cases.

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1.26 Bankruptcy Court.

The United States Bankruptcy Court for the Central District of California having jurisdiction over the Chapter 11 Cases.

1.27 Bankruptcy Rules.

Collectively, the Federal Rules of Bankruptcy Procedure as promulgated under 28 U.S.C. § 2075 and any Local Rules of the Bankruptcy Court, as applicable to the Chapter 11 Cases.

1.28 Bar Date.

March 7, 2008, which is the date fixed by the Bankruptcy Court by which all Persons (except governmental units or holders of Claims that appear in the Schedules and are **not** scheduled as disputed, contingent or unliquidated) asserting a Claim against the Debtors (except Administrative Claims or Asbestos Related Claims) must file a proof of claim or be forever barred from asserting a Claim against the Debtors or their property, voting on the Plan, and sharing in distributions under the Plan.

1.29 Business Day.

Any day other than a Saturday, Sunday, or legal holiday, as defined in Bankruptcy Rule 9006(a).

1.30 Business Loss.

Any Claim for damages for lost business opportunities, business interruption or other cost, loss or damage to the Debtors' businesses, or impairment of Asbestos Insurance Coverage, based on, arising under or related to any Asbestos Insurance Litigation.

1.31 Business Loss Allocation.

The portion of the aggregate Business Losses sustained by the Debtors that shall be paid by the Trust to the Reorganized Debtor, determined as follows: The sum of (i) 2% of all Net Recoveries up to $200 million, plus (ii) .75% of all Net Recoveries between $200 million and $300 million, plus (iii) .25% of all Net Recoveries between $300 million and $500 million. The Trust shall not pay the Reorganized Debtor any amounts for Business Losses on account of any Net Recoveries in excess of $500 million. For the purposes of this definition, there shall be excluded from Net Recoveries the following: (a) the sum of $35 million due from Great American Insurance

Company and Republic Indemnity Company of America pursuant to paragraph 2.1.1 of that certain *Settlement Agreement, Buy Back of Policies, Release of Claims and Covenant Not to Sue Between Thorpe Insulation Company, et al. and Great American Insurance Company and Republic Indemnity Company of America*, (b) the sum of $5 million received from Pacific Indemnity Company pursuant to paragraph 2 of that certain *Final Settlement Agreement and Mutual Releases by and Between Thorpe Insulation Company and Pacific Indemnity Company*, and (c) the sum of $2.5 million received from Associated International Insurance Company pursuant to paragraph 2 of that certain *Settlement Agreement by and Between Thorpe Insulation Company and Associated International Insurance Company*. For the avoidance of doubt, all sums due under the agreements listed above, other than those referred to in the immediately preceding sentence, shall be included in the term Net Recoveries as used in this Section 1.31 and the Business Loss Allocation shall not exceed, under any circumstances, $5.25 million.

1.32 Cash.

Currency, checks drawn on a bank insured by the Federal Deposit Insurance Corporation, certified checks, money orders, negotiable instruments, and wire transfers of immediately available funds.

1.33 Century Settlement.

The compromise, release and sale/buy back of insurance rights by and between the TPFBF Parties and the Century Insurers, each as defined in and as reflected in the Century Settlement Agreement.

1.34 Century Settlement Agreement.

That certain *Settlement Agreement, Buy Back of Insurance Policies and Rights, Release of Claims and Covenant Not to Sue*, dated as of December 14, 2012 and attached as **Exhibit N** to the Plan.

1.35 Channeling Injunction.

The channeling injunction issued in connection with the Confirmation Order set forth in **Exhibit A** to the Plan.

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1.36 Chapter 11 Case(s).

The case(s) under Chapter 11 of the Bankruptcy Code in which each Debtor is a debtor and debtor-in-possession pending before the Bankruptcy Court.

1.37 Charter.

The articles or certificate of incorporation and the by-laws of a company, and any amendments to the foregoing.

1.38 Claim.

A claim as defined in Section 101(5) of the Bankruptcy Code, including, without limitation: (a) any right to payment, whether or not such right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, or unsecured, arising at any time before the Confirmation Remand Effective Date; or (b) any right to an equitable remedy for breach of performance if such breach gives rise to a right to payment, whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent, matured, unmatured, disputed, undisputed, secured, or unsecured.

1.39 Class.

A category of holders of Claims or Interests which are substantially similar in nature to the Claims or Interests of other holders placed in such category, as designated in Article 3 of this Plan.

1.40 Committee.

The Official Committees of Unsecured Creditors, appointed by the United States Trustee in the Chapter 11 Cases of Thorpe and Pacific in accordance with Section 1102(a)(1) of the Bankruptcy Code, as they may be reconstituted from time to time.

1.41 Confirmation.

Entry of the Confirmation Order by the District Court.

1.42 Confirmation Date.

The date on which the District Court enters the Confirmation Order.

1.43 Confirmation Findings.

The findings of fact and conclusions of law made in support of the Confirmation Order, including those findings required by Section 524(g) of the Bankruptcy Code.

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1.44 Confirmation Hearing.

The hearing or hearings to consider confirmation of the Plan under Section 1129 of the Bankruptcy Code, as such hearing(s) may be adjourned from time to time.

1.45 Confirmation Order.

The order of the District Court confirming the Plan, or affirming the order of the Bankruptcy Court confirming the Plan.

1.46 Confirmation Remand Effective Date.

The date selected by the Proponents that is not less than thirty (30) days following entry of the Confirmation Remand Order; provided that, the Confirmation Remand Order is not then stayed, is not then subject to a request for its revocation, and (subject to waiver as provided in Section 7.6) is a Final Order.

1.47 Confirmation Remand Order.

The order of the District Court confirming the Plan as modified following the Confirmation Remand Proceedings, or affirming the order of the Bankruptcy Court confirming the Plan as modified following the Confirmation Remand Proceedings.

1.48 Confirmation Remand Proceedings.

The proceedings on remand in the Bankruptcy Court and/or the District Court with respect to the Plan and modifications to the Plan following the decision of the United States Court of Appeals for the Ninth Circuit in *In re Thorpe Insulation Co.*, 677 F.3d 869 (9th Cir. 2012), including confirmation of the Plan as modified under Sections 1127 and 1128 of the Bankruptcy Code.

1.49 Continental.

Continental Insurance Company, as successor in interest to certain insurance policies issued by Harbor Insurance Company, provided that, any references in the Plan to Continental by name (but not including references to the Continental Insurers) or as the holder of a Wellington Settlement Claim shall apply only in the event the Continental Settlement is terminated.

1.50 Continental Settlement.

The compromise, release and sale/buy back of insurance rights by and between the TPFBF Parties and the Continental Insurers, each as defined in and as reflected in the Continental

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Settlement Agreement.

1.51 Continental Settlement Agreement.

That certain *Settlement Agreement, Buy Back of Insurance Policies and Rights, Full and Mutual Release of Claims, and Covenant Not to Sue*, dated as of February 13, 2013 and attached as **Exhibit O** to the Plan.

1.52 Contingent Claim.

Any Claim for which a proof of Claim has been filed with the Bankruptcy Court which (a) has not accrued and is dependent on a future event that has not occurred and may never occur, and (b) has not been Allowed on or before the Confirmation Date, or such other date as the Bankruptcy Court may establish.

1.53 Coverage Litigation.

The following civil actions captioned: (i) *Thorpe Insulation Company v. Allstate Insurance Company, et al*. (No. CGC-05-446 682), originally filed in the California Superior Court for the County of San Francisco; (ii) *Chicago Insurance Company, et al. v. Allstate Insurance Company, et al*. (No. BC343014), pending in the California Superior Court for the County of Los Angeles; (iii) *Chicago Insurance Company v. Pacific Insulation Company, et al*. (No. BC346667), pending in the California Superior Court for the County of Los Angeles; and (iv) *In re: Thorpe Insulation Asbestos Coverage Cases*, Judicial Counsel Coordination Proceeding No. 4458, pending in the California Superior Court for the County of Los Angeles.

1.54 Creditor.

Has the meaning set forth in Section 101(10) of the Bankruptcy Code.

1.55 Debtors.

Collectively, Thorpe and Pacific.

1.56 DIP Lender.

California Bank & Trust.

1.57 DIP Loan.

The $2 million debtor-in-possession secured, super-priority, revolving loan provided to Pacific by the DIP Lender pursuant to the *Business Loan Agreement*, dated as of April 25, 2008,

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between Pacific and the DIP Lender, including any ancillary agreements to such agreement, as such agreements may be amended, supplemented or otherwise modified from time to time.

1.58 Disbursing Agent.

The Reorganized Debtor, or such other person or persons designated by the Reorganized Debtor to act as, or assist, the disbursing agent under the Plan for the purpose of making the Distributions required under the Plan.

1.59 Disclosure Statement.

The disclosure statement relating to the Plan including, without limitation, all exhibits and schedules to such disclosure statement, and any supplements thereto, in the form approved by the Bankruptcy Court under Section 1125 of the Bankruptcy Code and Bankruptcy Rule 3017.

1.60 Disclosure Statement Order.

Collectively, the *Order Approving First Amended Disclosure Statement Concerning the First Amended Joint Plan of Reorganization of Thorpe Insulation Company and Pacific Insulation Company Under Chapter 11 of the Bankruptcy Code*, entered by the Bankruptcy Court on August 12, 2008, and the *Order (A) Continuing Hearing on Plan Confirmation, (B) Setting Certain Deadlines in Connection Therewith and (C) Approving Supplemental Disclosure Statement (as Corrected)*, entered by the Bankruptcy Court on April 23, 2009.

1.61 Disputed.

With respect to Claims, any Claim: (a) as to which the Debtor or any other proper party-in-interest has interposed a timely objection or request for estimation, or has sought to equitably subordinate or otherwise limit recovery in accordance with the Bankruptcy Code and the Bankruptcy Rules, or which is otherwise disputed by the Debtor in accordance with applicable law, and such objection, request for estimation, action to limit recovery or dispute has not been withdrawn or determined by a Final Order; or (b) that is a Contingent Claim. The term "Disputed," when used to modify a reference in the Plan to any Claim, Interest, Class of Claims or Class of Interests, means a Claim or Interest (or any Claim or Interest in any such Class) that is so disputed.

1.62 Distribution.

A payment of Cash to the holder of an Allowed Claim pursuant to the Plan.

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1.63 District Court.

The United States District Court for the Central District of California having jurisdiction over the Chapter 11 Cases.

1.64 Effective Date.

The date the Merger Agreement is effective pursuant to Section 1103 of the California Corporations Code.

1.65 Employee Benefit Programs.

All health, dental, flexible medical payment, pension, welfare and retirement plans, and life and disability insurance policies, established by the Debtors for the benefit of their employees, whether or not such plans or programs were or had been terminated according to their terms before the pertinent Petition Date or during the Chapter 11 Cases.

1.66 Estates.

The estates for the Debtors created in the Chapter 11 Cases in accordance with Section 541 of the Bankruptcy Code or otherwise.

1.67 Farwest.

Farwest Insulation Contracting, a California corporation, formerly known as Far West Insulation Contracting and also formerly known as Tico Group, Inc.

1.68 Farwest Contribution.

The Cash payment made by Farwest to the Trust on behalf of Farwest and the Identified Parties in the amount of $500,000.

1.69 Farwest Settlement.

The compromise and release of Intercompany Claims between the Debtors, on the one hand, and Farwest, on the other hand, set forth in **Exhibit G** to the Plan and implemented pursuant to Section 5.9 of the Plan.

1.70 Final Order.

An order or judgment of the Bankruptcy Court (or, in the case of the Confirmation Order, the District Court) that has been entered upon the docket in the Chapter 11 Cases (or, in the case of the Confirmation Order, on the docket of the District Court) and (a) as to which the time to appeal,

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petition for certiorari, or move for reargument or rehearing has expired and as to which no appeal, petition for certiorari, or other proceedings for reargument or rehearing shall then be pending, or (b) in the event that an appeal, writ of certiorari, reargument or rehearing has been sought, such order or judgment shall have been affirmed by the highest court to which such order or judgment was appealed, or certiorari has been denied, or from which reargument or rehearing was sought, and the time to take any further appeal, petition for certiorari, or move for reargument or rehearing shall have expired; provided, however, that the possibility that a motion under Rule 59 or Rule 60 of the Federal Rules of Civil Procedure or any analogous rule under the Bankruptcy Rules may be filed with respect to such order or judgment shall not cause such order or judgment not to be a "final order."

1.71 Fireman's Fund.

Fireman's Fund Insurance Company, provided that, any references in the Plan to Fireman's Fund by name or as the holder of a Wellington Settlement Claim shall apply only in the event the Fireman's Fund Settlement is terminated.

1.72 Fireman's Fund Settlement.

The compromise, release and sale/buy back of insurance rights as reflected in the *Settlement Agreement and Buy-Back of Insurance Rights*, dated May 28, 2010, by and among the Debtors, certain third parties identified therein, and the Fireman's Fund Entities (as defined therein).

1.73 Futures Representative.

The Honorable Charles B. Renfrew (Ret.), acting as the legal representative on behalf of persons holding potential Asbestos Injury Demands against Thorpe or Pacific, appointed by the Bankruptcy Court under Section 524(g)(4)(B)(i) of the Bankruptcy Code pursuant to orders entered on December 21, 2007 in each of the Bankruptcy Cases or such successor representative as may be appointed by the Bankruptcy Court prior to the Effective Date, or in accordance with the Trust Agreement following the Effective Date.

1.74 Identified Parties.

Bayshore Partners, LLC, formerly known as Bayshore Group, which was formerly known as Fults Development Co.; Robert W. Fults; Debra Fults; Linda E. Fults; Eric W. Fults; Vicky Fults;

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David A. Fults; and Stacie Fults.

1.75 Indemnity Election.

The indemnification to be provided by the Trust to the Reorganized Debtor set forth in **Exhibit H** to the Plan and implemented pursuant to Section 7.4 of the Plan.

1.76 Injunction Action.

The adversary proceeding filed in the Chapter 11 Cases entitled *Thorpe Insulation Company, et al. v. Argonaut Insurance Company, et al.*, Adv. No. 08-01850.

1.77 Injunctions.

The Channeling Injunction, the Settling Asbestos Insurer Injunction and the Asbestos Insurer Injunction.

1.78 Intercompany Claims.

All Claims (whether arising from contract, tort or otherwise, including claims for Business Losses) and Avoidance Actions held by any of Thorpe, Pacific or Farwest against each other, whether or not a proof of Claim is filed or deemed filed pursuant to Section 501 of the Bankruptcy Code in either of the Chapter 11 Cases, provided that, the Intercompany Claims do **not** include: (1) any Asbestos Insurance Rights; and (2) any accounts receivable or other obligations owed by or between either of the Debtors and Farwest and incurred in the ordinary course of business.

1.79 Interests.

Collectively, all Thorpe Interests and Pacific Interests.

1.80 Lien.

A lien as defined in Section 101(37) of the Bankruptcy Code, but not including a lien that has been avoided in accordance with Sections 544, 545, 546, 547, 548, 553, or 549 of the Bankruptcy Code.

1.81 Mediated Result.

The series of transactions and agreements described as the Mediated Result in the Bankruptcy Court's *Order on: (1) Substantial Contribution Claim as Modified Following Mediation; (2) Application for Instructions on Trust Entering into Agreement re Earned Fees. etc., — MLB; and (3) Application for Instructions on Trust Entering into Agreement re Earned Fees, etc.,*

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—*SMO* entered April 11, 2011 [Dkt. No. 3145].

1.82 Merger.

The merger of Thorpe and Pacific that is to be consummated pursuant to the Merger Agreement.

1.83 Merger Agreement.

The *Agreement and Plan of Merger* providing for the merger of Pacific into Thorpe (with Thorpe to be the surviving corporation), in form and substance satisfactory to the Proponents and in substantially the form attached as **Exhibit J** to the Plan.

1.84 **Middlesex/Sentry Settlement.**

The compromise, release and sale/buy back of insurance rights by and between the TPFBF Parties and Middlesex/Sentry, each as defined in and as reflected in the Middlesex/Sentry Settlement Agreement.

1.85 Middlesex/Sentry Settlement Agreement.

That certain *Settlement Agreement, Buy Back of Insurance Policy and Rights, Release of Claims, and Covenant Not to Sue*, dated as of February 13, 2013 and attached as **Exhibit P** to the Plan.

1.86 Net Recoveries.

All Cash Proceeds received on account of Asbestos Insurance Rights and Asbestos Insurance Settlements, less any expenses incurred by the Debtors, or either of them, or the Trust in pursuing such amounts including, without limitation: (a) attorneys' fees of coverage and litigation counsel (but not general bankruptcy counsel or appellate counsel retained in the Chapter 11 Cases), and (b) costs of suit.

1.87 Non-Settling Asbestos Insurer.

An Asbestos Insurer that is not a Settling Asbestos Insurer.

1.88 Notice Procedures.

Those procedures governing notice of certain post-Effective Date matters set forth in Section 11.10.3 of the Plan.

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1.89 Pacific.

Pacific Insulation Company, a California corporation.

1.90 Pacific Assets.

All of the property of the Estate of Pacific under Section 541 of the Bankruptcy Code.

1.91 Pacific Directors.

The following members of the board of directors of Pacific: Robert W. Fults and Linda E. Fults.

1.92 Pacific Equity Security.

(i) Any share of common or preferred stock of Pacific issued and outstanding as of the Petition Date, and (ii) any unexpired and enforceable right, put, award, option or warrant, whether under one or more contracts or plans in existence on the Petition Date of the Chapter 11 Case of Pacific, to purchase, sell, grant or otherwise transfer any such shares.

1.93 Pacific Interests.

The rights of an owner and holder of a Pacific Equity Security.

1.94 Pacific Officers.

(i) Robert W. Fults, in his capacity as President and Chief Executive Officer of Pacific, (ii) Stephen C. Butler, in his capacity as Vice President/General Manager of Pacific, (iii) Eric W. Fults, in his capacity as Secretary of Pacific, and (iv) Linda D. Chavarria, in her capacity as Assistant Secretary/Controller of Pacific.

1.95 Permitted Employee Payments.

All amounts paid by Pacific during its Chapter 11 Case on account of Claims arising prior to its Petition Date in the amounts and according to the conditions set forth in the *Order Authorizing Debtor to Honor Certain Prepetition Employee-Related Obligations* entered by the Bankruptcy Court on December 13, 2007 (Docket No. 309).

1.96 Person.

Any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated association or organization, or other "person" as defined in Bankruptcy Code § 101, as well as any governmental agency, governmental unit or associated political subdivision.

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1.97 Petition Date(s).

(i) October 15, 2007, in the case of Thorpe, and (ii) October 31, 2007, in the case of Pacific.

1.98 Plan.

This Chapter 11 plan of reorganization, either in its present form or as it may be amended, supplemented or modified from time to time, including all of its annexed exhibits and schedules (*e.g.*, the Injunctions, the Trust Documents, the Merger Agreement).

1.99 Plan Interest Rate.

The greater of (a) the federal statutory rate of interest pursuant to 28 U.S.C. § 1961(a) as of the applicable Petition Date, or (b) the rate of interest determined in accordance with the underlying agreement or the nonbankruptcy law applicable to a particular Claim.

1.100 Priority Employee Claim.

Any Claim (or portion of such Claim) entitled to priority under Sections 507(a)(3) and (a)(4) of the Bankruptcy Code.

1.101 Priority Tax Claim.

Any Claim (or portion of such Claim) of a governmental unit entitled to priority under Section 507(a)(8) of the Bankruptcy Code.

1.102 Proceeds.

All Cash, interest, profits, dividends, proceeds, products, and rents earned, accrued, collected, derived, received or recovered on account of the liquidation, sale, transfer, enforcement or other disposition of property, including all "proceeds" as defined under Section 9102(a)(64) of the California Uniform Commercial Code.

1.103 Professional.

Each Person (a) employed in accordance with an order of the Bankruptcy Court under Sections 327 or 1103 of the Bankruptcy Code and to be compensated for services under Sections 327, 328, 329, 330, 331 and 504 of the Bankruptcy Code, or (b) for which compensation or reimbursement is requested under Section 503(b) of the Bankruptcy Code.

1.104 Professional Fee Reserve.

A reserve set aside from the Cash proceeds of Asbestos Insurance Settlements existing as of

the Effective Date, in an amount sufficient to pay all anticipated Allowed Professional Fees outstanding as of the Effective Date and to reimburse Pacific for all Allowed Professional Fees paid by it in connection with its Chapter 11 Case, provided that, such reimbursement shall be reduced by $250,000 on account of amounts previously funded by Pacific for retainers to Professionals.

1.105 Professional Fees.

Any claim by a Professional for compensation for services rendered and reimbursement for expenses submitted in accordance with Sections 330, 331, or 503(b) of the Bankruptcy Code.

1.106 Professional Fees Bar Date.

The date fixed under the Confirmation Order, approximately sixty (60) days following the Effective Date, by which any Professional seeking an award of Professional Fees must have filed an application with the Bankruptcy Court under Section 330(a) of the Bankruptcy Code, or be forever barred from an award of Professional Fees against the Debtors and/or sharing in any distribution under the Plan, provided that, the Professional Fees Bar Date shall not apply to certain Professional Fees as described in Section 2.5 of the Plan.

1.107 Proponents.

Collectively, the Debtors, the Committee and the Futures Representative, provided that, a Proponent may withdraw as a Proponent by written notice to the other Proponents delivered prior to the commencement of the Confirmation Hearing, in which case the remaining Proponents shall constitute the Proponents.

1.108 Protected Party.

The following entities, and any Related Party, Affiliate or Agent of each such entity or person, that, pursuant to Section 524(g)(4)(A)(i) of the Bankruptcy Code, are addressed by the Channeling Injunction: (i) Thorpe, (ii) Pacific, (iii) the Reorganized Debtor, (iv) Farwest, (v) the Identified Parties, and (vi) each Settling Asbestos Insurer.

1.109 QSF Law.

Section 468B of the Internal Revenue Code and all applicable regulations promulgated thereunder (*e.g.*, 26 C.F.R. §1.468B-1(c), *et seq.*).

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1.110 QSF Opinion.

An opinion of counsel that the Trust will qualify as a "qualified settlement fund" under the QSF Law.

1.111 Rejection Claim Bar Date.

The date fixed under the Confirmation Order, which is expected to be approximately thirty (30) days following the Confirmation Date, by which any Person asserting a Claim for damages arising from the rejection of an executory contract or unexpired lease under this Plan must have filed a proof of Claim with the Bankruptcy Court under Section 502(g) of the Bankruptcy Code, or be forever barred from asserting such Claim against the Debtors and sharing in any distribution under the Plan.

1.112 Related Party.

Has the meaning set forth in Section 524(g)(4)(A)(iii) of the Bankruptcy Code.

1.113 Reorganization Law.

Section 1400 of the California Corporations Code.

1.114 Reorganized Debtor.

Thorpe, as revested with the Thorpe Assets and Merged with Pacific pursuant to the Plan, on the Effective Date.

1.115 Reorganized Debtor Directors.

Robert W. Fults and Eric W. Fults.

1.116 Reorganized Debtor Earnout Note.

The promissory note made by the Reorganized Debtor and payable to the order of the Trust, in substantially the form attached as **Exhibit L** to the Plan, with the following terms: (i) principal amount of $500,000.00, (ii) interest at a rate per annum which shall be 3% above the "discount rate" established by the Federal Reserve Bank of San Francisco in effect on the Confirmation Date, (iii) term of ten (10) years, subject to voluntary prepayment at any time without penalty, and (iv) payable in annual principal installments equal to 50% of annual profits earned by the Reorganized Debtor, not to exceed $50,000, as further specified in the note.

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1.117 Reorganized Debtor Expenses.

The expenses incurred by the Reorganized Debtor, the Disbursing Agent, the Committee or the Futures Representative on and after the Effective Date that are related to the implementation of the Plan (including the fees and costs of their respective attorneys, advisors and other professionals), provided that, Reorganized Debtor Expenses do not include any Trust Expenses.

1.118 Reorganized Debtor Notes.

The Reorganized Debtor Earnout Note and the Reorganized Debtor Promissory Note.

1.119 Reorganized Debtor New Common Stock.

The new shares of common stock of the Reorganized Debtor authorized and issued in connection with the Merger.

1.120 Reorganized Debtor Officers.

(i) Robert W. Fults, in his capacity as President and Chief Executive Officer, (ii) Stephen C. Butler, in his capacity as Vice President/General Manager, (iii) Eric W. Fults, in his capacity as Secretary, and (iv) Linda D. Chavarria, in her capacity as Assistant Secretary/Controller.

1.121 Reorganized Debtor Promissory Note.

The promissory note made by the Reorganized Debtor and payable to the order of the Trust, in substantially the form attached as **Exhibit K** to the Plan, with the following terms: (i) principal amount of $750,000.00, (ii) interest at a rate per annum which shall be 3% above the "discount rate" established by the Federal Reserve Bank of San Francisco in effect on the Confirmation Date, (iii) term of five (5) years, subject to voluntary prepayment at any time without penalty, (iv) payable in annual principal installments of $150,000, and (v) secured by 51% of the issued and outstanding Reorganized Debtor New Common Stock pursuant to the terms and conditions of the Reorganized Debtor Stock Pledge Agreement.

1.122 Reorganized Debtor Stock Pledge Agreement.

The stock pledge agreement, in substantially the form attached as **Exhibit M** to the Plan, pursuant to which 51% of the Reorganized Debtor New Common Stock is pledged to the Trust as security for the payments due pursuant to the Reorganized Debtor Promissory Note.

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1.123 Retained Claims and Defenses.

All claims, causes of action, defenses, counterclaims, cross-claims, third-party claims, or rights of offset, recoupment, subrogation or subordination held by the Debtors against third parties arising in the ordinary course of business of the Debtors, provided that, the Retained Claims and Defenses do not include any Asbestos Insurance Litigation.

1.124 Schedules.

The schedules of assets and liabilities, the list of holders of Interests, and the statements of financial affairs filed by Thorpe on November 28, 2007, and Pacific on November 29, 2007, under Section 521 of the Bankruptcy Code and Bankruptcy Rule 1007, as such schedules, lists, and statements may have been or may be supplemented or amended from time to time.

1.125 Settling Asbestos Insurer.

The Asbestos Insurers listed in **Exhibit D** to the Plan, as such exhibit may be amended from time to time up to and including, but not after, the conclusion of the Confirmation Remand Proceedings before the Bankruptcy Court.

1.126 Settling Asbestos Insurer Injunction.

The supplemental injunction issued in connection with the Confirmation Order set forth in **Exhibit B** to the Plan.

1.127 Secured Claim.

Any Claim secured by a valid, perfected and enforceable Lien that is not subject to avoidance under bankruptcy or non-bankruptcy law, equal to the lesser of (a) the Allowed amount of such Claim, or (b) the value, as determined by the Bankruptcy Court pursuant to Sections 506(a) and 1129(b) of the Bankruptcy Code and Bankruptcy Rule 3012, of: (i) the interest of the holder of such Claim in the property of the Debtor securing such Claim, or (ii) the amount subject to setoff under Section 553 of the Bankruptcy Code.

1.128 State Court.

The California Superior Court for the County of Los Angeles having jurisdiction over the Coverage Litigation.

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1.129 Surviving Corporation.

Thorpe, in its capacity as the "surviving corporation" following the Merger of Pacific into Thorpe, pursuant to Section 1101(c) of the California Corporations Code.

1.130 TDP.

The *Thorpe Insulation Company Asbestos Personal Injury Settlement Trust Distribution Procedures* attached as **Exhibit I** to the Plan, as it may be amended or modified from time to time.

1.131 Thorpe.

Thorpe Insulation Company, a California corporation, formerly known as Plant Insulation Company.

1.132 Thorpe Assets.

All of the property of the Estate of Thorpe under Section 541 of the Bankruptcy Code including, without limitation, any applicable Asbestos Insurance Rights.

1.133 Thorpe Directors.

Robert W. Fults and Linda E. Fults, in their capacities as the directors of Thorpe

1.134 Thorpe Equity Security.

(i) Any share of common or preferred stock of Thorpe issued and outstanding as of the Petition Date, and (ii) any unexpired and enforceable right, put, award, option or warrant, whether under one or more contracts or plans in existence on the Petition Date of the Chapter 11 Case of Thorpe (including the Thorpe Stock Plan), to purchase, sell, grant or otherwise transfer any such shares.

1.135 Thorpe Interests.

The rights of an owner and holder of a Thorpe Equity Security.

1.136 Thorpe Officer.

Robert W. Fults, in his capacity as the President of Thorpe.

1.137 Trust.

The trust established by the Trust Agreement.

1.138 Trust Agreement.

The *Thorpe Insulation Company Asbestos Settlement Trust Agreement* attached as **Exhibit I**

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to the Plan, as it may be amended or modified from time to time.

1.139 Trust Assets.

The following assets to be delivered to the Trust, and any Proceeds thereof: (a) the Asbestos Insurance Rights, (b) cash as of the Effective Date (including qualified settlement funds) constituting the proceeds of Asbestos Insurance Settlements, less amounts deposited in the Professional Fee Reserve, (c) the Reorganized Debtor Notes, (d) the Farwest Contribution, (e) the Debtors' rights of contribution, reimbursement, indemnity or subrogation on account of the payment by or on behalf of the Debtors prior to the Petition Dates of all or any part of any Asbestos Related Claim, other than rights against the Protected Parties, (f) all Business Losses, subject to the Business Loss Allocation payable to the Reorganized Debtor, and (g) the Debtors' rights to future payments from the Manville Personal Injury Settlement Trust.

1.140 Trust Documents.

The Trust Agreement, the TDP, and any related agreements, instruments and documents governing the establishment, administration and operation of the Trust.

1.141 Trust Expenses.

Any fees, costs, charges or other expenses incurred by the Trust.

1.142 Unsecured Claim.

Any Claim that is *not* (i) an Administrative Claim, (ii) a Secured Claim, (iii) a Priority Employee Claim, (iv) a Priority Tax Claim, (v) an Asbestos Injury Claim, (vi) an Asbestos Indirect Claim, or (vii) an Intercompany Claim. Unsecured Claims shall include Asbestos Property Damage Claims.

1.143 Unsecured Deficiency Claim.

Any Claim by a Person holding a Secured Claim to the extent the value of such Creditor's collateral, as determined in accordance with Section 506(a) of the Bankruptcy Code, is less than the Allowed amount of such Creditor's Claim as of the Petition Date, after taking into account any election made pursuant to Section 1111(b) of the Bankruptcy Code.

1.144 Wellington Agreements.

The (i) *Agreement Concerning Asbestos Related Claims* dated as of June 19, 1985, among

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Thorpe, Fireman's Fund and Continental (among other parties), and (ii) *Claim Handling and Settlement Agreement* signed by Thorpe on February 13, 1985.

1.145 Wellington Ruling.

The *Findings of Fact and Conclusions of Law* dated as of October 28, 2002, and related opinion issued by the arbitrator in certain arbitration proceedings commenced under the Wellington Agreements by Fireman's Fund on or about May 25, 1999.

1.146 Wellington Settlement.

The *Settlement Agreement and Release* dated as of April 17, 2003, among Thorpe, Fireman's Fund and Continental.

1.147 Wellington Settlement Claims.

The Claims of (a) Fireman's Fund filed on or about February 7, 2008, for alleged damages relating to Thorpe's alleged breach of the Wellington Settlement, and (b) Continental filed on or about February 6, 2008, for alleged damages relating to Thorpe's alleged breach of the Wellington Settlement.

1.148 Wellington Settlement Claims Favorable Determination.

The entry of a Final Order disallowing, in full, both of the Wellington Settlement Claims.

ARTICLE 2

TREATMENT OF UNCLASSIFIED CLAIMS

2.1 Unclassified Claims.

As provided in Section 1123(a)(1) of the Bankruptcy Code, Administrative Claims and Priority Tax Claims against the Debtors are not classified for purposes of voting on, or receiving distributions under, the Plan. Holders of such Claims are not entitled to vote on the Plan. All such Claims are instead treated separately in accordance with this Article 2 and in accordance with the requirements set forth in Section 1129(a)(9) of the Bankruptcy Code.

2.2 Administrative Claims.

2.2.1 Generally.

Each Allowed Administrative Claim (except for Professional Fees, which shall be treated as set forth in Section 2.4 of the Plan) shall, unless the holder of such Claim shall have agreed to

different treatment of such Claim, be paid in full in Cash by the Reorganized Debtor on the latest of: (a) the Effective Date, or as soon thereafter as practicable; (b) such date as may be fixed by the Bankruptcy Court, or as soon thereafter as practicable; (c) the tenth Business Day after such Claim is Allowed, or as soon thereafter as practicable; (d) such date as the holder of such Claim and the Reorganized Debtor may agree; and (e) the date such Claim is otherwise due according to its terms.

2.2.2 Administrative Claim Bar Date.

All requests for payment of Administrative Claims (except with respect to Professional Fees, which shall instead be subject to the Professional Fees Bar Date) must be filed by the Administrative Claim Bar Date or the holders thereof shall be forever barred from asserting such Administrative Claims against the Debtors or the Reorganized Debtor or from sharing in any distribution under the Plan. Holders of Administrative Claims based on liabilities incurred in the ordinary course of the Debtors' businesses following the applicable Petition Date shall not be required to comply with the Administrative Claim Bar Date, provided that, (i) such holders have otherwise submitted an invoice, billing statement or other evidence of indebtedness to the applicable Debtor in the ordinary course of business, and (ii) such Claims are not past due according to their terms on the Administrative Claim Bar Date.

2.2.3 Source of Payment.

Distributions to the holders of Allowed Administrative Claims against the Debtors shall be paid solely by the Reorganized Debtor (except for Professional Fees, which shall be payable pursuant to Section 2.4 of the Plan). No holder of an Administrative Claim (except for Professional Fees, pursuant to Sections 2.4 and 2.5 of the Plan) shall be entitled to receive or recover any amounts from the Trust on account of such claim.

2.3 Allowed Priority Tax Claims.

2.3.1 Generally.

Each Allowed Priority Tax Claim shall, at the option of the Reorganized Debtor, unless the holder of such Claim shall have agreed to different treatment of such Claim, (i) be paid in full in Cash, without interest, by the Reorganized Debtor on the latest of: (a) the Effective Date, or as soon thereafter as practicable; (b) such date as may be fixed by the Bankruptcy Court, or as soon

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thereafter as practicable; (c) the tenth Business Day after such Claim is Allowed, or as soon thereafter as practicable; and (d) such date as the holder of such Claim and the Reorganized Debtor may agree, or (ii) receive deferred cash payments to the extent permitted by Section 1129(a)(9) of the Bankruptcy Code with interest on the unpaid portion of such Claim at the statutory rate under applicable nonbankruptcy law or at a rate to be agreed upon by the Reorganized Debtor and the appropriate governmental unit or, if they are unable to agree, to be determined by the Bankruptcy Court; provided, however, that the Reorganized Debtor may prepay any or all such Claims at any time, without premium or penalty. For the purpose of option *(ii)*, the payment of each Allowed Priority Tax Claim shall be made in equal quarterly installments with the first installment due on the latest of: (i) the first Business Day following the end of the first full calendar quarter following the Effective Date, (ii) the first Business Day following the end of the first full calendar quarter following the date an order allowing such claim becomes a Final Order, and (iii) such other time or times as may be agreed with the holder of such claim. Each installment shall include simple interest on the unpaid balance of the Allowed Priority Tax Claim, without penalty of any kind, at the non-default rate of interest prescribed, agreed to or determined under option *(ii)*.

2.3.2 Source of Payment.

Distributions to the holders of Allowed Priority Tax Claims against the Debtors shall be paid solely by the Reorganized Debtor. No such holder of an Allowed Priority Tax Claim shall be entitled to receive or recover any amounts from the Trust on account of such claim.

2.3.3 Existence of Priority Tax Claims.

The Debtors are not currently aware of the existence of any Priority Tax Claims against either of the Debtors.

2.4 Claims for Professional Fees.

Each Professional seeking an award by the Bankruptcy Court of Professional Fees incurred prior to the Effective Date (except to the extent described in Section 2.5 of the Plan): (a) must file its final application for allowance of compensation for services rendered and reimbursement of expenses incurred through the Effective Date on or before the Professional Fees Bar Date; and (b) if the Bankruptcy Court grants such an award, each such Person will be paid in full in Cash from the

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Professional Fee Reserve in such amounts as are allowed by the Bankruptcy Court as soon as practicable following the first day after such order has been entered by the Bankruptcy Court and is not stayed. All Allowed Professional Fees shall be paid from the Professional Fee Reserve and Pacific shall be reimbursed (from the Professional Fee Reserve) for all Allowed Professional Fees previously paid by it during the course of its Chapter 11 Case, provided that, such reimbursement shall be reduced by $250,000 on account of amounts previously funded by Pacific for retainers to Professionals. Subject to Section 7.3(ii) of the Plan, the Professional Fee Reserve shall be established and funded in an amount that is sufficient (as determined by the Debtors, in their reasonable discretion, based on conservative estimates obtained from all Professionals) to pay all anticipated Allowed Professional Fees accrued through the Effective Date and to reimburse Pacific for all Allowed Professional Fees previously paid by it during the course of its Chapter 11 Case, provided that, such reimbursement shall be reduced by $250,000 on account of amounts previously funded by Pacific for retainers to Professionals. To the extent funds remain in the Professional Fee Reserve after payment of all Allowed Professional Fees, such excess shall be promptly transferred to the Trust. All final applications for allowance and disbursement of Professional Fees must be in compliance with all of the terms and provisions of any applicable order of the Bankruptcy Court, including the Confirmation Order.

2.5 Certain Professional Fees Related to Coverage Litigation.

Notwithstanding any provisions to the contrary in Section 2.4 of the Plan, the Professional Fees Bar Date shall apply to Morgan, Lewis & Bockius and Snyder, Miller & Orton only to the extent of fees and expenses that have been actually earned and paid to those law firms on or before the Effective Date. The Trust shall assume the Debtors' post-petition retention agreements with Morgan, Lewis & Bockius and Snyder, Miller & Orton as modified pursuant to the Mediated Result and shall agree to pay, as and when due thereunder in accordance with such agreements as modified pursuant to the Mediated Result, contingent fees for services rendered and reimbursement of expenses incurred on account of any Asbestos Insurance Settlements consummated by the Trust following the Effective Date (or amounts due under Asbestos Insurance Settlements consummated prior to the Effective Date for which payment is not due or received prior to the Effective Date).

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None of the fees and expenses that become due and payable to Morgan, Lewis & Bockius and Snyder, Miller & Orton after the Effective Date shall be subject to review or approval by the Bankruptcy Court and shall be paid by the Trust in accordance with the terms and conditions of the respective post-petition retention agreements with Morgan, Lewis & Bockius and Snyder, Miller & Orton as modified pursuant to the Mediated Result. This section 2.5 is not intended to modify the Mediated Result.

2.6 DIP Loan.

The DIP Lender shall (i) be paid by Pacific at the time, in the amount and in accordance with the terms and conditions of the DIP Loan, in full satisfaction, settlement, release and discharge of and in exchange for all Claims under the DIP Loan, or (ii) receive such other treatment as to which the DIP Lender and Pacific shall have agreed upon in writing.

ARTICLE 3

CLASSIFICATION OF CLAIMS AND EQUITY INTERESTS

3.1 Summary of Classification.

In accordance with Section 1123(a)(1) of the Bankruptcy Code, all Claims of Creditors (except those Claims receiving treatment as set forth in Article 2) and holders of Interests are placed in the Classes described below for all purposes, including voting on, confirmation of, and distribution under, the Plan:

CLASS 1	**PRIORITY EMPLOYEE CLAIMS**	**UNIMPAIRED, DEEMED TO ACCEPT**
CLASS 2	**MISCELLANEOUS SECURED CLAIMS (EACH SECURED CREDITOR IN A SEPARATE CLASS IDENTIFIED AS CLASS 2A, CLASS 2B, ETC.)**	**UNIMPAIRED, DEEMED TO ACCEPT**
CLASS 3	**PACIFIC UNSECURED CLAIMS**	**UNIMPAIRED, DEEMED TO ACCEPT**
CLASS 4	**THORPE UNSECURED CLAIMS**	**UNIMPAIRED, DEEMED TO ACCEPT**
CLASS 5	**ASBESTOS INJURY CLAIMS**	**IMPAIRED, ENTITLED TO VOTE**

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CLASS 6	**PACIFIC INTERESTS**	**IMPAIRED, ENTITLED TO VOTE**
CLASS 7	**THORPE INTERESTS**	**IMPAIRED, ENTITLED TO VOTE**

3.2 Specific Classification.

3.2.1 Class 1 – Priority Employee Claims.

Class 1 consists of all Priority Employee Claims against Thorpe and Pacific.

3.2.2 Class 2 – Miscellaneous Secured Claims.

Class 2 consists of all Secured Claims against Thorpe and Pacific. Each holder of a Secured Claim is considered to be in its own separate subclass within Class 2, and each such subclass is deemed to be a separate Class for purposes of the Plan and is numbered Class 2A, Class 2B, etc.

3.2.3 Class 3 – Pacific Unsecured Claims.

Class 3 consists of all Unsecured Claims against Pacific.

3.2.4 Class 4 – Thorpe Unsecured Claims.

Class 4 consists of all Unsecured Claims against Thorpe.

3.2.5 Class 5 – Asbestos Injury Claims.

Class 5 consists of all Asbestos Injury Claims and Asbestos Indirect Claims against Thorpe and Pacific.

3.2.6 Class 6 – Pacific Interests.

Class 6 consists of all Pacific Interests.

3.2.7 Class 7 – Thorpe Interests.

Class 7 consists of all Thorpe Interests.

ARTICLE 4

TREATMENT OF CLAIMS AND EQUITY INTERESTS

4.1 Class 1 -- Priority Employee Claims.

4.1.1 Impairment and Voting.

Class 1 is unimpaired under the Plan. Holders of Allowed Priority Employee Claims are deemed to have accepted the Plan under Section 1126(f) of the Bankruptcy Code and are not entitled

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to vote on the Plan.

4.1.2 Treatment.

Each holder of an Allowed Priority Employee Claim shall, unless the holder of such Claim shall have agreed to different treatment of such Claim, receive a Cash payment in an amount equal to the difference between (i) such Allowed Employee Priority Claim, and (ii) the amount of any Permitted Employee Payments made to the holder of such Claim, on the latest of: (a) the Effective Date, or as soon thereafter as practicable; (b) such date as may be fixed by the Bankruptcy Court, or as soon thereafter as practicable; (c) the tenth Business Day after such Claim is Allowed, or as soon thereafter as practicable; and (d) such date as the holder of such Claim and the Reorganized Debtor may agree.

4.1.3 Source of Payment.

Distributions to the holders of Allowed Priority Employee Claims against Thorpe and Pacific shall be paid solely by the Reorganized Debtor. No such holder of an Allowed Priority Employee Claim shall be entitled to receive or recover any amounts from the Trust on account of such claim.

4.1.4 Existence of Priority Employee Claims.

The Debtors are not currently aware of the existence of any Priority Employee Claims against either of the Debtors.

4.2 Class 2 -- Miscellaneous Secured Claims.

4.2.1 Impairment and Voting.

Class 2 is unimpaired under the Plan. Holders of Allowed Secured Claims are deemed to have accepted the Plan under Section 1126(f) of the Bankruptcy Code and are not entitled to vote on the Plan. For purposes of distributions under the Plan, each holder of a Secured Claim in Class 2 against Thorpe or Pacific is considered to be in its own separate subclass within Class 2, and each such subclass is deemed to be a separate Class for purposes of the Plan.

4.2.2 Alternative Treatment.

On or before the date of a distribution to each holder of an Allowed Secured Claim in Class 2, the Reorganized Debtor shall select, in its discretion, one of the following alternative treatments for each Allowed Secured Claim in Class 2:

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(a) Abandonment or Surrender.

The Reorganized Debtor will abandon or surrender to the holder of such Claim the property securing such Claim, in full satisfaction and release of such Claim.

(b) Cash Payment.

The Reorganized Debtor will pay to the holder of such Claim Cash equal to the amount of such Claim, or such lesser amount to which the holder of such Claim and the applicable Debtor shall agree, in full satisfaction and release of such Claim.

4.2.3 Source of Payment.

Distributions to the holders of Allowed Secured Claims against Thorpe and Pacific under the treatment option set forth in Section 4.2.2(b) of the Plan shall be paid solely by the Reorganized Debtor. No such holder of an Allowed Secured Claim shall be entitled to receive or recover any amounts from the Trust on account of such claim.

4.2.4 Existence of Class 2 Claims.

The Debtors are not currently aware of the existence of any Class 2 Claims against either of the Debtors.

4.2.5 Unsecured Deficiency Claim.

Any Unsecured Deficiency Claim asserted by a holder of an Allowed Secured Claim in Class 2 shall be filed with the Bankruptcy Court within thirty (30) days following the date of the abandonment or surrender of such Creditor's collateral or such Creditor's receipt of its Distribution. Any such Allowed Unsecured Deficiency Claim shall be treated in accordance with Section 4.3 or 4.4 of the Plan, as applicable.

4.3 Class 3 – Pacific Unsecured Claims.

4.3.1 Impairment and Voting.

Class 3 is unimpaired under the Plan. Holders of Allowed Unsecured Claims against Pacific are deemed to have accepted the Plan under Section 1126(f) of the Bankruptcy Code and are not entitled to vote on the Plan.

4.3.2 Treatment.

Each holder of an Allowed Unsecured Claim against Pacific shall receive, in exchange for,

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and in full and final satisfaction of, such Claim, a Cash payment equal to the sum of (a) 100% of the amount of such Claim, and (b) interest at the Plan Interest Rate from the applicable Petition Date through the date of Distribution on such Claim or portion thereof.

4.3.3 Source of Payment.

Distributions to the holders of Allowed Unsecured Claims against Pacific shall be paid solely by the Reorganized Debtor. No such holder of an Allowed Unsecured Claim shall be entitled to receive or recover any amounts from the Trust on account of such claim.

4.4 Class 4 – Thorpe Unsecured Claims.

4.4.1 Impairment and Voting.

Class 4 is unimpaired under the Plan. Holders of Allowed Unsecured Claims against Thorpe are deemed to have accepted the Plan under Section 1126(f) of the Bankruptcy Code and are not entitled to vote on the Plan.

4.4.2 Treatment.

Each holder of an Allowed Unsecured Claim against Thorpe shall receive, in exchange for and in full and final satisfaction of such Claim, a Cash payment equal to the sum of (a) 100% of the amount of such Claim, and (b) interest at the Plan Interest Rate from the applicable Petition Date through the date of Distribution on such Claim or portion thereof.

4.4.3 Source of Payment.

Distributions to the holders of Allowed Unsecured Claims against Thorpe shall be paid solely by the Reorganized Debtor. No such holder of an Allowed Unsecured Claim shall be entitled to receive or recover any amounts from the Trust on account of such claim.

4.5 Class 5 – Asbestos Injury Claims and Asbestos Indirect Claims.

4.5.1 Impairment and Voting.

Class 5 is impaired under the Plan and all holders of Asbestos Injury Claims and Asbestos Indirect Claims against Thorpe and Pacific are entitled to vote on the Plan.

4.5.2 Treatment.

Upon the Effective Date, the Trust shall assume responsibility for all Asbestos Injury Claims and Asbestos Indirect Claims without further notice, approval or other act. The amount that each of

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holder of an Asbestos Injury Claim or Asbestos Indirect Claim shall be entitled to receive from the Trust shall be determined in accordance with the TDP, shall remain subject to the Asbestos Related Defenses and shall be paid at the times and in the manner set forth in the TDP. In no event shall the Trust's obligation to pay the holder of an Asbestos Injury Claim or Asbestos Indirect Claim the amount of such claim as determined in accordance with the TDP be satisfied other than by the payment in full of such amount.

4.5.3 Source of Payment.

Distributions to the holders of Allowed Asbestos Injury Claims and Asbestos Indirect Claims against Pacific and Thorpe shall be paid solely from the Trust. No holder of an Allowed Asbestos Injury Claim or Allowed Asbestos Indirect Claim against Pacific or Thorpe shall be entitled to receive or recover any amounts from the Debtors, their respective Estates, the Reorganized Debtor or the Settling Asbestos Insurers on account of such claims.

4.6 Class 6 – Pacific Interests.

4.6.1 Impairment and Voting.

Class 6 is impaired under the Plan and all holders of Pacific Interests are entitled to vote on the Plan.

4.6.2 Treatment.

On the Effective Date, the Merger shall be consummated and all Pacific Equity Securities shall automatically be terminated and extinguished and Pacific shall be merged into Thorpe with Thorpe to be the Surviving Corporation. Pursuant to the Merger Agreement, each holder of a Pacific Interest shall receive, in exchange for such interest, the Reorganized Debtor New Common Stock identified in the Merger Agreement. Upon and following the occurrence of the Effective Date, the Reorganized Debtor New Common Stock shall be subject to the Reorganized Debtor Stock Pledge Agreement, which shall encumber 51% of the Reorganized Debtor New Common Stock held by each holder of such stock.

4.7 Class 7 – Thorpe Interests.

4.7.1 Impairment and Voting.

Class 7 is impaired under the Plan and all holders of Thorpe Interests are entitled to vote on

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the Plan.

4.7.2 Treatment.

On the Effective Date, the Merger shall be consummated and all Thorpe Equity Securities shall automatically be terminated and extinguished and Pacific shall be merged into Thorpe with Thorpe to be the Surviving Corporation. Pursuant to the Merger Agreement, each holder of a Thorpe Interest shall receive, in exchange for such interest, the Reorganized Debtor New Common Stock identified in the Merger Agreement. Upon and following the occurrence of the Effective Date, the Reorganized Debtor New Common Stock shall be subject to the Reorganized Debtor Stock Pledge Agreement, which shall encumber 51% of the Reorganized Debtor New Common Stock held by each holder of such stock.

4.8 Nonconsensual Confirmation.

The Proponents hereby request confirmation of the Plan pursuant to Section 1129(b) of the Bankruptcy Code in the event that not all impaired classes of Claims and Interests vote to accept the Plan in accordance with Section 1126 of the Bankruptcy Code.

ARTICLE 5

IMPLEMENTATION OF THE PLAN

The Plan shall be implemented on the Effective Date and Confirmation Remand Effective Date, as applicable. In addition to the provisions set forth elsewhere in this Plan regarding means of execution, the following shall constitute the principal means for the implementation of the Plan.

5.1 Establishment of the Trust.

5.1.1 Formation and Purpose.

On the Effective Date, the Trust shall be established in accordance with the Trust Documents. The Trust shall be a "qualified settlement fund" within the meaning of the QSF Law. The purposes of the Trust shall be, among other things, to (a) liquidate, resolve, pay and satisfy all Asbestos Related Claims in accordance with the TDP; (b) preserve and maximize the Trust Assets; (c) manage the disposition of the Asbestos Insurance Rights; (d) prosecute or settle the Asbestos Insurance Litigation; and (e) aid in the defense and enforcement of the Injunctions.

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5.1.2 Delivery of Trust Assets.

On the Effective Date, all Trust Assets shall be paid, transferred to, vested in, and assumed by the Trust, provided, however, that to the extent certain Trust Assets, because of their nature or because they will accrue subsequent to the Effective Date, cannot be transferred to, vested in, and assumed by the Trust on the Effective Date, such Trust Assets shall be transferred to, vested in, and assumed by the Trust as soon as practicable after the Effective Date. Any excess funds remaining in the Professional Fee Reserve after all Allowed Professional Fees have been paid shall promptly be transferred to the Trust.

5.1.3 Assumption of Asbestos Related Claims.

On the Effective Date, and without any further action of the Bankruptcy Court or further act or agreement of any entity, (i) all Asbestos Related Claims shall be assumed by the Trust, subject in all respects to any Asbestos Related Defenses, (ii) all Asbestos Related Claims shall thereafter automatically and perpetually be transferred and channeled to the Trust, and (iii) the Trust shall be solely responsible for any and all obligations of the Trust under the terms of the Asbestos Insurance Settlements and the Trust Agreement. Notwithstanding the Trust's assumption of liability for all Asbestos Related Claims, such assumption shall not itself operate or be construed (x) as a release, accord or novation of the Debtors' obligations on account of such Claims for purposes of any Asbestos Insurance Coverage (subject, however, to the discharge of any "personal liability" of the Debtors under Section 8.4 of the Plan), or (y) to bar any actions against the Reorganized Debtor as permitted by Section 5.1.6 of the Plan.

5.1.4 Implementation of Reorganized Debtor and Farwest Contributions to Trust.

On the Effective Date, (a) the Farwest Contribution shall be paid to the Trust, and (b) the Reorganized Debtor Notes and the Reorganized Debtor Stock Pledge Agreement shall be delivered to the Trust. Any amounts due and outstanding by the Trust to the Reorganized Debtor on account of the Business Loss Allocation shall, as long as the Reorganized Debtor Promissory Note remains unpaid and outstanding, be retained by the Trust and offset against amounts due to the Trust by the Reorganized Debtor under the Reorganized Debtor Promissory Note (as such offset may be

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effectuated pursuant to the terms specified in the Reorganized Debtor Promissory Note).

5.1.5 Implementation of Business Loss Allocation.

On the Effective Date, and from time to time thereafter as it receives Net Recoveries, the Trust shall promptly pay the Business Loss Allocation to the Reorganized Debtor (subject to the offset provisions under Section 5.1.4 of the Plan). All other amounts attributable to Business Losses sustained by the Debtors in excess of the Business Loss Allocation shall be deemed contributed by the Debtors to the Trust.

5.1.6 Prosecution of Actions.

In the event that an Asbestos Claimant elects, consistent with the TDP and as otherwise permitted by the Injunctions, to commence an action with respect to an Asbestos Related Claim (in order to obtain the benefit of Asbestos Insurance Coverage or to establish the amount of an Asbestos Related Claim), any complaint commencing such an action shall name as a defendant, in lieu of the Debtor(s) allegedly liable for such Claim, the Reorganized Debtor, provided, however, that, consistent with the Injunctions, no party may identify the Reorganized Debtor using the terms "Thorpe Insulation" or "Pacific Insulation" or any variation thereof in the caption of any pleading or other filing in connection with the action commenced by such complaint and shall only identify the Reorganized Debtor in such caption as "RTI Company" or such other trade name for the Reorganized Debtor as may be specified in the Confirmation Order. Such action shall be deemed by operation of law to be an action against the Debtor(s) allegedly liable for the alleged Asbestos Related Claim (except that any judgment that may be obtained in such action may not be enforced against the assets of the Reorganized Debtor or the Trust). Subject to the Injunctions, nothing in this Section 5.1.6 is intended to bar any cause of action, or right to bring a cause of action, held by any Asbestos Claimant directly against any Asbestos Insurer in the event that an Asbestos Claimant obtains a judgment in any action permitted under this Section 5.1.6, provided, however, that to the extent such Asbestos Claimant seeks to initiate Asbestos Insurance Litigation in order to collect such a judgment against a Non-Settling Asbestos Insurer, the right of such Asbestos Claimant to recover from such a Non-Settling Asbestos Insurer shall be subject to the following limitations: if the Non-Settling Asbestos Insurer asserts that it has an Asbestos Insurance Policy Claim against a Settling

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Asbestos Insurer with respect to such Asbestos Claimant's Asbestos Related Claim (a) such Asbestos Insurance Policy Claim may be asserted as a defense or counterclaim against such Asbestos Claimant in such Asbestos Insurance Litigation and the Asbestos Claimant may assert the legal or equitable rights, if any, of the Settling Asbestos Insurer in response thereto, and (b) to the extent such Asbestos Insurance Policy Claim is determined to be valid by the court presiding over the Asbestos Insurance Litigation initiated by such Asbestos Claimant, the liability (if any) of such Non-Settling Asbestos Insurer to the Asbestos Claimant shall be reduced dollar for dollar by the amount so determined of such Asbestos Insurance Policy Claim. Further, the provisions of this Section 5.1.6 shall not apply to actions against the Trust pursuant to Section 7.3 of the TDP.

5.2 Issuance of Injunctions.

On the Effective Date, the Injunctions shall be deemed issued, entered, valid and enforceable according to their terms. The Injunctions shall be permanent and irrevocable and may only be modified by the District Court to the extent permitted under Section 524(g)(2)(A) of the Bankruptcy Code.

5.3 Management and Operation of the Trust.

5.3.1 Trust Representatives.

The initial trustees of the Trust shall be selected and disclosed (in a notice filed with the Bankruptcy Court) by the Committee and the Futures Representative on or before the thirtieth (30^{th}) day prior to the commencement of the Confirmation Hearing. If the Committee and the Futures Representative cannot agree on the initial trustees of the Trust, the Bankruptcy Court shall appoint the initial trustees of the Trust from among the individuals nominated by the Committee and the Futures Representative. Any successor trustees shall be appointed in accordance with the terms of the Trust Agreement. For purposes of performing their duties and fulfilling their obligations under the Trust Agreement and the Plan, any trustee of the Trust shall be deemed to be a "party in interest" within the meaning of Section 1109(b) of the Bankruptcy Code.

5.3.2 Trust Expenses.

The Trust shall pay all Trust Expenses from the Trust Assets. The Reorganized Debtor shall have no obligation to pay any Trust Expenses.

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5.3.3 TDP Provisions.

The TDP shall provide for the liquidation, resolution, payment and satisfaction (or denial) of all Asbestos Related Claims, subject to all Asbestos Related Defenses.

5.3.4 Futures Representative.

Prior to the Confirmation Remand Effective Date, the Futures Representative shall have the functions, rights and obligations as set forth in the Bankruptcy Code. In addition, following the Effective Date, the Futures Representative shall serve pursuant to the Trust Agreement and shall have the rights, duties and responsibilities provided in the Trust Agreement. The Futures Representative shall be released and discharged from any further rights and duties under the Trust Agreement at the time, and under the circumstances, set forth in the Trust Agreement.

5.3.5 No Liability for Other Claims.

Except as expressly provided under the Plan (including Section 2.5 of the Plan) or the Trust Agreement, the Trust shall have no responsibility for any Claims against the Debtors other than the Asbestos Related Claims.

5.3.6 Certain Provisions Regarding Settling Asbestos Insurers.

The Trust Documents shall provide that Asbestos Claimants receiving payments from the Trust shall execute a release in favor of Thorpe, Pacific, the Reorganized Debtor, Farwest, the Identified Parties and each Settling Asbestos Insurer. The Trust shall be the only party with the right to recover from a Settling Asbestos Insurer for any Asbestos Related Claims. Such right of recovery shall be only as set forth in the applicable Asbestos Insurance Settlement.

5.3.7 Medicare Claims Reporting.

This Section 5.3.7 applies only to the reporting and payment obligations that arise under the federal statutes and regulations that govern reimbursement of Medicare expenses.

5.3.7.1 It is the position of Thorpe and the Trust that neither Thorpe nor the Settling Asbestos Insurers will have any reporting obligations in respect of their contributions to the Trust, or in respect of any payments, settlements, resolutions, awards, or other claim liquidations by the Trust, under the reporting provisions of 42 U.S.C. § 1395y *et seq*., or any other similar statute or regulation, and any related rules, regulations, or guidance issued in

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connection therewith or amendments thereto, including Section 111 of the Medicare, Medicaid, and SCHIP Extension Act of 2007 (P.L.110-173), or any other similar statute or regulation, and any related rules, regulations, or guidance issued or amendments or amendatory statutes passed in connection therewith ("MMSEA").

5.3.7.2 If a Settling Asbestos Insurer listed in Section 5.3.7.4 requests, or to the extent any entity contends that any obligation under 42 U.S.C. § 1395y(b) and the rules and regulations promulgated thereunder (including 42 C.F.R. 411 *et seq*.) is triggered in connection with a payment to the Trust, the Trust will cooperate fully and, for each claimant who receives payment from the Trust, will provide the Settling Asbestos Insurers and Thorpe, within 10 calendar days of the date that any amounts are paid to a claimant by the Trust, with information required to be reported by Medicare, including some or all of (a) the name, (b) social security number, (c) Medicare number, (d) date of birth, (e) address, (f) date(s) of injury, (g) injury, (h) defense insurance (if known), (i) applicable ICD-9, ICD-10, or similar injury and diagnosis codes, (j) state of venue, (k) plaintiff's attorney's name and address, and (l) amounts received from the Trust. To the extent that an agency responsible for administering Medicare asserts a demand against Thorpe or a Settling Asbestos Insurer for reimbursement of conditional payments made pursuant to Medicare, the parties will discuss and agree upon an appropriate response to said agency. The Trust will comply with all laws and regulations with respect to Medicare as applied to the Trust and will consider modifications to the TDP as may be necessary to comply therewith.

5.3.7.3 This Section 5.3.7 is intended to be purely prophylactic in nature, and does not imply, and shall not constitute an admission, that Thorpe or the Settling Asbestos Insurers are in fact "applicable plans" within the meaning of MMSEA, or that they have any legal obligation to report any actions undertaken by the Trust or contributions to the Trust under MMSEA or any other statute or regulation.

5.3.7.4 This Section 5.3.7 shall apply for the benefit of each of the Settling Asbestos Insurers; provided that it shall apply for the benefit of the Century Insurers, the Continental Insurers or Middlesex/Sentry if the applicable insurer provides notice to the Trust no later than the Confirmation Remand Effective Date expressly opting for the benefit of this Section

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5.3.7 in lieu of any analogous provision in its applicable Asbestos Insurance Settlement. The obligations of the Trust under this Section 5.3.7 shall not give rise to or support the existence of a fiduciary or other trust duty.

5.4 Vesting of Asbestos Insurance Rights.

5.4.1 Transfer of Asbestos Insurance Rights to Trust.

Upon the Effective Date, pursuant to Sections 1123(a)(5)(B) and 1123(b)(3)(B) of the Bankruptcy Code and without any further action of the Bankruptcy Court or further act or agreement of any entity, the Debtors automatically and irrevocably transfer to the Trust all of their Asbestos Insurance Rights, subject to any Asbestos Insurance Defenses. The foregoing transfer is made, and shall be effective, to the maximum extent permissible under applicable law and the terms of the Asbestos Insurance Policies, and shall not be construed (a) as an assignment of any Asbestos Insurance Policy, Asbestos Insurance Settlement, or other settlement agreement itself, or (b) to entitle any other person or entity to any Asbestos Insurance Coverage. The Trust shall assume responsibility for, and be bound by, all obligations of the Debtors under any Asbestos Insurance Settlement, any other settlement agreement with an Asbestos Insurer, and any Asbestos Insurance Policy, provided however, that the Trust's assumption of such responsibility shall not relieve the Debtors or the Reorganized Debtor from any obligation that the Debtors or the Reorganized Debtor may have under such agreements. In the event that the Reorganized Debtor incurs any out of pocket cost or expense in performing any obligation that the Debtors or Reorganized Debtor may have under any Asbestos Insurance Settlement, any other settlement agreement with an Asbestos Insurer, or any Asbestos Insurance Policy, the Trust shall reimburse the Reorganized Debtor for such cost or expense. In the event that the Reorganized Debtor is required to pay any cost, expense, loss, damages or other liability (i) as a result of the Trust's efforts to challenge the Wellington Settlement, the Wellington Ruling or the Wellington Agreements, or to seek insurance coverage for Asbestos Related Claims from Fireman's Fund or Continental primary insurance policies pursuant to Section 1.16(g) above, or (ii) as a result of the Wellington Settlement Claims in the event that all or any portion of the Wellington Settlement Claims are or become Allowed Claims under the Plan, the Trust shall reimburse and hold harmless the Reorganized Debtor for such cost, expense, loss,

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damages or other liability. The Trust's obligation under the preceding two sentences to reimburse and hold harmless the Reorganized Debtor shall be binding and effective upon the Effective Date, without any further action of the Bankruptcy Court or further act or agreement of any entity. As part of the consideration for the above described indemnity provided to the Reorganized Debtor with respect to Fireman's Fund, Continental and the Wellington Settlement Claims, the Reorganized Debtor agrees to comply with and be bound by the applicable provisions of the Procedures paragraph set forth in **Exhibit H** to the Plan.

5.4.2 Plan Is Insurance Neutral.

All Asbestos Insurance Defenses shall be adjudicated in the Asbestos Insurance Litigation. No provision of the Plan shall diminish or impair the right of any Asbestos Insurer, in any Asbestos Insurance Litigation or otherwise, to assert any Asbestos Insurance Defense, and all of such defenses shall be preserved in all respects. Any evidence adduced as part of the Confirmation Hearing with respect to the Asbestos Related Claims, and any findings of the court related to that evidence, shall be solely for the purpose of establishing the requirements of Sections 524(g) and 1129 of the Bankruptcy Code in connection with Confirmation and shall not (a) bind any Asbestos Insurer in any Asbestos Insurance Litigation, or (b) limit the right of any Asbestos Insurer to assert any Asbestos Insurance Defense. Neither the assumption by the Trust of the Asbestos Related Claims, nor the fact that it is the Trust, and not the Debtors, that is liquidating, resolving, paying and satisfying all Asbestos Related Claims in accordance with the TDP, shall be construed in any way to diminish any obligation of any Asbestos Insurer under any Asbestos Insurance Policy to any of the Debtors or the Trust, subject to any applicable Asbestos Insurance Settlement or Asbestos Insurance Defense. The duties and obligations, if any, of each Asbestos Insurer under such insurer's Asbestos Insurance Policies shall not be impaired, altered, reduced or diminished by the: (1) discharge granted to the Debtors under the Plan pursuant to Section 1141(d) of the Bankruptcy Code, (2) exonerations and releases contained in Section 8.7 of the Plan, (3) Injunctions granted under the Plan pursuant to Section 524(g) of the Bankruptcy Code, or (4) termination of the protections afforded under the Asbestos Insurer Injunction in accordance with its terms as set forth on **Exhibit C** to the Plan. Notwithstanding the foregoing, this Section 5.4.2 shall not affect or limit, or be construed as

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affecting or limiting, (i) the binding effect of the Plan and Confirmation Order and the Injunctions on the Debtors, the Reorganized Debtor, the Trust or the beneficiaries of the Trust; (ii) the protections afforded to entities addressed by the Injunctions, or (iii) the binding effect of any finding in the Confirmation Order that the vesting of the Asbestos Insurance Rights in and for the benefit of the Trust pursuant to Section 5.4.1 of the Plan is valid and enforceable and otherwise does not breach the terms of any Asbestos Insurance Policy, Asbestos Insurance Settlement, or any other agreement with any Asbestos Insurer.

5.5 Merger of Thorpe and Pacific.

5.5.1 Merger.

Upon the Effective Date, without further action of the Debtors or the shareholders of the Debtors, Pacific shall be merged into Thorpe, the separate existence of Pacific shall thereupon cease (*i.e.*, Pacific shall be the "disappearing corporation" under the Merger), and Thorpe, as the Surviving Corporation in the Merger, shall continue its corporate existence under the laws of the State of California. Upon the completion of the Merger, Thorpe shall be the Reorganized Debtor for purposes of consummating the transactions required in connection with this Plan. In order to consummate the Merger, each of the Debtors shall be, and hereby is, authorized and directed to (a) enter into the Merger Agreement, and (b) file articles of merger conforming to the requirements of the California general corporation law with the Secretary of State of the State of California.

5.5.2 Charter.

Upon the Effective Date, and without any further action by the shareholders or directors of Pacific, the Charter of Pacific shall cease to have any force or effect. The Charter of Thorpe immediately prior to the Merger shall be the Charter of the Surviving Corporation; provided that, upon the Effective Date, such Charter shall be deemed amended (a) as provided in the Merger Agreement, and (b) to prohibit the issuance by the Reorganized Debtor of nonvoting securities to the extent required under Section 1123(a)(6) of the Bankruptcy Code, subject to further amendment of such Charter as permitted by applicable law.

5.5.3 Renaming.

Upon the Effective Date, and without any further action by the shareholders or directors of

the Reorganized Debtor, the Charter of the Surviving Corporation shall be deemed amended to provide that the name of the Surviving Corporation shall be "Pacific Insulation Company."

5.5.4 Intercompany Claims Extinguished.

Upon the Effective Date, pursuant to the Merger, all Intercompany Claims between Thorpe and Pacific shall be deemed extinguished.

5.5.5 Pacific Officers and Pacific Directors.

Upon the Effective Date, and without any further action by the shareholders or directors of Pacific, the Pacific Officers and the Pacific Directors shall be deemed to have fulfilled their respective duties and shall be released and discharged from all further responsibilities with respect to the management, business and affairs of Pacific, as the "disappearing corporation" under the Merger, provided that, all outstanding amounts that may be due the Pacific Officers and the Pacific Directors shall remain payable according to the terms, and subject to the conditions of, such service.

5.5.6 No Liability.

The Reorganized Debtor shall, pursuant to Section 524(g)(3)(A)(ii) of the Bankruptcy Code, have no liability for any Asbestos Related Claims against Pacific.

5.6 Resumption of Coverage Litigation.

5.6.1 Continuation in State Court.

Upon the Effective Date, (a) any injunction that stays the prosecution of the Coverage Litigation shall be deemed dissolved, without any further action of the Bankruptcy Court, (b) the Injunction Action shall be dismissed without prejudice, and Proponents shall lodge an order of dismissal without prejudice, which the Bankruptcy Court shall sign, and (c) the parties to the Coverage Litigation shall resume the prosecution and defense of such litigation in the State Court, at such times and according to the procedures that may be established by such court.

5.6.2 Trust As Representative of Debtors.

The Trust is appointed as the representative of the Debtors under Section 1123(b)(3)(B) of the Bankruptcy Code to enforce, manage, settle, transfer or otherwise dispose of all Asbestos Insurance Litigation including, without limitation, the Coverage Litigation, at its sole direction and expense. The Trust shall be permitted, if necessary or appropriate, to substitute as the real party in

interest for the Debtors in the Coverage Litigation. All Proceeds of any Asbestos Insurance Litigation shall be paid to the Trust or to the Reorganized Debtor for remittance to the Trust consistent with the Plan. The Trust shall require the release by Asbestos Claimants of Settled Asbestos Insurers (consistent with the scope of the release of such insurers on **Exhibit D** to the Plan) as a condition of payment by the Trust of an Asbestos Related Claim. The Reorganized Debtor shall assist and cooperate with the Trust in the prosecution of the Asbestos Insurance Litigation.

5.7 Transfer and Retention of Property of the Estates.

5.7.1 Revesting of Pacific Assets.

Upon the Effective Date, with the exception of all Trust Assets that are transferred to the Trust pursuant to Section 5.4.1 of the Plan, Pacific shall be vested with all right, title and interest in the Pacific Assets (and all such property shall be deemed to vest concurrently with the Merger), and all such property shall become the property of the Reorganized Debtor pursuant to the Merger.

5.7.2 Revesting of Thorpe Assets.

Upon the Effective Date, with the exception of all Trust Assets that are transferred to the Trust pursuant to Section 5.4.1 of the Plan, Thorpe shall be vested with all right, title and interest in the Thorpe Assets subject to the obligations to make (a) the Reorganized Debtor Contribution to the Trust, and (b) Distributions to the Creditors of the Debtors at the times, in the amounts and according to the treatment provisions of the Plan.

5.8 Postconfirmation Operations.

5.8.1 Continued Business of Reorganized Debtor.

Following the Merger, the Reorganized Debtor shall continue to maintain its separate corporate existence for all purposes under this Plan with all the powers of a corporation under applicable law in the jurisdiction in which it is incorporated. The Reorganized Debtor shall continue to engage in business and may use, acquire and dispose of the Thorpe Assets (and all Pacific Assets acquired pursuant to the Merger), to the extent revested in the Reorganized Debtor pursuant to Section 5.7 of the Plan, without supervision by the Bankruptcy Court, free of any restrictions under the Bankruptcy Code or the Bankruptcy Rules.

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5.8.2 Final Decree in Thorpe Chapter 11 Case.

At any time following the Effective Date, the Reorganized Debtor shall be authorized to file a motion for the entry of a final decree closing the Chapter 11 case of Thorpe pursuant to Section 350 of the Bankruptcy Code.

5.8.3 Payment of Reorganized Debtor Expenses.

All Reorganized Debtor Expenses shall be paid directly by the Trust (or, to the extent previously paid by the Reorganized Debtor, shall be reimbursed in full by the Trust from the Trust Assets, provided that, if such payments were made from funds contributed, or to be contributed, to the Trust as Trust Assets, no reimbursement shall be made), in the ordinary course of business without further notice to Creditors or approval of the Bankruptcy Court. The fees and expenses incurred after the Effective Date by any Professionals that remain employed as a professional, following the Effective Date, by any of the Reorganized Debtor, the Disbursing Agent, the Committee or the Futures Representative shall constitute Reorganized Debtor Expenses payable according to this Section 5.8.3.

5.8.4 Creditors' Committee.

On the Effective Date, the Committee shall be dissolved and the members of the Committee shall be released and discharged from any further authority, duties, responsibilities, liabilities and obligations related to, or arising from, the Chapter 11 Cases, except that the Committee shall continue in existence and have standing and capacity to: (i) prosecute its pre-Effective Date intervention in any adversary proceedings; (ii) object to any proposed modification of the Plan; (iii) participate in any appeals of the Confirmation Order; (iv) participate as a party in interest in any proceeding involving Section 524(g) of the Bankruptcy Code; (v) participate as a party in interest in any applications for interim or final award of compensation and reimbursement of expenses to the members of the Committee and any Professional for services rendered prior to the Effective Date, and prepare and prosecute applications for the payment of fees and reimbursement of expenses; and (vi) participate as a party in interest in any proceeding relating to the Trust.

5.8.5 Management of Reorganized Debtor.

(a) New Board of Directors.

Upon the Effective Date, the Thorpe Directors shall be deemed to have fulfilled their respective duties and shall be released and discharged from all further responsibilities with respect to the management, business and affairs of Thorpe, as the Surviving Corporation. Immediately thereafter, the management, control and operation of the Reorganized Debtor shall become the general responsibility of the board of directors of the Reorganized Debtor. The initial board of directors of the Reorganized Debtor shall be composed of the Reorganized Debtor Directors. Each of the members of such initial board of directors shall serve in accordance with applicable nonbankruptcy law and the Reorganized Debtor's Charter, as the same may be amended from time to time. From and after the Effective Date, the members of the board of directors of the Reorganized Debtor shall be selected and determined in accordance with the provisions of applicable law and the Reorganized Debtor's Charter. Entry of the Confirmation Order shall ratify and approve all actions taken by the board of directors of Pacific and Thorpe from the Petition Date through and until the conclusion of the Confirmation Hearing.

(b) New Officers.

Upon the Effective Date, the Thorpe Officer shall be deemed to have fulfilled his duties and shall be released and discharged from all further responsibilities with respect to the management, business and affairs of Thorpe, as the Surviving Corporation. Immediately thereafter, the Reorganized Debtor Officers shall be deemed appointed to serve as officers of the Reorganized Debtor without further action under applicable law, regulation, order or rule including, without limitation, any action by the stockholders or directors of the Reorganized Debtor. The Reorganized Debtor Officers shall serve in accordance with applicable nonbankruptcy law, any employment agreement with the Reorganized Debtor, and the Reorganized Debtor's Charter, as the same may be amended from time to time.

5.9 Farwest Settlement.

5.9.1 Approval.

Pursuant to Sections 1123(b)(3)(A), the provisions of the Farwest Settlement constitute a

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compromise of all Intercompany Claims by and between the Debtors, on the one hand, and Farwest, on the other hand. The Debtors request that the Bankruptcy Court approve the Farwest Settlement at the Confirmation Hearing. The Confirmation Order shall constitute the determination by the Bankruptcy Court that the Farwest Settlement contained in **Exhibit G** to the Plan is approved.

5.9.2 Implementation.

On the Effective Date, the Debtors and Farwest shall be authorized and directed to consummate the Farwest Settlement without further order of the Bankruptcy Court. If the Effective Date does not occur, the Farwest Settlement shall be null and void and the Debtors and Farwest shall be relieved and released from any obligation or liability hereunder and may pursue and defend any Intercompany Claims among them without admission by any party regarding the amount, priority, allowance or enforceability of such Claims.

5.10 Certain Claims and Defenses.

5.10.1 No Preclusive Effect.

None of the Retained Claims or Defenses, the Asbestos Insurance Litigation or any Asbestos Related Defense shall be precluded, barred or subject to principles of res judicata or collateral estoppel because the Plan or the accompanying Disclosure Statement does not specifically identify any such claims or defenses or the Person against whom such claims or defenses may be asserted. **Parties in interest, including Creditors, may not rely on the absence of a reference to a particular claim or defense in the Disclosure Statement or the Plan as any indication that the Debtors will not pursue any available claims and defenses against such parties.**

5.10.2 Retained Claims and Defenses.

Following the Effective Date, the Reorganized Debtor may assert, compromise or dispose of the Retained Claims and Defenses without further notice to Creditors or authorization of the Bankruptcy Court.

5.10.3 Avoidance Actions Deemed Waived.

Upon the Effective Date, all Avoidance Actions of the Debtors shall be deemed waived and released, provided that, the waiver and release of Avoidance Actions against Farwest shall be subject to the Farwest Settlement.

5.10.4 Appointment of Estate Representative for Pacific.

Subject to the provisions of Section 11.6 below, the Reorganized Debtor is appointed as the representative of Pacific under Section 1123(b)(3) of the Bankruptcy Code to carry out the Plan. The Reorganized Debtor shall be authorized to: (i) make all Distributions required to be made on or after the Effective Date to the holders of Allowed Claims against Pacific in the amounts, at the times and according to the treatment provisions of this Plan; and (ii) settle, resolve and object to Disputed Claims against Pacific.

5.11 No Substantive Consolidation.

Nothing in this Plan is intended to substantively consolidate the Estates of Thorpe and Pacific, and each such entity shall maintain its separate corporate existence and Assets (except that, upon the Merger, all right, title and interest in the Pacific Assets--with the exception of the Trust Assets transferred to the Trust--shall become the property of Thorpe by operation of law).

5.12 Distributions.

5.12.1 Full and Final Satisfaction.

Upon the Effective Date, the Disbursing Agent shall be authorized and directed to distribute the amounts required under the Plan to the holders of Administrative Claims and Allowed Claims according to the provisions of the Plan. Upon the Effective Date, all Debts of the Debtors shall be deemed fixed and adjusted pursuant to this Plan.

5.12.2 Sources of Funds for Distributions.

The Reorganized Debtor shall use its available assets to make Distributions, according to the provisions of the Plan, to the holders of (i) Administrative Claims (except for Professional Fees, which shall be paid from the Professional Fee Reserve, or paid by the Trust, as provided in Sections 2.4 and 2.5 of the Plan), (ii) Allowed Priority Tax Claims, if any (iii) Allowed Secured Claims, if any, (v) Allowed Priority Employee Claims, if any and (vi) Allowed Class 3 and Class 4 Claims.

5.12.3 Distribution Procedures.

Except as otherwise agreed by the holder of a particular Claim, or as provided in this Plan, all amounts to be paid by the Disbursing Agent under the Plan shall be distributed in such amounts and at such times as is reasonably prudent. The Reorganized Debtor shall file all objections to Disputed

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Claims on or before the 120th day following the Effective Date, unless the Bankruptcy Court, for cause shown, extends such deadline. The Disbursing Agent shall make the Cash payments to the holders of Allowed Claims and Administrative Claims: (X) in U.S. dollars by check, draft or warrant, drawn on a domestic bank selected by the Disbursing Agent in its sole discretion, or by wire transfer from a domestic bank, at the Disbursing Agent's option, and (Y) by first-class mail (or by other equivalent or superior means as determined by the Disbursing Agent).

5.12.4 Disbursing Agent.

The Disbursing Agent may employ or contract with other persons or entities to perform the payment, tax withholding and remittance obligations created under the Plan. The Disbursing Agent may delegate any of its rights and responsibilities under the Plan to other persons or entities as necessary or appropriate to carry out speedy and inexpensive Distributions to Creditors under the Plan. Such persons or entities shall receive reasonable compensation for services rendered and reimbursement for expenses incurred in connection with this Plan or any functions or responsibilities adopted under the Plan, which amounts may paid as Reorganized Debtor Expenses.

5.12.5 Disputed Claims.

The Reorganized Debtor shall be authorized to settle, or withdraw any objections to, any Disputed Claims following the Confirmation Date without further notice to Creditors or authorization of the Bankruptcy Court, in which event such Claim shall be deemed to be an Allowed Claim in the amount compromised for purposes of this Plan. No Distributions shall be made by the Disbursing Agent on account of (i) Disputed Claims, unless and to the extent such Claims become Allowed Claims, or (ii) Claims that may be or become Disputed by the Reorganized Debtor, unless and to the extent the deadline to object to such claims under Section 5.12.3 of the Plan has expired without an objection being filed and such Claims are otherwise Allowed Claims.

5.12.6 Unclaimed Distributions.

Any entity which fails to claim any Cash within ninety (90) days from the date upon which a Distribution is first made to such entity shall forfeit all rights to any Distribution under the Plan and the Disbursing Agent shall be authorized to cancel any Distribution that is not timely claimed, provided that, prior to and as a condition to such forfeiture, the Disbursing Agent shall file with the

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Bankruptcy Court and serve (by first-class mail, using addresses or forwarding instructions that are reasonably available to the Disbursing Agent), a notice of forfeiture specifying the amount and payee of each Distribution that is subject to forfeiture if it is not claimed within thirty (30) days of the date of service of the notice. Pursuant to Section 347(b) of the Bankruptcy Code, upon forfeiture, such Cash (including interest thereon, if any) shall revert to the Reorganized Debtor free of any restrictions under the Plan, the Bankruptcy Code or the Bankruptcy Rules. Upon forfeiture, the claim of any Creditor with respect to such funds shall be discharged and forever barred notwithstanding any federal or state escheat laws to the contrary, and such Creditors shall have no claim whatsoever against the Reorganized Debtor or any holder of an Allowed Claim to whom distributions are made by the Disbursing Agent.

5.12.7 Setoff.

Nothing contained in this Plan shall constitute a waiver or release by the Debtors of any right of setoff or recoupment the Debtors may have against any Creditor. The Reorganized Debtor may, but is not required to, set off or recoup against any Claim or Interest and the payments or other distributions to be made under the Plan in respect of such Claim, claims of any nature whatsoever that arose before the Petition Date that the Debtors may have against the holder of such Claim or Interest.

5.12.8 Taxes.

Pursuant to Section 346(f) of the Bankruptcy Code, the Disbursing Agent shall be entitled to deduct any federal, state or local withholding taxes from any Cash payments made with respect to Allowed Claims, as appropriate. The Reorganized Debtor shall be authorized to take all actions necessary to comply with applicable withholding and recording requirements. Notwithstanding any other provision of this Plan, each holder of an Allowed Claim that has received a distribution of Cash shall have sole and exclusive responsibility for the satisfaction or payment of any tax obligation imposed by any governmental unit, including income, withholding and other tax obligation, on account of such distribution. For tax purposes, distributions received in respect of Allowed Claims will be allocated first to the principal amount of such Claims, with any excess allocated to unpaid accrued interest.

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5.12.9 De Minimis Distributions.

If any interim distribution under the Plan to the holder of an Allowed Claim would be less than $100.00, the Disbursing Agent may withhold such distribution until a final distribution is made to such holder. If any final distribution under the Plan to the holder of an Allowed Claim would be less than $1.00, the Disbursing Agent may cancel such distribution, unless a request therefore is made in writing to the Reorganized Debtor. Any unclaimed distributions pursuant to this Section 5.12.9 shall be treated as unclaimed property under Section 5.12.6 of the Plan.

5.13 Century Settlement.

5.13.1 Approval.

Pursuant to Sections 363(f), 1123(a)(5)(D) and 1123(b)(3) of the Bankruptcy Code, the provisions of the Century Settlement constitute a compromise of claims between the TPFBF Parties (as defined in the Century Settlement Agreement) and the Century Insurers (as defined in the Century Settlement Agreement) as well as a sale to and buy-back by the Century Insurers of certain insurance rights and policies free and clear of any and all liens, claims and interests, all as set forth in the Century Settlement Agreement. The Proponents request that the Bankruptcy Court approve the Century Settlement and Century Settlement Agreement in connection with the Confirmation Remand Proceedings. The Confirmation Remand Order shall constitute a determination that (i) the Century Settlement and Century Settlement Agreement are approved; (ii) that the buy-back of the Subject Insurance Policies (as defined in the Century Settlement Agreement) free and clear of all liens, claims and interests is authorized and shall be fully effective on the Confirmation Remand Effective Date; and (iii) Section 363(m) of the Bankruptcy Code applies to the buy-back of the Subject Insurance Policies and the Century Insurers are "good faith" purchasers of the Subject Insurance Policies within the meaning of Section 363(m).

5.13.2 Implementation.

Upon the Confirmation Remand Effective Date, the TPFBF Parties shall be authorized and directed to consummate the Century Settlement in accordance with the terms of the Century Settlement Agreement without further order of any court.

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5.14. Continental Settlement.

5.14.1 Approval.

Pursuant to Sections 363(f), 1123(a)(5)(D), and 1123(b)(3) of the Bankruptcy Code, the provisions of the Continental Settlement constitute a compromise of claims between the TPFBF Parties (as defined in the Continental Settlement Agreement) and the Continental Insurers (as defined in the Continental Settlement Agreement) as well as a sale to and buy-back by the Continental Insurers of certain insurance rights and policies free and clear of any and all liens, claims and interests, all as set forth in the Continental Settlement Agreement. The Proponents request that the Bankruptcy Court approve the Continental Settlement and Continental Settlement Agreement in connection with the Confirmation Remand Proceedings. The Confirmation Remand Order shall constitute a determination that (i) the Continental Settlement and Continental Settlement Agreement are approved; (ii) that the buy-back of the Subject Insurance Policies (as defined in the Continental Settlement Agreement) free and clear of all liens, claims and interests is authorized and shall be fully effective on the Confirmation Remand Effective Date; and (iii) Section 363(m) of the Bankruptcy Code applies to the buy-back of the Subject Insurance Policies and the Continental Insurers are "good faith" purchasers of the Subject Insurance Policies within the meaning of Section 363(m).

5.14.2 Implementation.

Upon the Confirmation Remand Effective Date, the TPFBF Parties shall be authorized and directed to consummate the Continental Settlement in accordance with the terms of the Continental Settlement Agreement without further order of any court.

5.15 Middlesex/Sentry Settlement.

5.15.1 Approval.

Pursuant to Sections 363(f), 1123(a)(5)(D), and 1123(b)(3) of the Bankruptcy Code, the provisions of the Middlesex/Sentry Settlement constitute a compromise of claims between the TPFBF Parties (as defined in the Middlesex/Sentry Settlement Agreement) and Middlesex/Sentry (as defined in the Middlesex/Sentry Settlement Agreement) as well as a sale to and buy-back by Middlesex/Sentry of certain insurance rights and policies free and clear of any and all liens, claims

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and interests, all as set forth in the Middlesex/Sentry Settlement Agreement. The Proponents request that the Bankruptcy Court approve the Middlesex/Sentry Settlement and Middlesex/Sentry Settlement Agreement in connection with the Confirmation Remand Proceedings. The Confirmation Remand Order shall constitute a determination that (i) the Middlesex/Sentry Settlement and Middlesex/Sentry Settlement Agreement are approved; (ii) that the buy-back of the Subject Policy (as defined in the Middlesex/Sentry Settlement Agreement) free and clear of all liens, claims and interests is authorized and shall be fully effective on the Confirmation Remand Effective Date; (iii) Section 363(m) of the Bankruptcy Code applies to the buy-back of the Subject Policy and Middlesex/Sentry is a "good faith" purchaser of the Subject Policy within the meaning of Section 363(m).

5.15.2 Implementation.

Upon the Confirmation Remand Effective Date, the TPFBF Parties shall be authorized and directed to consummate the Middlesex/Sentry Settlement in accordance with the terms of the Middlesex/Sentry Settlement Agreement without further order of any court.

ARTICLE 6

EXECUTORY CONTRACTS AND UNEXPIRED LEASES

6.1 Assumption.

On the Effective Date, pursuant to Section 1123(b)(2) of the Bankruptcy Code, Thorpe and Pacific will assume the executory contracts and unexpired leases of Thorpe and Pacific that (i) have been expressly identified for assumption on **Exhibit E** to this Plan (together with any additions, deletions, modifications or other revisions to such exhibit as may be made by the Proponents prior to the Confirmation Date) and (ii) are specified in Section 6.8 of the Plan. Each executory contract and unexpired lease listed in **Exhibit E** shall include any modifications, amendments and supplements to such agreement, whether or not listed in **Exhibit E**. Any agreement found by the Bankruptcy Court to be an executory contract of Thorpe which has not been expressly assumed by Thorpe shall be deemed rejected; any agreement which is found by the Bankruptcy Court to be an executory contract of Pacific which has not been expressly rejected by Pacific shall be deemed assumed. Notwithstanding the foregoing, although the Proponents contend that prepetition insurance contracts

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or agreements to which Thorpe is a party are not executory contracts subject to assumption, to the extent the Bankruptcy Court determines otherwise, said prepetition insurance contracts and agreements shall be deemed assumed by the Reorganized Debtor pursuant to the Plan.

6.2 Rejection.

On the Effective Date, pursuant to Section 1123(b)(2) of the Bankruptcy Code, Thorpe and Pacific will reject the executory contracts and unexpired leases of Thorpe and Pacific that have been expressly identified for rejection on **Exhibit F** to this Plan (together with any additions, deletions, modifications or other revisions to such exhibit as may be made by the Proponents prior to the Confirmation Date). Each executory contract and unexpired lease listed in **Exhibit F** shall include any modifications, amendments and supplements to such agreement, whether or not listed in **Exhibit F**. Any Person asserting any Claim for damages arising from the rejection of an executory contract or unexpired lease of Thorpe or Pacific under this Plan shall file such Claim on or before the Rejection Claim Bar Date, or be forever barred from (i) asserting such Claim against the Reorganized Debtor, Thorpe, Pacific or any property of Thorpe or Pacific, and (ii) sharing in any distribution under the Plan.

6.3 Assumption Obligations.

The Reorganized Debtor shall satisfy all Assumption Obligations, if any, by making a Cash payment in the manner provided in Section 2.2 of the Plan, equal to the amount specified in **Exhibit E** to this Plan, unless an objection to such proposed amount is filed with the Bankruptcy Court and served on counsel to the Debtors on or prior to the date set by the Bankruptcy Court for filing objections to Confirmation of the Plan and the Bankruptcy Court, after notice and hearing, determines that the applicable Debtor is obligated to pay a different amount under Section 365 of the Bankruptcy Code, in which case, the applicable Debtor shall have the right within ten (10) days after such determination to seek an order of the Bankruptcy Court rejecting such executory contract or unexpired lease. Any Person that fails to object to the Assumption Obligation specified in **Exhibit E** to this Plan on or prior to the date set by the Bankruptcy Court for filing objections to Confirmation of the Plan shall be forever barred from (i) asserting any other, additional or different amount on account of such obligation against the Reorganized Debtor, Thorpe, Pacific or any property of

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Thorpe or Pacific, and (ii) sharing in any other, additional or different distribution under the Plan on account of such obligation.

6.4 Effect of Confirmation Order.

The Confirmation Order shall constitute an order of the Bankruptcy Court approving, as of the Effective Date, the assumption or rejection by Thorpe and Pacific, as the case may be, pursuant to Sections 365(a) and 1123(b)(2) of the Bankruptcy Code, of all executory contracts and unexpired leases identified under this Article of the Plan. The contracts and leases identified in this Plan will be assumed or rejected, respectively, only to the extent that such contracts or leases constitute pre-petition executory contracts or unexpired leases of the Debtors, and the identification of such agreements under this Plan does not constitute an admission with respect to the characterization of such agreements or the existence of any unperformed obligations, defaults, or damages thereunder. This Plan does not affect any executory contracts or unexpired leases that (a) have been assumed, rejected or terminated prior to the Confirmation Date, (b) are the subject of a pending motion to assume, reject or terminate as of the Confirmation Date, or (c) are not identified for assumption or rejection in this Plan.

6.5 Post-Petition Agreements.

Unless inconsistent with the provisions of the Plan, all contracts, leases and other agreements entered into or restated by either of the Debtors on or after their respective Petition Dates, or previously assumed by either of the Debtors prior to the Confirmation Date (or the subject of a pending motion to assume by either of the Debtors as of the Confirmation Date that is granted by the Bankruptcy Court), which have not expired or been terminated in accordance with their terms, shall be performed by the Reorganized Debtor in the ordinary course of business and shall survive and remain in full force and effect following the Effective Date.

6.6 Insurance of Debtors.

Any insurance policy acquired for the benefit of the Debtors (or any officers and directors of any of the Debtors) before or after the Petition Date, including any Asbestos Insurance Policy, shall remain in full force and effect after the Effective Date according to its terms, except as otherwise provided in any Asbestos Insurance Settlement.

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6.7 Employee Benefit Programs.

All Employee Benefit Programs shall be treated as "executory contracts" and shall be assumed pursuant to Sections 365 and 1123(b)(2) of the Bankruptcy Code by operation of the Plan. The Debtors do not provide "retiree benefits" as that term is defined in Section 1114(a) of the Bankruptcy Code. Therefore, on and after the Effective Date the Debtors will not pay retiree benefits.

6.8 Survival of Indemnification Obligations.

Any and all obligations of Thorpe or Pacific to indemnify, reimburse or limit the liability of its past and present Agents pursuant to the applicable Charter, applicable law or specific agreements, or any combination of the foregoing, against any actions, suits and proceedings based upon any act or omission related to service with or for Thorpe or Pacific shall not be discharged or impaired by Confirmation.

ARTICLE 7

CONDITIONS PRECEDENT

7.1 Conditions to Confirmation.

The following are conditions precedent to confirmation of this Plan:

(a) The Bankruptcy Court shall have entered a Final Order approving a Disclosure Statement with respect to this Plan in form and substance satisfactory to the Proponents;

(b) The Confirmation Order shall be in a form and substance reasonably acceptable to the Proponents; and

(c) The Wellington Settlement Claims Favorable Determination shall have occurred.

7.2 Conditions to Effectiveness.

The following are conditions precedent to the occurrence of the Effective Date:

(a) The Confirmation Date shall have occurred;

(b) The Confirmation Order shall be a Final Order;

(c) No request for revocation of the Confirmation Order under Section 1144 of the Bankruptcy Code has been made, or, if made, remains pending;

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(d) The Trust Agreement shall have been executed and delivered;

(e) The Professional Fee Reserve shall have been established and funded in an amount sufficient (as determined by the Debtors, in their reasonable discretion) to pay all anticipated Allowed Professional Fees accrued through the Effective Date and to reimburse Pacific for all Allowed Professional Fees previously paid by it during the course of its Chapter 11 Case, provided that, such reimbursement shall be reduced by $250,000 on account of amounts previously funded by Pacific for retainers to Professionals; and

(f) The Proponents shall have obtained a QSF Opinion in a form and substance reasonably acceptable to the Proponents.

The Proponents shall file a notice of the Effective Date of the Plan with the Bankruptcy Court.

7.3 Waiver of Conditions.

Conditions to Confirmation and the Effective Date may be waived, in whole or in part, by agreement of the Proponents at any time without notice, an order of the Bankruptcy Court, or any further action other than proceeding to Confirmation and consummation of the Plan, provided that, (i) the condition to Confirmation set forth in Section 7.1(c) of the Plan may only be waived pursuant to Section 7.4 of the Plan, and (ii) the condition to the occurrence of the Effective Date set forth in Section 7.2(e) of the Plan may be waived by the Committee and the Futures Representative (notwithstanding the disagreement of any other Proponent), by the delivery to the Debtors of a written, irrevocable election to cause the Trust to satisfy, or reimburse the Reorganized Debtor for, the sum of (x) all Allowed Professional Fees accrued through the Effective Date, plus (y) the amount necessary to reimburse Pacific for all Allowed Professional Fees previously paid by it during the course of its Chapter 11 Case, provided that, such amount shall be reduced by $250,000 on account of amounts previously funded by Pacific for retainers to Professionals. Upon the Effective Date, the election set forth in this Section 7.3(ii) shall be immediately and automatically valid and enforceable, and the Trust shall be irrevocably bound to perform in accordance with such election, without any further action of the Bankruptcy Court or further act or agreement of any Person.

7.4 Exercise of Indemnity Election.

Effective upon the date the *Fourth Amended Joint Plan of Reorganization of Thorpe*

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Insulation Company and Pacific Insulation Company dated October 12, 2009, is filed with the Bankruptcy Court, (i) the Committee and the Futures Representative shall be deemed to have irrevocably made the Indemnity Election, and (ii) the Proponents shall be deemed to have waived the condition to Confirmation set forth in Section 7.1(c) of the Plan. Accordingly, notwithstanding anything to the contrary in **Exhibit H**, the indemnity set forth in **Exhibit H** shall be and hereby is effective, binding, valid and enforceable, without any further action of the Bankruptcy Court or further act or agreement of any Person. Upon the Effective Date, the Trust shall be irrevocably bound to perform in accordance with the Indemnity Election, without any further action of the Bankruptcy Court or further act or agreement of any Person.

7.5 Filing of Merger Agreement.

The Debtors shall file the Merger Agreement with the Secretary of State of the State of California on, or as soon thereafter as practicable, the later, but subject to the occurrence, of: (a) the first Business Day that is at least thirty one (31) days after the Confirmation Date and on which no stay of the Confirmation Order is in effect; and (b) the Business Day, on which all of the conditions set forth in Section 7.2 of the Plan have been satisfied or waived as provided in Section 7.3 of the Plan.

7.6 The Confirmation Remand Effective Date.

On the Confirmation Remand Effective Date, the Proponents, the Reorganized Debtor and the Trust shall be free to perform any act, to execute and deliver any document or instrument, and to consummate any transfer or transaction that is conditioned upon the occurrence of the Confirmation Remand Effective Date or the Effective Date. The occurrence of the Confirmation Remand Effective Date shall satisfy, effective as of the occurrence of the Effective Date, any condition or other requirement in the Plan that is based upon the occurrence of the Effective Date. Further, the occurrence of the Confirmation Remand Effective Date shall satisfy, effective as of the Effective Date, any condition or other requirement in the Plan that the Effective Date have occurred (a) as to any act taken, document executed or delivered, transaction or transfer made or consummated, in reliance on the occurrence of the Effective Date, and (b) as to any matter that the Plan provides occurs or becomes effective on, or as a result of the occurrence of, the Effective Date.

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The condition precedent stated in section 1.46 that the Confirmation Remand Order be a Final Order may be waived by agreement of the Proponents at any time without notice, an order of the Bankruptcy Court, or any further action.

ARTICLE 8

EFFECTS OF CONFIRMATION

8.1 Binding Effect.

The rights afforded under the Plan and the treatment of all Claims and Interests under the Plan shall be the sole and exclusive remedy on account of such Claims against, and Interests in the Debtors, the Reorganized Debtor, the Thorpe Assets and the Pacific Assets, including any interest accrued on such Claims from and after the pertinent Petition Date or interest which would have accrued but for the commencement of the Chapter 11 Cases. Confirmation of the Plan shall bind and govern the acts of the Reorganized Debtor and all holders of all Claims against, and Interests in the Debtors, whether or not: (i) a proof of Claim or proof of Interest is filed or deemed filed pursuant to Section 501 of the Bankruptcy Code; (ii) a Claim or Interest is allowed pursuant to Section 502 of the Bankruptcy Code, or (iii) the holder of a Claim or Interest has accepted the Plan.

8.2 Pacific—Property Revests Free and Clear.

Upon the Effective Date, with the exception of all Trust Assets that are transferred to the Trust pursuant to Section 5.4.1 of the Plan, title to all remaining Pacific Assets shall vest in Pacific (and all such property shall be deemed to vest in the Reorganized Debtor concurrently with the Merger), for the purposes contemplated under the Plan and shall no longer constitute property of the Estate created for Pacific in its Chapter 11 Case. Except as otherwise provided in the Plan, upon the Effective Date all Pacific Assets shall be free and clear of all Claims and Interests, including Liens, charges or other encumbrances of Creditors of Pacific.

8.3 Thorpe—Property Revests Free and Clear.

Upon the Effective Date, with the exception of all Trust Assets that are transferred to the Trust pursuant to Section 5.4.1 of the Plan, title to all remaining Thorpe Assets shall vest in the Reorganized Debtor for the purposes contemplated under the Plan and shall no longer constitute property of the Estate created for Thorpe in its Chapter 11 Case. Except as otherwise provided in the

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Plan, upon the Effective Date all Thorpe Assets shall be free and clear of all Claims and Interests, including Liens, charges or other encumbrances of Creditors of Pacific. Following the Effective Date, the Reorganized Debtor may use, transfer and dispose of any such property (and all property of Pacific acquired by Thorpe pursuant to the Merger) free of any restrictions imposed by the Bankruptcy Code or the Bankruptcy Rules and without further approval of the Bankruptcy Court or notice to Creditors, except as may otherwise be required under the Plan or the Confirmation Order.

8.4 Discharge.

Confirmation of the Plan shall discharge Thorpe, Pacific and the Reorganized Debtor from all Claims or other debts that arose at any time before the Effective Date, and all debts of the kind specified in Sections 502(g), 502(h) or 502(i) of the Bankruptcy Code, whether or not: (i) a proof of claim based on such debt is filed or deemed filed under Section 501 of the Bankruptcy Code; (ii) a Claim based on such debt is Allowed under Section 502 of the Bankruptcy Code; or (iii) the holder of a Claim has accepted the Plan. As of the Effective Date, all entities that have held, currently hold or may hold a Claim or other debt or liability that is discharged or any other right that is terminated under the Bankruptcy Code or the Plan are permanently enjoined, to the full extent provided under Section 524(a) of the Bankruptcy Code, from "the commencement or continuation of an action, the employment of process, or an act, to collect, recover or offset any such debt as a personal liability" of Thorpe, Pacific or the Reorganized Debtor. Nothing contained in the foregoing discharge shall, to the full extent provided under Section 524(e) of the Bankruptcy Code, affect the liability of any other entity on, or the property of any other entity for, any debt of the Debtors that is discharged under the Plan.

8.5 Injunctions.

Upon the occurrence of the Effective Date, the Injunctions shall be deemed issued, entered and enforceable by the District Court and shall supplement the discharge of the Debtors and the Reorganized Debtor according to their terms to the fullest extent permissible by Sections 524(g) and 105(a) of the Bankruptcy Code.

8.6 Limitation of Liability.

The Debtors, the Reorganized Debtor, the Committee and the Futures Representative, and

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each of their respective Agents, shall have all of the benefits and protections afforded under 11 U.S.C. § 1125(e) and applicable law.

8.7 Exoneration and Reliance.

Subject to the provisions of Section 5.4.2 of the Plan, the Debtors, the Reorganized Debtor, Farwest, the Identified Parties, the Committee, the Futures Representative, the Trust (including the Trustees, the Trust Advisory Committee and the Futures Representative, all as defined in the Trust Agreement) and the Settling Asbestos Insurers, and each of their respective Agents, shall not be liable, other than for gross negligence or willful misconduct, to any holder of a Claim or Interest or any other entity with respect to any action, omission, forbearance from action, decision, or exercise of discretion taken at any time after the Petition Date and prior to the Confirmation Remand Effective Date in connection with: (a) the management or operation of the Debtors or the discharge of their duties under the Bankruptcy Code, (b) the implementation of any of the transactions provided for, or contemplated in, this Plan, (c) any action or inaction taken in connection with either the enforcement of the Debtors' rights against any entities or the defense of Claims asserted against the Debtors with regard to the Chapter 11 Cases, (d) any action taken in the negotiation, formulation, development, proposal, disclosure, Confirmation, the Confirmation Remand Proceedings or implementation of the Plan, or (e) the administration of this Plan or the Trust or the assets and property to be distributed pursuant to this Plan. The Debtors, the Reorganized Debtor, Farwest, the Identified Parties, the Committee, the Futures Representative, the Trust (including the Trustees, the Trust Advisory Committee and the Futures Representative), and the Settling Asbestos Insurers, and each of their respective Agents may reasonably rely upon the opinions of their respective counsel, accountants, and other experts and professionals and such reliance, if reasonable, shall conclusively establish good faith and the absence of gross negligence or willful misconduct; provided however, that a determination that such reliance is unreasonable shall not, by itself, constitute a determination or finding of bad faith, gross negligence or willful misconduct; further provided, however, that nothing in this Section 8.7 shall prevent the enforcement by any party to an Asbestos Insurance Settlement of the terms of such settlement against any other party to such settlement. Any action, suit or proceeding by any holder of a Claim or Interest or any other entity contesting any action,

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omission, forbearance from action, decision or exercise of discretion in connection with the matters in subsections *(a)* through *(e)* above, by the Debtors, the Reorganized Debtor, Farwest, the Identified Parties, the Committee, the Futures Representative, the Trust (including the Trustees, the Trust Advisory Committee and the Futures Representative), and the Settling Asbestos Insurers and each of their respective Agents, or any of them, whether commenced before or after the Confirmation Remand Effective Date, shall be commenced only in the Bankruptcy Court, provided however, that this Section 8.7 shall not affect any right to a jury trial that may apply to any such action, suit or proceeding.

8.8 Asbestos Insurance Policy with Pacific Indemnity Company.

Upon the Effective Date, in accordance with the terms and conditions of the Asbestos Insurance Settlement with Pacific Indemnity Company (and subject to receipt of the final payment from Pacific Indemnity Company under such settlement), the Asbestos Insurance Policies with Pacific Indemnity Company that are referenced in such settlement, and all interests of the Debtors under such policies, shall be deemed transferred to Pacific Indemnity Company free and clear of all Claims and Interests, including Liens, charges or other encumbrances of Creditors of the Debtors.

ARTICLE 9

RETENTION OF JURISDICTION

Notwithstanding the entry of the Confirmation Order and the occurrence of the Effective Date, the Bankruptcy Court shall retain jurisdiction over the Chapter 11 Cases after the Effective Date to the extent legally permissible, including, without limitation, jurisdiction to:

(a) Allow, disallow, determine, liquidate, classify, estimate, or establish the priority or secured or unsecured status of any Claim, including the resolution of any request for payment of any Administrative Claim and the resolution of any objections to the allowance or priority of Claims;

(b) Grant or deny any applications for allowance of compensation or reimbursement of expenses authorized under the Bankruptcy Code or the Plan;

(c) Resolve any matters related to the assumption, assumption and assignment, or rejection of any executory contract or unexpired lease to which any Debtor is a party and to hear,

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determine and, if necessary, liquidate, any Claims arising from, or cure amounts related to, such assumption or rejection;

(d) Ensure that Distributions to holders of Allowed Claims are accomplished in accordance with the Plan;

(e) Decide or resolve any motions, adversary proceedings, contested or litigated matters, and any other matters and grant or deny any applications or motions involving any Debtor that may be pending on the Effective Date;

(f) Enter such orders as may be necessary or appropriate to implement or consummate the provisions of the Plan and all contracts, instruments, releases, and other agreements or documents created in connection with the Plan or the Disclosure Statement;

(g) Resolve any cases, controversies, suits or disputes that may arise in connection with the consummation, interpretation or enforcement of the Plan or any Person's obligations incurred in connection with the Plan;

(h) Modify the Plan before or after the Effective Date under Section 1127 of the Bankruptcy Code or modify the Disclosure Statement or any contract, instrument, release, or other agreement or document created in connection with the Plan or the Disclosure Statement; or remedy any defect or omission or reconcile any inconsistency in any Bankruptcy Court order, the Plan, the Disclosure Statement, or any contract, instrument, release, or other agreement or document created in connection with the Plan and the Disclosure Statement, in such manner as may be necessary or appropriate to consummate the Plan, to the extent authorized by the Bankruptcy Code;

(i) Enter and implement such orders as are necessary or appropriate if the Confirmation Order is for any reason modified, stayed, reversed, revoked, or vacated;

(j) Determine any other matters that may arise in connection with or related to the Plan, the Disclosure Statement, the Confirmation Order or any contract, instrument, release, or other agreement or document created in connection with the Plan, the Disclosure Statement or the Confirmation Order, except as otherwise provided in the Plan;

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(k) Hear and determine any applications by the Trust to amend, modify, alter or repeal any provision of the Trust Agreement or the TDP pursuant to applicable provisions of such instruments;

(l) Hear and determine Retained Claims and Defenses commenced by the Debtors or the Reorganized Debtor;

(m) Enter and implement other orders, or take such other actions as may be necessary or appropriate to restrain interference by any entity with consummation or enforcement of the Injunctions or the Plan, except as otherwise provided in the Plan; and

(n) Enter an order closing the Chapter 11 Cases which provides for the retention of jurisdiction by the Bankruptcy Court for purposes of this Article 9.

ARTICLE 10

AMENDMENT AND WITHDRAWAL OF PLAN

10.1 Amendment of the Plan.

At any time before the Confirmation Date, the Proponents may alter, amend, or modify the Plan under Section 1127(a) of the Bankruptcy Code including, without limitation, the right to add additional Settling Asbestos Insurers to **Exhibit D** to this Plan, provided that, such alteration, amendment, or modification does not materially and adversely affect the treatment and rights of the holders of Claims under this Plan. After the Confirmation Date and before substantial consummation of the Plan as defined in Section 1101(2) of the Bankruptcy Code, the Proponents may, under Section 1127(b) of the Bankruptcy Code, modify the Plan in connection with the Confirmation Remand Proceedings and to implement Asbestos Insurer Settlements entered into before the conclusion of the Confirmation Remand Proceedings, and institute proceedings in the Bankruptcy Court to remedy any defect or omission or reconcile any inconsistencies in the Plan, the Disclosure Statement, or the Confirmation Order, or as otherwise may be necessary to carry out the purposes and effects of the Plan so long as such proceedings do not materially and adversely affect the treatment of holders of Claims under the Plan; provided, however, that prior notice of such proceedings shall be served in accordance with the Bankruptcy Rules or applicable order of the Bankruptcy Court. In addition, before the conclusion of the Confirmation Remand Proceedings

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before the Bankruptcy Court, the Proponents also may add additional Settling Asbestos Insurers to **Exhibit D** to this Plan, provided that, such alteration, amendment, or modification does not materially and adversely affect the treatment and rights of the holders of Claims under this Plan.

10.2 Revocation or Withdrawal of the Plan.

The Proponents reserve the right to revoke or withdraw this Plan in the event that the Proponents determine in good faith that any condition to Confirmation or the effectiveness of this Plan is unlikely to be satisfied as required herein. If the Plan is withdrawn or revoked, then the Plan shall be deemed null and void, and nothing contained in the Plan shall be deemed a waiver of any Claims by or against the Debtors or any other Person in any further proceedings involving the Debtors or an admission of any sort, and this Plan and any transaction contemplated by this Plan shall not be admitted into evidence in any proceeding.

ARTICLE 11

MISCELLANEOUS

11.1 Effectuating Documents; Further Transactions; Timing.

The Debtors and the Reorganized Debtor shall be authorized and directed to execute, deliver, file, or record such contracts, instruments, releases, and other agreements or documents, and to take such actions as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan. All transactions required to occur on the Effective Date under the terms of the Plan shall be deemed to have occurred simultaneously.

11.2 Exemption From Transfer Taxes.

In accordance with Section 1146(c) of the Bankruptcy Code, the making, delivery, or recording of a deed or other instrument of transfer under this Plan shall not be subject to any stamp tax or similar tax and the appropriate state or local government officials or agents shall be directed to forego the collection of any such tax and to accept for filing or recordation any of the foregoing instruments or other documents without the payment of any such tax.

11.3 Governing Law.

Except to the extent that the Bankruptcy Code or other federal law is controlling, the rights, duties and obligations of the Debtors, the Reorganized Debtors and any other Person arising under

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the Plan shall be governed by, and construed and enforced in accordance with, the internal laws of the State of California, without giving effect to California's choice of law provisions.

11.4 Modification of Payment Terms.

The Reorganized Debtor may modify the treatment of any Allowed Claim or Interest in any manner adverse only to the holder of such Claim or Interest at any time after the Effective Date upon the prior written consent of the Person whose Allowed Claim or Interest treatment is being adversely affected.

11.5 Provisions Enforceable.

The Confirmation Order shall constitute a judicial determination and shall provide that each term and provision of this Plan, as it may have been altered or interpreted in accordance with the foregoing, is valid and enforceable in accordance with its terms.

11.6 Case Closing/Quarterly Fees to the United States Trustee.

All fees payable under 28 U.S.C. § 1930(a)(6) shall be paid by the Debtors in the amounts and at the times such fees may become due up to and including the Confirmation Remand Effective Date. Thereafter, the Trust shall file reports and pay all fees payable under 28 U.S.C. § 1930(a)(6) with regard to the Chapter 11 Case of Pacific, Case No. 2:07-bk-20016-BB. The Reorganized Debtor shall file reports and pay all fees payable under 28 U.S.C. § 1930(a)(6) with regard to the Chapter 11 Case of Thorpe, Case No. 2:07-bk-19271-BB, until that case is closed. As soon as practicable following the Confirmation Remand Effective Date, the Reorganized Debtor shall file and prosecute a motion to close the Chapter 11 Case of Thorpe. Notwithstanding the closing of the Thorpe Chapter 11 Case, parties in interest shall continue to make all filings under the jointly-administered Case No. 2:07-bk-19271-BB, and the Court shall retain jurisdiction over all matters, including, without limitation, any adversary proceedings, pending under Case No. 2:07-bk-19271-BB (including without limitation Adversary Proceeding No. 2:12-ap-02183-BB, *Thorpe Insulation Company Asbestos Settlement Trust v. Michael Mandelbrot and the Mandelbrot Law Firm*). Upon the Effective Date, the Reorganized Debtor shall be relieved from the duty to make the reports and summaries required under Bankruptcy Rule 2015(a). Notwithstanding the foregoing, the Reorganized Debtor shall file and serve the status reports required by Local Bankruptcy Rule 3020-

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1(b) at such times and for such period as may be set forth in the Confirmation Order.

11.7 Method of Payment.

Payments of Cash required to be made under the Plan shall be made by check drawn on a domestic bank or by wire transfer from a domestic bank at the election of the Person making such payment. Whenever any payment or distribution to be made under the Plan is due on a day other than a Business Day, such payment or distribution may instead be made, without interest, on the immediately following Business Day.

11.8 Notice of Confirmation and of the Occurrence of the Confirmation Remand Effective Date.

As soon as practicable following the Effective Date of the Plan, the Reorganized Debtor shall file and serve notice of the entry of the Confirmation Order in the manner required under Bankruptcy Rule 2002(f). The notice shall further identify the Effective Date and shall set forth the Injunctions, the Professional Fees Bar Date, the Rejection Claims Bar Date and any other deadlines that may be established under the Plan or the Confirmation Order. Further, as soon as practicable following the Confirmation Remand Effective Date, the Reorganized Debtor shall file and serve notice of the entry of the Confirmation Remand Order in the manner required under Bankruptcy Rule 2002(f). The notice shall further identify the Confirmation Remand Effective Date and shall set forth the Injunctions and any deadlines that may be established under the Plan or the Confirmation Remand Order.

11.9 Successors and Assigns.

The Plan is binding upon and will inure to the benefit of the Debtors, the Reorganized Debtor, the Committee and the Futures Representative, and each of their respective Agents, successors, and assigns, including, without limitation, any bankruptcy trustees or estate representatives.

11.10 Notices.

Except as otherwise provided in the Plan, any notice or other communication required or permitted under the Plan will be in writing and deemed to have been validly served, given, delivered, and received upon the earlier of: (x) the first business day after transmission by facsimile or hand

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delivery or deposit with an overnight express service or overnight mail delivery service; or (y) the third calendar day after deposit in the United States mail, with proper first class postage prepaid. If such notice is made to the Reorganized Debtor, it shall be addressed as follows:

Pacific Insulation Company
2741 South Yates Avenue
Los Angeles, California 90040
Attention: Robert Fults
Facsimile: 323.728.5489

with copies to:

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300 South Grand Avenue, 22nd Floor
Los Angeles, California 90071
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Thomas E. Patterson
Klee, Tuchin, Bogdanoff & Stern LLP
1999 Avenue of the Stars, Thirty-Ninth Floor
Los Angeles, California 90067
Facsimile: (310) 407-9090

11.10.1 Notice to Claim and Interest Holders.

Notices to Persons holding a Claim or Interest will be sent to the addresses set forth in such Person's proof of Claim or Interest or, if none was filed, at the address set forth in the Schedules.

11.10.2 Post-Effective Date Notices.

Following the Effective Date, notices will only be served on the Reorganized Debtor, the Office of the United States Trustee and those Persons who file with the Court and serve upon the Reorganized Debtor a request, which includes such Person's name, contact person, address, telephone number and facsimile number, that such Person receive notice of post-Effective Date

matters. Persons who had previously filed with the Court requests for special notice of the proceedings and other filings in the Chapter 11 Cases will not receive notice of post-Effective Date matters unless such Persons file a new request in accordance with this Section 11.10.2.

11.10.3 Notice Procedures.

In the event (i) the Reorganized Debtor proposes to take an action respecting a matter that is not expressly provided for by the Plan, or (ii) the Plan requires compliance with the Notice Procedures, the Person proposing such action shall transmit a written notice to the Reorganized Debtor and those parties requesting notice of post-Confirmation matters (unless the Plan requires notice to additional persons) setting forth the proposed action. The recipients of such notice shall have 10 days from the date of such notice to transmit a written objection thereto or to request copies of all pertinent documentation. If documentation relating to the proposed action is requested, the requesting party shall have 8 days from the date of delivery of the documentation to transmit to the Person giving the notice a written objection to the proposed action. If an objection is timely made, and the dispute is not promptly resolved by the parties, such matter shall be presented to the Bankruptcy Court for resolution. Absent timely objection, the proposed action will be binding without the necessity for approval by the Bankruptcy Court. Notwithstanding the foregoing, the Person proposing the action may seek Bankruptcy Court approval of any matter.

11.11 Incorporation by Reference.

All schedules and supplements to the Plan are incorporated and are made a part of the Plan as if set forth in full in the Plan.

11.12 Computation of Time.

In computing any period of time prescribed or allowed by the Plan, the provisions of Bankruptcy Rule 9006(a) shall apply. Any reference to “day” or “days” shall mean calendar days, unless otherwise specified herein.

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11.13 Conflict of Terms.

In the event of a conflict between the terms of this Plan and the Disclosure Statement, the terms of this Plan will control.

[Signature Page Follows]

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Dated: Los Angeles, California
May 1, 2013

Respectfully submitted,

Thorpe Insulation Company

By: *Robert W. Fults*
Robert W. Fults
President

Pacific Insulation Company

By: *Robert W. Fults*
Robert W. Fults
President

Official Committees of Unsecured Creditors

By: *Alan Brayton*
Alan Brayton
Co-Chair of Official Committees of Unsecured Creditors

Futures Representative

By: *Charles B. Renfrew*
Honorable Charles B. Renfrew (Ret.)
Futures Representative

List of Exhibits to Plan

Exhibit A: Channeling Injunction

Exhibit B: Settling Asbestos Insurer Injunction

Exhibit C: Asbestos Insurer Injunction

Exhibit D: Settling Asbestos Insurers

Exhibit E: Executory Contracts and Unexpired Leases to be Assumed

Exhibit F: Executory Contracts and Unexpired Leases to be Rejected

Exhibit G: Farwest Settlement

Exhibit H: Indemnity Election

Exhibit I: Trust Documents

- Trust Agreement
- Thorpe Insulation Company Asbestos Settlement Trust Bylaws
- TDP
- Thorpe Insulation Company Asbestos Settlement Trust Case Valuation Matrix

Exhibit J: Agreement and Plan of Merger

Exhibit K: Reorganized Debtor Promissory Note

Exhibit L: Reorganized Debtor Earnout Promissory Note

Exhibit M: Reorganized Debtor Stock Pledge Agreement

Exhibit N; Century Settlement Agreement

Exhibit O: Continental Settlement Agreement

Exhibit P: Middlesex/Sentry Settlement Agreement

EXHIBIT A

CHANNELING INJUNCTION

Pursuant to Sections 524(g) and 105(a) of the Bankruptcy Code, upon the Effective Date, all entities (except as expressly allowed below) which have held or asserted, which hold or assert, or which may in the future hold or assert any Asbestos Related Claim shall be, and hereby are, permanently stayed, restrained and enjoined from taking any legal action for the purpose of directly or indirectly collecting, recovering or receiving payment or recovery with respect to any such claim from or against any Protected Party, including, but not limited to:

(a) **commencing, conducting or continuing in any manner any action or other proceeding of any kind (including a judicial arbitration or other proceeding) against any Protected Party, or against the property of any Protected Party, with respect to any Asbestos Related Claim;**

(b) **enforcing, attaching, levying, collecting or recovering, by any manner or means, any judgment, award, decree, or other order against any Protected Party, or against the property of any Protected Party, with respect to any Asbestos Related Claim;**

(c) **creating, perfecting, or enforcing in any manner any Lien of any kind against any Protected Party, or against the property of any Protected Party, with respect to any Asbestos Related Claim;**

(d) **asserting or accomplishing any setoff, right of subrogation, indemnity, contribution or recoupment of any kind, directly or indirectly, against any obligation due any Protected Party, or against the property of any Protected Party, with respect to any Asbestos Related Claim; and**

(e) **taking any act, in any manner, in any place whatsoever, that does not conform to, or comply with, the provisions of the Plan relating to any Asbestos Related Claim.**

The provisions of this Channeling Injunction shall not shall bar (i) any action pursuant to Section 5.1.6 of the Plan against the Reorganized Debtor that strictly conforms to the pleading requirements of Section 5.1.6 of the Plan, and/or (ii) any action against any Asbestos

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Insurer that is neither a Settling Asbestos Insurer nor an Asbestos Insurer protected, at the time such action is brought, by the Asbestos Insurer Injunction.

EXHIBIT B

SETTLING ASBESTOS INSURER INJUNCTION

Pursuant to Sections 524(g) and 105(a) of the Bankruptcy Code, upon the Effective Date, all entities which have held or asserted, which hold or assert, or which may in the future hold or assert any Asbestos Insurance Policy Claim shall be, and hereby are, permanently stayed, restrained and enjoined from taking any legal action for the purpose of directly or indirectly collecting, recovering or receiving payment or recovery with respect to any such claim from or against any Settling Asbestos Insurer, only to the extent that such Settling Asbestos Insurer has been released from any claim under one or more Asbestos Insurance Policies pursuant to one or more Asbestos Insurance Settlements, including, but not limited to:

(a) **commencing, conducting or continuing in any manner any action or other proceeding of any kind (including a judicial arbitration or other proceeding) against any Settling Asbestos Insurer, or against the property of any Settling Asbestos Insurer, with respect to any Asbestos Insurance Policy Claim;**

(b) **enforcing, attaching, levying, collecting or recovering, by any manner or means, any judgment, award, decree, or other order against any Settling Asbestos Insurer, or against the property of any Settling Asbestos Insurer, with respect to any Asbestos Insurance Policy Claim;**

(c) **creating, perfecting, or enforcing in any manner any Lien of any kind against any Settling Insurer, or against the property of any Settling Asbestos Insurer, with respect to any Asbestos Insurance Policy Claim;**

(d) **asserting or accomplishing any setoff, right of subrogation, indemnity, contribution or recoupment of any kind, directly or indirectly, against any obligation due any Settling Asbestos Insurer, or against the property of any Settling Asbestos Insurer, with respect to any Asbestos Insurance Policy Claim; and**

(e) **taking any act, in any manner, in any place whatsoever, that does not conform to, or comply with, the provisions of the Plan relating to any Asbestos Insurance Policy Claim.**

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If a Non-Settling Asbestos Insurer asserts that it has an Asbestos Insurance Policy Claim against a Settling Asbestos Insurer, (i) such Asbestos Insurance Policy Claim may be asserted as a defense or counterclaim against the Trust or the Reorganized Debtor (as applicable) in any Asbestos Insurance Litigation involving such Non-Settling Asbestos Insurer, and the Trust or the Reorganized Debtor (as applicable) may assert the legal or equitable rights, if any, of the Settling Asbestos Insurer in response thereto, and (ii) to the extent such Asbestos Insurance Policy Claim is determined to be valid by the court presiding over the Asbestos Insurance Litigation initiated by the Trust or the Reorganized Debtor (as applicable), the liability (if any) of such Non-Settling Asbestos Insurer to the Trust or the Reorganized Debtor (as applicable) shall be reduced dollar for dollar by the amount so determined of such Asbestos Insurance Policy Claim.

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EXHIBIT C

ASBESTOS INSURER INJUNCTION

Pursuant to Section 105(a) of the Bankruptcy Code, in order to carry out the provisions of Section 524(g) of the Bankruptcy Code, upon the Effective Date, all entities (except as expressly allowed below), which have held or asserted, which hold or assert, or which may in the future hold or assert any Asbestos Related Claim shall be, and hereby are, permanently stayed, restrained and enjoined from taking any legal action for the purpose of directly or indirectly collecting, recovering or receiving payment or recovery with respect to any such claim from or against any Asbestos Insurer, including, but not limited to:

(f) **commencing, conducting or continuing in any manner any action or other proceeding of any kind (including a judicial arbitration or other proceeding) against any Asbestos Insurer, or against the property of any Asbestos Insurer, with respect to any Asbestos Related Claim;**

(g) **enforcing, attaching, levying, collecting or recovering, by any manner or means, any judgment, award, decree, or other order against any Asbestos Insurer, or against the property of any Asbestos Insurer, with respect to any Asbestos Related Claim;**

(h) **creating, perfecting, or enforcing in any manner any Lien of any kind against any Asbestos Insurer, or against the property of any Asbestos Insurer, with respect to any Asbestos Related Claim;**

(i) **asserting or accomplishing any setoff, right of subrogation, indemnity, contribution or recoupment of any kind, directly or indirectly. against any obligation due any Asbestos Insurer, or against the property of any Asbestos Insurer, with respect to any Asbestos Related Claim; and**

(j) **taking any act, in any manner, in any place whatsoever, that does not conform to, or comply with, the provisions of the Plan relating to any Asbestos Related Claim.**

The provisions of this Asbestos Insurer Injunction shall not preclude the Trust from pursuing any claim that may exist under any Asbestos Insurance Policy against any Asbestos Insurer. The provisions of this Asbestos Insurer Injunction shall not impair or affect (i) any

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Asbestos Insurance Litigation brought by the Trust or the Reorganized Debtor against any Asbestos Insurer, or (ii) any Asbestos Insurance Rights held by the Trust or on behalf of the Reorganized Debtor. Except for the immediately following two sentences, the provisions of this Asbestos Insurer Injunction are not issued for the benefit of any Asbestos Insurer and no such insurer is a third-party beneficiary of this Asbestos Insurer Injunction. The Trust shall have the sole and exclusive authority at any time, upon written notice to any affected Asbestos Insurer, to terminate, or reduce or limit the scope of this Asbestos Insurer Injunction with respect to any Asbestos Insurer, provided, however, that the Trust may not permit the assertion of any Asbestos Related Claim by an Asbestos Claimant against a Non-Settling Asbestos Insurer unless and until such Asbestos Claimant agrees in writing to be bound by the proviso in the next-to-last sentence of Section 5.1.6 of the Plan, and provided further that, in the event an Asbestos Related Claim results in a claim based on contribution, subrogation or indemnity in favor of a Non-Settling Asbestos Insurer against a Settling Asbestos Insurer to share in the costs of resolving or satisfying such an Asbestos Related Claim (including, without limitation, attorneys' fees and expenses incurred in defense of such Asbestos Related Claim) (a "Contribution Claim") that such Non-Settling Asbestos Insurer is unable to fully satisfy by the judgment reduction provided by Section 5.1.6 of the Plan, such Non-Settling Asbestos Insurer may bring an action to recover the unsatisfied portion of such Contribution Claim against the Trust in any non-bankruptcy forum of competent jurisdiction notwithstanding any of the injunctions contained in the Plan, and the Trust shall be obligated to pay the full unsatisfied amount of any such Contribution Claim to the extent determined to be valid by such non-bankruptcy forum (including any appeals therefrom). For the avoidance of doubt, the provisions of this Asbestos Insurer Injunction shall not impair or affect any Claims between or among Non-Settling Asbestos Insurers. Notwithstanding any provision of the Plan to the contrary, including the Asbestos Insurer Injunction set forth in this Exhibit C, no new equitable contribution rights are created in favor of the Non-Settling Asbestos Insurers but instead the two preceding sentences allocate who is responsible, if anybody, for such equitable contribution claims that can be established by Non-Settling Asbestos Insurers against Settling

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Asbestos Insurers pursuant to existing law.

EXHIBIT D

SETTLING ASBESTOS INSURERS

GAIC/Republic, as defined, and to the extent of the releases provided, in the *Settlement Agreement, Buy Back of Policies, Release of Claims and Covenant Not to Sue Between Thorpe Insulation Company, et al. and Great American Insurance Company and Republic Indemnity Company of America*, dated as of September 5, 2007, approved by the Bankruptcy Court on March 12, 2008, if such agreement is not terminated and rendered null and void pursuant to its terms.

American Centennial Insurance Company, as defined in the *Commutation Agreement and Buy Back of Policies Between Thorpe Insulation Company, et al. and American Centennial Insurance Company*, dated October 15, 2007, approved by the Bankruptcy Court on March 12, 2008, if such agreement is not terminated and rendered null and void pursuant to its terms.

Pacific Indemnity Company, as defined in the *Final Settlement Agreement and Mutual Releases by and Between Thorpe Insulation Company and Pacific Indemnity Company* dated August 11, 2006, approved by the Bankruptcy Court by order entered May 20, 2008; provided that, Pacific Indemnity Company shall ***not*** continue to be designated as a Settling Asbestos Insurer under the Plan if Thorpe does not receive the Final Payment by the thirtieth (30th) day following the provision of a notice to Pacific Indemnity Company that the Final Payment was due and not timely made.

Associated International Insurance Company, as defined in the *Settlement Agreement by and Between Thorpe Insulation Company and Associated International Insurance Company*, dated August 13, 2007, solely to the extent that any claims under the insurance policy referred to therein fall within the products and completed operations hazard coverage afforded by such policy.

General Insurance Company of America, as defined in the *Settlement Agreement, Buy Back of Insurance Policies and Rights, Release of Claims and Covenant Not to Sue Between Thorpe Insulation Company, Pacific Insulation Company, Farwest Insulation Contracting, Bayshore Partners, LLC, the Fults Family and General Insurance Company of America*, dated August 12, 2008, approved by the Bankruptcy Court on November 25, 2008.

Associated Companies, as defined in the *Settlement Agreement, Buy Back of Insurance Policies and Rights, Full and Mutual Releases of Claims and Covenant Not to Sue Among Thorpe Insulation Company, Pacific Insulation Company, Farwest Insulation Contracting, Bayshore Partners, LLC, the Fults Family and Associated International Insurance Company*, dated March 4, 2009, approved by the Bankruptcy Court on April 2, 2009 ("Associated Post-Petition Settlement Agreement"); provided that, the Associated Companies shall ***not*** be designated as a Settling Asbestos Insurer under the Plan if (a) the Settlement Effective Date (as defined in the Associated Post-Petition Settlement Agreement) has not occurred, or (b) Thorpe shall not have received the Payment (as defined in the Associated Post-Petition Settlement Agreement) on or before the 30th day following the provision of a notice to Associated (as defined in the Associated Post-Petition Settlement Agreement) that such payment was due and was not timely made; provided further that, the termination of such designation shall not affect the designation of Associated International Insurance Company above as a Settling Asbestos Insurer to the extent designated above.

AIG Companies, as defined in the *Settlement Agreement, Buy Back of Insurance Policies and Rights, Release of Claims and Covenant Not to Sue Between Thorpe Insulation Company, Pacific Insulation Company, Farwest Insulation Contracting, Bayshore Partners, LLC, the Fults Family and National Union Fire Insurance Company of Pittsburgh, PA and Granite State Insurance Company*, dated February 10, 2009, approved by the Bankruptcy Court on April 2, 2009 ("AIG Settlement Agreement"); provided that, the AIG Companies shall ***not*** continue to be designated as a Settling Asbestos Insurer under the Plan if (a) the Settlement Effective Date (as defined in the AIG Settlement Agreement) does not occur, or (b) Thorpe shall not have received each of the settlement

payments referenced in Section 2 of the AIG Settlement Agreement on or before the 30th day following the provision of a notice to the Insurer Parties (as defined in the AIG Settlement Agreement) that such payments were due and were not timely made.

Argonaut Companies, as defined in the *Settlement Agreement, Buy Back of Insurance Policies and Rights, Full and Mutual Releases of Claims and Covenant Not to Sue Among Thorpe Insulation Company, Pacific Insulation Company, Farwest Insulation Contracting, Bayshore Partners, LLC, the Fults Family and Argonaut Insurance Company* (the "Argonaut Settlement Agreement"), dated June 15, 2009, approved by the Bankruptcy Court on July 28, 2009; provided that, the Argonaut Companies shall ***not*** continue to be designated as a Settling Asbestos Insurer under the Plan if (a) the Settlement Effective Date (as defined in the Argonaut Settlement Agreement) does not occur, or (b) Thorpe shall not have received each of the settlement payments referenced in Section 2 of the Argonaut Settlement Agreement on or before the 30th day following the provision of a notice to Argonaut Insurance Company (as defined in the Argonaut Settlement Agreement) that such payment was due and was not timely made.

ERC, as defined in the *Settlement Agreement and Buy Back of Insurance Rights* (the "ERC Settlement Agreement"), dated August 17, 2009, approved by the Bankruptcy Court on October 15, 2009; provided that, ERC shall ***not*** continue to be designated as a Settling Asbestos Insurer under the Plan if (a) the Settlement Effective Date (as defined in the ERC Settlement Agreement) does not occur, or (b) Thorpe shall not have received the Settlement Consideration (as defined in the ERC Settlement Agreement) on or before the 30th day following the provision of a notice to ERC (as defined in the ERC Settlement Agreement) that such payment was due and was not timely made.

Allstate Entities, as defined in the *Settlement Agreement, Buy Back of Insurance Policies and Rights, Release of Claims and Covenant Not to Sue Between Thorpe Insulation Company, Pacific Insulation Company, Farwest Insulation Contracting, Bayshore Partners, LLC, the Fults Family and Allstate Insurance Company* (the "Allstate Settlement Agreement"), dated November 18, 2009; provided that, the Allstate Entities shall ***not*** continue to be designated as a Settling Asbestos Insurer under the Plan if (a) the Settlement Effective Date (as defined in the Allstate Settlement Agreement) does not occur, or (b) Thorpe or, if established, the Trust, shall not have received each of the settlement payments referenced in Section 2.1 of the Allstate Settlement Agreement by the 30th day following the provision of a written notice to Allstate (as defined in the Allstate Settlement Agreement) that one or more of such payments was due and was not timely made.

Zurich Companies, as defined in the *Settlement Agreement, Buy Back of Insurance Policies and Rights, Release of Claims and Covenant Not to Sue Between Thorpe Insulation Company, Pacific Insulation Company, Farwest Insulation Contracting, Bayshore Partners, LLC, The Fults Family and Maine Bonding and Casualty Company* (the "Maine Bonding Settlement Agreement"), dated November 16, 2009; provided that, the Zurich Companies shall ***not*** continue to be designated as a Settling Asbestos Insurer under the Plan if (a) the Settlement Effective Date (as defined in the Maine Bonding Settlement Agreement) does not occur, or (b) Thorpe shall not have received each of the settlement payments referenced in Section 2 of the Maine Bonding Settlement Agreement by the 30th day following the provision of a notice to Maine Bonding (as defined in the Maine Bonding Settlement Agreement) that such payment was due and was not timely made.

Transport Companies, as defined in the *Settlement Agreement, Buy Back of Insurance Policies and Rights, and Full and Mutual Releases of Claims and Covenant Not to Sue Among Thorpe Insulation Company, Pacific Insulation Company, Farwest Insulation Contracting, Bayshore Partners, LLC, The Fults Family and Transport Insurance Company* (the "Transport Settlement Agreement"), dated November 16, 2009; provided that, the Transport Companies shall ***not*** continue to be designated as a Settling Asbestos Insurer under the Plan if (a) the Settlement Effective Date (as defined in the Transport Settlement Agreement) does not occur, or (b) Thorpe shall not have received the Initial Payment or the Final Payment (as defined in the Transport Settlement Agreement) by the 30th day following the provision of a notice to Transport (as defined in the Transport Settlement Agreement) that such payment was due and was not timely made.

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Allianz Companies, as defined in the *Settlement Agreement and Buy-Back of Insurance Rights* dated May 28, 2010 (the "FFIC Settlement Agreement"), approved by the Bankruptcy Court by order entered December 20, 2010, which order is now final, provided that the Allianz Companies shall ***not*** continue to be designated as a Settling Asbestos Insurer under the Plan if the Allianz Companies (as applicable) fail to perform the obligations set forth in Section II.B.1 of the FFIC Settlement Agreement at such time as such obligations are to be performed (or within thirty (30) days following the date of a reminder notice from the Debtors or the Trust that such obligations appear not to have been performed).

Century Insurers, as defined in the Century Settlement Agreement; provided that, the Century Insurers shall ***not*** continue to be designated as a Settling Asbestos Insurer under the Plan if (a) the Settlement Effective Date (as defined in the Century Settlement Agreement) does not occur; or (b) the Trust shall not have received the Settlement Amount within ten (10) days following the provision of a written notice to the Century Insurers that the payment of the Settlement Amount was due and not timely made.

Continental Insurers, as defined in the Continental Settlement Agreement; provided that, the Continental Insurers shall ***not*** continue to be designated as a Settling Asbestos Insurer under the Plan if (a) the Settlement Effective Date (as defined in the Continental Settlement Agreement) does not occur; or (b) the Trust shall not have received the Settlement Amount within ten (10) days following the provision of a written notice to the Continental Insurers that the payment of the Settlement Amount was due and not timely made.

Middlesex/Sentry, as defined in the Middlesex/Sentry Settlement Agreement; provided that, Middlesex/Sentry shall ***not*** continue to be designated as a Settling Asbestos Insurer under the Plan if (a) the Settlement Effective Date (as defined in the Middlesex/Sentry Settlement Agreement) does not occur; or (b) the Trust shall not have received the Settlement Amount within ten (10) days following the provision of a written notice to Middlesex/Sentry that the payment of the Settlement Amount was due and not timely made.

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EXHIBIT E

EXECUTORY CONTRACTS AND UNEXPIRED LEASES TO BE ASSUMED

1. Thorpe[1]

To the extent necessary, if not otherwise assumed by order of the Bankruptcy Court, the Asbestos Insurance Settlements with the Asbestos Insurers listed in **Exhibit D** to the Plan.

2. Pacific

None.[2]

[1] All tort litigation settlement agreements identified in the Schedules filed by Thorpe are not considered executory contracts (notwithstanding their inclusion in Schedule G to such Schedules), and any Asbestos Injury Claims against Thorpe arising under such agreements will be assumed by the Trust pursuant to the Plan.

[2] All executory contracts and unexpired leases of Pacific have been previously assumed by Pacific pursuant to the (a) *Amended Order Approving the Motion of Pacific Insulation Company for Authority to Assume Certain Executory Contracts and Unexpired Leases*, entered by the Bankruptcy Court on April 9, 2008, and (b) *Order Granting Pacific Insulation Authority to Assume Certain Executory Contracts re (1) Johns Manville and (2) Employees' Profit Sharing Plan*, entered by the Bankruptcy Court on May 22, 2008. Under Section 6.4 of the Plan, the Plan does not affect any executory contracts or unexpired leases that have been assumed prior to the Confirmation Date.

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EXHIBIT F

EXECUTORY CONTRACTS AND UNEXPIRED LEASES TO BE REJECTED

1. Thorpe

None.

2. Pacific

None.

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EXHIBIT G

FARWEST SETTLEMENT

All Intercompany Claims among the Debtors, on the one hand, and Farwest, on the other hand, shall be deemed fully and finally settled and the parties shall be deemed to have exchanged mutual, general releases of all Intercompany Claims with a waiver of Section 1542 of the California Civil Code.

In particular, but without limitation, Farwest shall be deemed to have waived and released any and all claims it has, or may have, to some or all of the Business Loss Allocation which is otherwise being fully allocated to the Reorganized Debtor pursuant to the Plan.

Farwest shall make the Farwest Contribution to the Trust on or before the Effective Date.

Farwest reserves the right to file a request for payment of an Administrative Claim for a substantial contribution pursuant to Sections 503(b)(3)(D) and (4) of the Bankruptcy Code for the fees and expenses incurred by its counsel in connection with these Chapter 11 Cases in an amount to be determined by the Bankruptcy Court. Such request for payment shall be filed by, and shall be subject to, the Professional Fees Bar Date.

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EXHIBIT H

INDEMNITY ELECTION

INDEMNIFICATION. For purposes of the following indemnity, the term "Loss" shall mean the amount of any Distribution (including any post-petition interest) that is required under the Plan to the holders of the Wellington Settlement Claims in the event that all or any portion of such claims are or become Allowed Claims under the Plan. All other capitalized terms used but not defined herein shall have the meaning set forth in the Plan.

INDEMNITY BY TRUST. The Trust will indemnify, defend and hold harmless the Reorganized Debtor for, and will pay to the Reorganized Debtor the amount of, any Loss arising in connection with any determination that all or any portion of the Wellington Settlement Claims is an Allowed Claim.

EFFECTIVENESS. Promptly after receipt by the Debtors of the written Indemnity Election by the Committee and the Futures Representative, the indemnity set forth in this **Exhibit H** shall be immediately and automatically valid and enforceable, and binding upon the Trust, without any further action of the Bankruptcy Court or further act or agreement of any Person.

PROCEDURES. Promptly after receipt by the Debtors of the Indemnity Election by the Committee and the Futures Representative, the Reorganized Debtor will provide to the Trust (a) full and proper information about the then current status of the Wellington Settlement Claims, (b) reasonable cooperation and assistance (at the Trust's expense) in the defense of the claims, and (c) full authority to defend or settle the claims on behalf of the Reorganized Debtor (at the Trust's expense). The Trust shall have no obligation to indemnify the Reorganized Debtor under any settlement made by the Reorganized Debtor without the Trust's prior written consent.

EXPENSES. Any Reorganized Debtor Expenses incurred after the Effective Date (through the date of a Distribution under the Plan to the holders of the Allowed Wellington Settlement Claims) by the Reorganized Debtor, the Disbursing Agent, the Committee or the Futures Representative related to the allowance or disallowance of the Wellington Settlement Claims shall constitute Reorganized Debtor Expenses and shall be paid by the Trust as set forth in Section 5.8.3 of the Plan.

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EXHIBIT I

TRUST DOCUMENTS

SEVENTH AMENDMENT TO AND COMPLETE RESTATEMENT OF THORPE INSULATION COMPANY ASBESTOS SETTLEMENT TRUST AGREEMENT

This Thorpe Insulation Company Asbestos Settlement Trust Agreement (this "Trust Agreement"), dated and effective as of the Effective Date of October 22, 2010, as amended October 27, 2010, February 17, 2011, April 21, 2011, November 18, 2011, and February 7, 2013, is among the Reorganized Pacific Insulation Company ("Reorganized Debtor") which, was created by the merger of Pacific Insulation Company into Thorpe Insulation Company (sometimes referred to as the "Debtors"), which were the debtors and debtors-in-possession in the Chapter 11 Cases, the Futures Representative, the Trust Advisory Committee and the individual trustees identified on the signature page hereof and appointed at Confirmation pursuant to the Plan.[1]

WHEREAS, at the time of the entry of the orders for relief in the Chapter 11 Cases, each of the Debtors was named as a defendant in personal injury and wrongful death actions seeking recovery for damages allegedly caused by the presence of, or exposure to, asbestos or asbestos-containing products; and

WHEREAS, the Debtors have reorganized under the provisions of Chapter 11 of the Bankruptcy Code in a case pending in the United States Bankruptcy Court for the Central District of California (the "Bankruptcy Court"), styled as *In re Thorpe Insulation Company, In re Pacific Insulation Company, Debtors,* Chapter 11 Case Nos. LA 07-19271-BB and 2:07-20016-BB (jointly administered under Case No. LA 07-19271-BB); and

WHEREAS, the Plan, filed by the Debtors, the Futures Representative and the Committee, as Plan Proponents, has been confirmed by the District Court; and

WHEREAS, the Plan provides, *inter alia,* for the creation of the Thorpe Insulation Company Asbestos Settlement Trust; and

WHEREAS, pursuant to the Plan, the Trust is to use the Trust Assets to pay the Asbestos Related Claims; and

WHEREAS, pursuant to the Plan, the Trust is intended to qualify as a "qualified settlement fund" within the meaning of section 1.468B-1, *et seq.,* of the Treasury Regulations promulgated under section 468B of the IRC; and

WHEREAS, it is the intent of the Reorganized Debtor, the Trustees, the Futures Representative and the other parties that the Trust be administered, maintained, and operated at all times as a qualified settlement fund through mechanisms that provide reasonable assurance that the Trust will value, and be in a financial position to pay, all Asbestos Related Claims and Asbestos Injury Demands that involve similar claims in substantially the same manner, in strict compliance with the terms of this Trust Agreement; and

WHEREAS, the Plan provides, among other things, for the complete treatment of all liabilities and obligations of the Debtors with respect to Asbestos Related Claims; and

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[1] This Trust Agreement is being entered into pursuant to the terms of the Joint Plan of Reorganization of Thorpe Insulation Company and Pacific Insulation Company filed in the United States Bankruptcy Court for the Central District of California , Case No. 07-19271, jointly administered (the "Plan"). Capitalized terms used in this Trust Agreement that are not otherwise defined in this Trust Agreement are used as defined in the Plan.

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WHEREAS, the District Court has determined that the Trust and the Plan satisfy all the prerequisites for the Injunctions, including the injunctions pursuant to section 524(g) of the Bankruptcy Code, and such Injunctions have been entered in connection with the Confirmation Order; and

WHEREAS, pursuant to Section 2.2(f)(iii) and Section 7.3 of the Trust Agreement, the Trustees, subject to the consent of the TAC and the Futures Representative, may amend the Trust Agreement.

NOW, THEREFORE, it is hereby agreed as follows:

ARTICLE 1

AGREEMENT OF TRUST

1.1 Creation and Name. The Debtors hereby create a trust known as the "Thorpe Insulation Company Asbestos Settlement Trust," which is the Trust provided for and referred to in the Plan. The Trustees of the Trust may transact the business and affairs of the Trust in the name "Thorpe Insulation Settlement Trust."

1.2 Purpose. The purpose of the Trust is to assume the liabilities of each Debtor, arising from or relating to Asbestos Related Claims and to use the Trust's assets and income to pay holders of Asbestos Related Claims in accordance with the Trust Agreement and in such a way that all holders of similar Asbestos Related Claims are treated in a substantially equivalent manner and to otherwise comply in all respects with the requirements of a trust set forth in section 524(g)(2)(B)(i) of the Bankruptcy Code. The Trust shall, at all times, remain qualified as a "qualified settlement fund" under the QSF Law.

1.3 Transfer of Assets. Pursuant to the Plan, the Debtors have transferred and assigned the Trust Assets to the Trust, free and clear of any liens or other interests of the Debtors or any creditor, shareholder or other entity. The Reorganized Debtor shall transfer to the Trust any Trust Assets that may, subsequent to the Effective Date, be received by the Reorganized Debtor. The Debtors shall execute and deliver such documents as the Trustees reasonably request to transfer and assign any such Trust Assets.

1.4 Acceptance of Assets and Assumption of Liabilities.

a) In furtherance of the purposes of the Trust, the Trustees, on behalf of the Trust, hereby expressly accept the transfer and assignment to the Trust of the Trust Assets in the time and manner as contemplated in the Plan.

b) In furtherance of the purposes of the Trust, the Trustees, on behalf of the Trust, hereby expressly assume all liability for all Asbestos Related Claims. Except as otherwise provided in the TDP, the Trust shall have all defenses, cross-claims, offsets and recoupments, as well as rights of indemnification, contribution, subrogation, and similar rights, regarding Asbestos Related Claims that the Debtors or the Reorganized Debtor have, or would have had, under applicable law.

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c) In furtherance of the purposes of the Trust, commencing on the Effective Date, the Trustees, on behalf of the Trust, hereby agree to pay, as Trust Expenses, all remaining obligations of any of the Debtors to their present and former attorneys, Morgan Lewis & Bockius, LLP ("Morgan Lewis") and Snyder Miller & Orton LLP ("SMO") related to or arising from the Coverage Litigation, whether such obligations shall be then due or thereafter due, owing and payable, as more specifically set forth in the Bankruptcy Court's order approving Thorpe's employment of Morgan Lewis and SMO.

d) In furtherance of the purposes of the Trust, and in addition to the indemnification provided for in Section 4.7 of this Trust Agreement, the Trustees, on behalf of the Trust, hereby indemnify the Protected Parties (other than Settling Asbestos Insurers) ("Indemnified Parties") from personal liability for: (1) any expenses, costs and fees (including attorneys' fees and costs, but excluding any such expenses, costs and fees incurred prior to the Effective Date), judgments, settlements or other liabilities arising from or incurred in connection with, any claim demand or action based upon an Asbestos Related Claim, including, but not limited to, indemnification or contribution for Asbestos Related Claims prosecuted against the Reorganized Debtor; (2) as provided in Section 7.3 of the Plan; and (3) as provided in Section 7.4 of the Plan.

e) Nothing in this Trust Agreement shall be construed in any way to limit the scope, enforceability or effectiveness of the Injunctions issued and affirmed in connection with the Plan or the Trust's assumption of all liability with respect to Asbestos Related Claims.

ARTICLE 2

POWERS AND TRUST ADMINISTRATION

2.1 Powers.

a) The Trustees are and shall act as fiduciaries to the Trust in accordance with the provisions of this Trust Agreement and the Plan. The Trustees shall, at all times, administer the Trust and the Trust Assets in accordance with Section 1.2 of this Trust Agreement. Subject to the limitations set forth in this Trust Agreement, the Trustees shall have the power to take any and all actions that, in the judgment of the Trustees, are necessary or proper to fulfill the purposes of the Trust, including, without limitation, each power expressly granted in this Section 2.1, any power reasonably incidental thereto, and any trust power now or hereafter permitted under the laws of the State of Nevada.

b) Except as otherwise specified herein, the Trustees need not obtain the order or approval of any court in the exercise of any power or discretion conferred hereunder; provided that the Trustees recognize and acknowledge that the Trust is subject to the continuing jurisdiction of the Bankruptcy Court.

c) Without limiting the generality of Subsection 2.1(a) above, and except as limited below, the Trustees shall have the power to:

(i) receive and hold the Trust Assets, and exercise all rights with respect to (including sale of) any or all such assets;

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(ii) invest the monies held from time to time by the Trust;

(iii) sell, transfer or exchange any or all of the Trust Assets at such prices and upon such terms as they may consider proper, consistent with the other terms of this Trust Agreement;

(iv) exercise all rights granted under the Reorganized Debtor Stock Pledge with respect to the shares of common stock of the Reorganized Debtor pledged pursuant thereto, as and to the extent provided therein, and exercise all rights with respect to the Reorganized Debtor Earnout Note and the Reorganized Debtor Promissory Note, subject to any restrictions set forth therein;

(v) enter into leasing and financing agreements with third parties to the extent such agreements are reasonably necessary to permit the Trust to operate;

(vi) pay liabilities and expenses of the Trust, including, but not limited to, Trust Expenses;

(vii) establish such funds, reserves and accounts within the Trust estate, as deemed by the Trustees to be useful in carrying out the purposes of the Trust;

(viii) sue and be sued and participate, as a party or otherwise, in any judicial, administrative, arbitrative or other proceeding;

(ix) amend the Trust Bylaws in accordance with the terms thereof, a copy of which is annexed hereto as Annex A;

(x) establish, supervise and administer the Trust in accordance with the TDP and its exhibits, and administer, amend, supplement or modify the TDP, including its exhibits, in accordance with the terms thereof, a copy of which is annexed hereto as Annex B;

(xi) appoint such officers and hire such employees and engage such legal, financial, accounting, investment, auditing and forecasting and other consultants or alternative dispute resolution panelists and agents as the business of the Trust requires, and to delegate to such persons such powers and authorities as the fiduciary duties of the Trustees permit and as the Trustees, in their discretion, deem advisable or necessary in order to carry out the terms of this Trust;

(xii) pay employees, legal, financial, accounting, investment, auditing and forecasting, and other consultants, advisors and agents reasonable compensation, including without limitation, compensation at rates approved by the Trustees for services rendered prior to the execution hereof;

(xiii) compensate the Trustees, the members of the TAC, the Futures Representative and their respective Agents and reimburse to them all reasonable out-of-pocket costs and expenses incurred by such persons in connection with the performance of their duties hereunder, including without limitation, costs and expenses incurred prior to the execution hereof;

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(xiv) execute and deliver such instruments as the Trustees consider proper in administering the Trust;

(xv) enter into such other arrangements with third parties as are deemed by the Trustees to be useful in carrying out the purposes of the Trust, provided such arrangements do not conflict with any other provision of this Trust Agreement;

(xvi) in accordance with Section 4.7, indemnify (and purchase insurance indemnifying) the Trustees, the Futures Representative, the TAC, and each of the Indemnified Parties, and the respective agents of the Trust, the Futures Representative, the TAC, and each of the Indemnified Parties to the fullest extent that a corporation or trust organized under the law of the Trust's situs is from time to time entitled to indemnify and/or insure such agents and/or parties;

(xvii) delegate any or all of the authority herein conferred with respect to the investment of all or any portion of the Trust Assets to any one or more reputable individuals or recognized institutional investment advisors or investment managers without liability for any action taken or omission made because of any such delegation, except as provided in Section 4.4;

(xviii) consult with the Reorganized Debtor at such times and with respect to such issues relating to the conduct of the Trust as the Trustees consider desirable;

(xix) make, pursue (by litigation or otherwise), collect, compromise or settle, in its own name or the name of the applicable Debtor, any claim, right, action, or cause of action included in the Trust Assets, including without limitation, the Asbestos Insurance Litigation, before any court of competent jurisdiction; provided that settlement of any action before the Bankruptcy Court requires the approval of the Bankruptcy Court after notice to such Debtor;

(xx) with the prior consent of the Futures Representative and the Trust Advisory Committee (the "Approving Entities"), merge or contract with other claims resolution facilities that are not specifically created by this Trust Agreement or the TDP, provided that such merger or contract shall not (a) subject the Reorganized Debtor or any successor in interest to any risk of having any Asbestos Related Claim asserted against any of them, or (b) otherwise jeopardize the validity or enforceability of the Injunctions; and

(xi) with the prior consent of the Approving Entities, establish binding and non-binding arbitration procedures for the purposes set forth in Section 5.9 of the TDP.

d) The Trustees shall not have the power to guarantee any debt of other Persons, provided however, that the Trustees shall have the power to implement the obligations of the Trust, if any, as required under the Plan including but not limited to Exhibit H and/or Sections 7.3 and 7.4 of the Plan.

e) The Trustees shall give the Approving Entities prompt notice of any act performed or taken pursuant to Subsection 2.1(c)(i), (iii), (vii), (viii), (ix), (x), (xvi), (xix), (xx) and Subsection 2.2(f).

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2.2 General Administration.

a) The Trustees shall act in accordance with the Trust Bylaws. To the extent not inconsistent with the terms of this Trust Agreement, the Trust Bylaws govern the affairs of the Trust. In the event of an inconsistency between the Trust Bylaws and this Trust Agreement, the Trust Agreement shall govern.

b) The Trustees shall timely file such income tax and other returns and statements and comply with all withholding obligations as required under the applicable provisions of the IRC and of any state law and the regulations promulgated thereunder, including without limitation all requirements necessary to qualify and maintain qualification as a qualified settlement fund, and shall timely pay all taxes required to be paid.

c) (i) The Trustees shall cause to be prepared and filed with the Bankruptcy Court, as soon as available, and in any event within 120 days following the end of each fiscal year, an annual report containing financial statements of the Trust (including, without limitation, a statement of the net claimants' equity of the Trust as of the end of such fiscal year and a statement of changes in net claimants' equity for such fiscal year) audited by a firm of independent certified public accountants selected by the Trustees and accompanied by an opinion of such firm as to the fairness of the financial statements' presentation of the equity presently available to current and future claimants and as to the conformity of the financial statements with accounting principals generally accepted in the United States, except for the special-purpose accounting methods set forth as follows:

1. The financial statements shall be prepared using the accrual method of accounting.

2. The funding received from Thorpe and Pacific, and their insurers, shall be recorded directly to net claimants' equity. These funds shall not represent income of the Trust. Settlement offers for Asbestos Related Claims shall be reported as deductions in net claimants' equity and shall not represent expenses of the Trust.

3. Costs of non-income producing assets, which shall be exhausted during the life of the Trust and will not be available for satisfying claims, shall be expensed when incurred. These costs shall include acquisition costs of computer hardware, software, software development, office furniture, leasehold improvements, and other prepaid expenses such as rent and insurance.

4. Future fixed liabilities and contractual obligations entered into by the Trust shall be recorded directly against net claimants' equity. Accordingly, the future minimum rental commitments outstanding at period end for non-cancelable operating leases, net of any sublease agreements, shall be recorded as deductions to net claimants' equity.

5. The liability for unpaid claims reflected in the statements of net claimants' equity shall represent settled but unpaid claims and outstanding settlement offers. A claims liability shall be recorded once a settlement offer is made to the claimant at the amount equal to the expected pro rata payment. No liability shall be recorded for future claim filings and

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filed claims on which no settlement offer has been made. Net claimants' equity represents funding available to pay present and future claims on which no fixed liability has been recorded.

6. Available-for-sale securities shall be recorded at market. All interest and dividend income on available-for-sale securities, net of investment expenses, shall be included in investment income on the statement of changes in net claimants' equity. Realized and unrealized gains and losses on available-for-sale securities shall be recorded as separate components on the statements of changes in net claimants' equity.

7. Realized gains/losses on available-for-sale securities shall be recorded based on the security's original cost. At the time a security is sold, all previously recorded unrealized gains/losses shall be reversed and recorded net, as a component of other unrealized gains/losses in the statement of changes in net claimants' equity.

The Trustees shall provide a copy of such report to the Approving Entities and the Reorganized Debtor when such reports are filed with the Bankruptcy Court.

(ii) Simultaneously with delivery of each set of financial statements referred to in Subsection 2.2(c)(i) above, the Trustees shall cause to be prepared and filed with the Bankruptcy Court a report containing a summary regarding the number and type of claims disposed of during the period covered by the financial statements. The Trustees shall provide a copy of such report to the Approving Entities and the Reorganized Debtor when such report is filed.

(iii) All materials required to be filed with the Bankruptcy Court by this Subsection 2.2(c), other than materials filed under seal, shall be available for inspection by the public in accordance with procedures established by the Bankruptcy Court and shall be filed with the Office of the United States Trustee with responsibility for the Central District of California. The Trustees shall file materials under seal which they determine should remain confidential, provided, however, such materials shall be available to the TAC and the Futures Representative.

d) The Trustees shall cause to be prepared, as soon as practicable prior to the commencement of each fiscal year, a budget and cash flow projections covering such fiscal year and the succeeding four fiscal years. The Trustees shall provide a copy of the budget and cash flow to the Approving Entities.

e) The Trustees shall consult with the TAC and the Futures Representative (i) on the implementation and administration of the TDP and the Matrix, and (ii) on the implementation and administration of the Trust.

f) The Trustees shall be required to obtain the consent of the Approving Entities in addition to those instances elsewhere enumerated, in order:

(i) to add to or change the schedule of Asbestos-Related Disease Categories or criteria, or to increase the Average Values or Base Case Values in the Matrix pursuant to the TDP; or

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(ii) to merge or participate in the handling of bodily injury claims with any claims resolution facility that was not specifically created under this Trust Agreement or the TDP; or

(iii) to amend any provision of the Trust Agreement; Article I, Article II, Article III Section 4, or Article IV of the Trust Bylaws; or the TDP; or

(iv) to terminate the Trust pursuant to Section 7.2 herein; or

(v) to change the number of Trustees and to appoint successor Trustees; or

(vi) to settle the liability of any Asbestos Insurer under any Asbestos Insurance Policy covering Asbestos Related Claims or to settle any Asbestos Insurance Litigation; or

(vii) to change the compensation of the Trustees or the Managing Trustee, other than cost-of-living increases; or

(viii) to exercise the Trust's rights under the Pacific Stock Pledge, the Reorganized Debtor Earnout Note or the Reorganized Debtor Promissory Note; or

(ix) to change the Trust claim form used by the Trust to evaluate claims; or

(x) to amend, supplement or modify the provisions of the Matrix.

g) Whenever the consent of the Approving Entities is given pursuant to Subsection 2.2(f) above, or elsewhere in this Trust Agreement, such consent shall be deemed given if the Approving Entities are signatories to a document or the approved minutes of the Trustees' meeting reflects such consent.

h) The Trustees, upon notice from either of the Approving Entities, shall at their next regular meeting or, if appropriate, at a specially called meeting, place on their agenda and consider issues requested by such Approving Entity.

2.3 Claims Administration. The Trustees shall promptly proceed to implement the TDP.

2.4 Western Asbestos Settlement Trust Transaction. In order to employ the resources of an organization whose capabilities are uniquely suited to the claims processing and administrative work of the Trust, and to realize cost savings through similar trusts sharing overhead, the Trustees are expressly authorized to enter into a Trust Facilities and Services Sharing Agreement with the Western Asbestos Settlement Trust for the purpose of allowing the Trust to utilize the Western Asbestos Settlement Trust employees to administer the Trust and the processing of Asbestos Related Claims pursuant to the TDP. Notwithstanding anything to the contrary in this Trust Agreement, and in express acknowledgment that the Trustees also serve as trustees of the Western Asbestos Settlement Trust, the Trustees, the Futures Representative and the TAC are expressly relieved of any fiduciary obligation to act solely in the best interest of the

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beneficiaries of the Trust only with regard to such transaction with the Western Asbestos Settlement Trust.

ARTICLE 3

ACCOUNTS, INVESTMENTS, AND PAYMENTS

3.1 Accounts. The Trustees may, from time to time, create such accounts and reserves within the Trust estate as they may deem necessary, prudent, or useful in order to provide for the payment of expenses and valid Asbestos Related Claims and may, with respect to any such account or reserve, restrict the use of monies therein. The Trustees shall identify any restricted accounts, and the nature of the restriction, in the reports to be filed with the Bankruptcy Court under Section 2.2(c) above.

3.2 Investments. The Trustees shall invest and manage Trust assets consistent with those standards and provisions of the Uniform Prudent Investor Act expressly set forth herein in this preamble for Section 3.2 and in Sections 3.2(a)-(c), subject to the limitations and provisions set forth below in Section 3.2(d), as a prudent investor would, by considering the purposes, terms, distribution requirements, and other circumstances of the Trust. In satisfying this standard, the Trustees shall exercise reasonable care, skill, and caution.

a) The Trustees' investment and management decisions respecting individual assets and courses of action must be evaluated not in isolation, but in the context of the Trust portfolio as a whole and as a part of an overall investment strategy having risk and return objectives reasonably suited to the Trust.

b) Among circumstances that are appropriate to consider in investing and managing Trust assets are the following, to the extent relevant to the Trust or its beneficiaries:

(i) General economic conditions.

(ii) The possible effect of inflation or deflation.

(iii) The expected tax consequences of investment decisions or strategies.

(iv) The role that each investment or course of action plays within the overall Trust portfolio.

(v) The expected total return from income and the appreciation of capital.

(vi) Other resources of the beneficiaries known to the Trustees as determined from information provided by the beneficiaries.

(vii) Needs for liquidity, regularity of income, and preservation or appreciation of capital.

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(viii) An asset's special relationship or special value, if any, to the purposes of the Trust or to one or more of the beneficiaries.

c) The Trustees shall make a reasonable effort to ascertain facts relevant to the investment and management of Trust assets.

d) Notwithstanding the foregoing and/or any other provision of this Trust Agreement, the Trustees shall comply with the following limitations and provisions:

(i) The Trust shall not acquire, directly or indirectly, equity in any Person (other than the Reorganized Debtor or any successor to the Reorganized Debtor, on the terms and conditions in the Plan) or business enterprise if, immediately following such acquisition, the Trust would hold more than five percent of the equity in such Person or business enterprise. The Trust shall not hold, directly or indirectly, more than ten percent of the equity in any Person (other than the Reorganized Debtor, on the terms and conditions in the Plan) or business enterprise.

(ii) The Trust shall not acquire or hold any long-term debt securities unless (i) such securities are rated "Baa" or higher by Moody's, "BBB" or higher by S&P or have been given an equivalent investment grade rating by another nationally recognized statistical rating agency, or (ii) have been issued or fully guaranteed as to principal and interest by the United States of America or any agency or instrumentality thereof, or (iii) with respect to no more than ten percent (10%) of the total assets of the Trust, such securities are included in a diversified and managed portfolio or portfolios.

(iii) The Trust shall not acquire or hold for longer than 90 days any commercial paper unless such commercial paper is rated "Prime-1" or higher by Moody's or "A-1" or higher by S&P or has been given an equivalent rating by another nationally recognized statistical rating agency.

(iv) Excluding any securities issued by the Reorganized Debtor, the Trust shall not acquire or hold, directly or indirectly, any common or preferred stock or convertible securities, REITS, MLPs and Royalty Trusts ("Stocks") unless such Stock is included in a diversified and managed portfolio or portfolios. The Trust shall not acquire, directly or indirectly, more than forty percent (40%) of the Trust's total assets in such Stock Portfolios, or hold, directly or indirectly, more than forty-five (45%) of the Trust's total assets in such Stock Portfolios.

(v) Except as provided in Section 3.2(d) above, the Trust shall not acquire any securities or other instruments issued by any person (other than debt securities or other instruments issued or fully guaranteed as to principal and interest by the United States of America or any agency or instrumentality thereof) if, following such acquisition, the aggregate market value of all securities and instruments issued by such Person held by the Trust would exceed five percent of the aggregate value of the Trust estate. The Trust shall not hold any securities or other instruments issued by any Person (other than debt securities or other instruments issued or fully guaranteed as to principal and interest by the United States of America or any agency or instrumentality thereof and other than securities or other instruments

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of the Reorganized Debtor or any successor to the Reorganized Debtor) to the extent that the aggregate market value of all securities and instruments issued by such Person held by the Trust would exceed five percent of the aggregate value of the Trust Estate.

(vi) The Trust shall not acquire or hold any certificates of deposit unless all publicly held, long-term debt securities, if any, of the financial institution issuing the certificate of deposit and the holding company, if any, of which such financial institution is a subsidiary, meet the standards set forth in Subsection 3.2(b).

(vii) The Trust shall not acquire or hold any repurchase obligations unless, in the opinion of the Trustees, they are adequately collateralized.

(viii) The Trust shall not acquire or hold any options.

3.3 Source of Payments. All Trust Expenses and all liabilities with respect to Asbestos Related Claims shall be payable solely by the Trust out of the Trust Assets, Asbestos Insurance Settlements, the proceeds of Asbestos Insurance Policies and Net Recoveries. None of the Debtors, the Reorganized Debtor, the Indemnified Parties, their Affiliates, the Trustees, the Approving Entities, or any of their Affiliates, subsidiaries, successors in interest, present or former stockholders, directors, officers, employees or agents shall be liable for the payment of any Trust Expense or any other liability of the Trust.

3.4 Payment of Business Loss Allocation. Subject to the Trust's set-off rights, the Trust shall pay the Business Loss Allocation to the Reorganized Debtor from the Trust Assets in accordance with the terms of the Plan.

ARTICLE 4

TRUSTEES

4.1 Number. There shall be three Trustees. The Trustees shall be those persons named on the signature page hereof. On April 21, 2011, Stephen M. Snyder was designated as Managing Trustee, with the consent of the Approving Entities. All decisions of the Trustees must be by a majority vote of the Trustees, and where required herein, subject to the consent of the Approving Entities. In the event that the Trustees cannot agree by a majority vote, the dispute shall be resolved by the Bankruptcy Court.

4.2 Term of Service.

a) Each of the Trustees named pursuant to Section 4.1 shall serve until the earlier of (i) his or her death, (ii) his or her resignation pursuant to Subsection 4.2(c), (iii) his or her removal pursuant to Subsection 4.2(d), or (iv) the termination of the Trust pursuant to Section 7.2.

b) Each successor Trustee shall serve until the earlier of (i) his or her death, (ii) his or her resignation pursuant to Subsection 4.2(c), (iii) his or her removal pursuant to Subsection 4.2(d), or (iv) the termination of the Trust pursuant to Section 7.2.

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c) Any Trustee may resign at any time by written notice to each of the remaining Trustees, the Futures Representative, and the TAC. Such notice shall specify a date when such resignation shall take effect, which shall not be fewer than 90 days after the date such notice is given, where practicable.

d) Any Trustee may be removed in the event that such Trustee becomes unable to discharge his or her duties hereunder due to accident or physical or mental deterioration, or for other good cause. "Good cause" shall be deemed to include, without limitation, any substantial failure to comply with Section 2.2, a consistent pattern of neglect and failure to perform or participate in performing the duties of the Trustees hereunder, or repeated non-attendance at scheduled meetings. Such removal shall require the unanimous decision of the other Trustees. Such removal shall take effect at such time as the other Trustees shall determine.

4.3 Appointment of Successor Trustee.

a) In the event of a vacancy in the position of a Trustee, the vacancy shall be filled by the unanimous vote of the remaining Trustees (subject to the consent of the Approving Entities). If such vacancy has not been filled within 90 days, the matter shall, on application of the remaining Trustees, be submitted promptly to the Bankruptcy Court for resolution. In the event that more than one vacancy shall exist, the vacancies shall be filled by the remaining Trustee (if one should exist), subject to the consent of the Approving Entities, or if such vacancies have not been filled within 90 days, by the Bankruptcy Court on application of any of such persons.

b) Immediately upon the appointment of any successor Trustee, all rights, titles, duties, powers and authority of the predecessor Trustee hereunder shall be vested in, and undertaken by, the successor Trustee without any further act. No successor Trustee shall be liable personally for any act or omission of his or her predecessor Trustee.

4.4 Liability of Trustees, Futures Representative and TAC. Neither the Trustees, the Futures Representative, the TAC (or any member of the TAC), nor any of their respective Agents, shall be liable to the Trust, to any person holding an Asbestos Related Claim, or to any other Person, except for such individual's or entity's own breach of trust committed in bad faith or willful misappropriation. Neither the Trustees, the Futures Representative, the TAC (or any member of the TAC), nor any of their respective Agents, shall be liable for any act or omission of any Agent of the Trust, the Futures Representative, the TAC (or any member of the TAC), unless the Trustees, the Futures Representative, the TAC (or any member of the TAC), respectively, acted with bad faith in the selection or retention of such Agent.

4.5 Compensation and Expenses of Trustees.

a) Each of the Trustees shall receive compensation from the Trust for his or her services as Trustee in the amount of $40,000 per annum; each of the non-managing Trustees shall be compensated at the rate of $500 per hour spent at an official meeting of the Trustees, an official trip of the Trustees, or dedicated to Trust business; and the managing Trustee shall be compensated at the rate of $600 per hour spent at an official meeting of the Trustees, an official trip of the Trustees, or dedicated to Trust business. The Trustees shall record all hourly time to

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be charged to the Trust on a daily basis. The structure and amounts of the Trustee compensation will be reviewed by the Trustees, the TAC and the Futures Representative annually, and may be adjusted upon the recommendation of the Trustees with the consent of the Approving Entities.

b) The Trust will promptly reimburse the Trustees for all reasonable out-of-pocket costs and expenses incurred by the Trustees in connection with the performance of their duties hereunder.

c) The Trust will include a description of the amounts paid under this Section 4.5 in the report to be filed pursuant to Subsection 2.2(c)(i) of this Trust Agreement.

4.6 Indemnification of Trustees and Additional Indemnitees.

a) The Trust shall indemnify and defend the Trustees, the Trust's officers, and the Trust's employees to the fullest extent that a corporation or trust organized under the laws of the Trust's situs is from time to time entitled to indemnify and defend its directors, trustees, officers and employees against any and all liabilities, expenses, claims, damages or losses incurred by them in the performance of their duties hereunder. Notwithstanding the foregoing, the Trustees shall not be indemnified or defended in any way for any liability, expense, claim, damage or loss for which they are ultimately liable under Section 4.4.

b) Additionally, the Committee, the Futures Representative, the TAC, the Indemnified Parties and each of their respective Agents, who was or is a party, or is threatened to be made a party to any threatened or pending judicial, administrative or arbitrative action, by reason of any act or omission of such Committee, the Futures Representative, the TAC, the Indemnified Parties and their respective Agents, with respect to (i) the Reorganization Case and any act or omission with respect thereto undertaken by them prior to the commencement thereof, (ii) the liquidation of any Asbestos Related Claims, (iii) the administration of the Trust and the implementation of the TDP, or (iv) any and all activities in connection with the Trust Agreement, shall be indemnified and defended by the Trust, to the fullest extent that a corporation or trust organized under the laws of the Trust's situs is from time to time entitled to indemnify and defend its officers, directors, trustees and employees, against reasonable expenses, costs and fees (including attorneys' fees and costs), judgments, awards, amounts paid in settlement and liabilities of all kinds incurred by the Committee, the Futures Representative, the TAC, the Indemnified Parties, and their respective members, professionals, officers, and directors, in connection with or resulting from such action, suit or proceeding, if he or she acted in good faith.

c) Reasonable expenses, costs and fees (including attorneys' fees and costs) incurred by or on behalf of the Trustees, the Committee, the Futures Representative, the TAC, the Protected Parties (other than the Settling Asbestos Insurers), and their respective Agents in connection with any action, suit or proceeding, whether civil, administrative or arbitrative, from which they are indemnified by the Trust pursuant to Subsection 4.7(a), shall be paid by the Trust in advance of the final disposition thereof upon receipt of an undertaking, by or on behalf of the party seeking indemnity to repay such amount in the event that it shall be determined ultimately by Final Order that the party seeking indemnity is not entitled to be indemnified by the Trust.

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d) The Trustees shall have the power, generally or in specific cases, to cause the Trust to indemnify the Agents of the Trust to the same extent as provided in this Section 4.6 with respect to the Trustees.

e) Any indemnification under Subsection 4.7(c) of this Trust Agreement shall be made by the Trust upon a determination by the Trustees that indemnification of such Person is proper in the circumstances.

f) The Trustees may purchase and maintain reasonable amounts and types of insurance on behalf of an individual who is or was a Trustee, an Agent of the Trust, a member of the Committee, the Futures Representative, a member of the TAC, a Protected Party (other than a Settling Asbestos Insurer), and their respective Agents against liability asserted against or incurred by such individual in that capacity or arising from his or her status as such.

4.7 Trustees' Lien. The Trustees, the Committee, the Futures Representative, the TAC, the Protected Parties (other than the Settling Asbestos Insurers), and their respective Agents shall have a first priority lien upon the Trust Assets to secure the payment of any amounts payable to them pursuant to Sections 4.5, 5.5, 6.6, and 6.7.

4.8 Trustees' Employment of Experts. The Trustees may, but shall not be required to, retain or consult with counsel, accountants, appraisers, auditors and forecasters, and other parties deemed by the Trustees to be qualified as experts on the matters submitted to them and the opinion of any such parties on any matters submitted to them by the Trustees shall be full and complete authorization and protection in respect of any action taken or not taken by the Trustees hereunder in good faith and in accordance with the written opinion of any such party.

4.9 Trustees' Independence. No Trustee shall, during the term of his or her service, hold a financial interest in, act as attorney or agent for, or serve as any other professional for the Reorganized Debtor. Notwithstanding the foregoing, the Trustees may serve as officers or directors of any of the Reorganized Debtor. No Trustee shall act as an attorney for any person who holds an Asbestos Related Claim.

4.10 Bond. The Trustees shall not be required to post any bond or other form of surety or security unless otherwise ordered by the Bankruptcy Court.

ARTICLE 5

THE FUTURES REPRESENTATIVE

5.1 Duties. The Futures Representative shall serve in a fiduciary capacity representing the interests of the future asbestos claimants for the purpose of protecting the rights of persons who might subsequently assert Asbestos Injury Demands. The Trustees must consult with the Futures Representative on matters identified in Subsection 2.2(e), must obtain the consent of the Futures Representative on matters identified in Subsection 2.2(f), and may consult with the Futures Representative on any matter affecting the Trust. Where provided in this Trust Agreement, the TDP or the Matrix, certain actions of the Trustees are subject to the consent of the Futures Representative.

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5.2 Term of Office.

a) The Futures Representative shall serve until the earlier of (i) his or her death, (ii) his or her resignation pursuant to Subsection 5.2(b), (iii) his or her removal or (iv) the termination of the Trust pursuant to Section 7.2.

b) The Futures Representative may resign at any time by written notice to the Trustees. Such notice shall specify a date when such resignation shall take effect, which shall not be fewer than 90 days after the date such notice is given, where practicable.

c) The Futures Representative may be removed in the event he or she becomes unable to discharge his or her duties hereunder due to accident, physical deterioration, mental incompetence, or a consistent pattern of neglect and failure to perform or to participate in performing the duties hereunder, such as repeated non-attendance at scheduled meetings. Such removal shall be made by the unanimous decision of the Trustees.

5.3 Appointment of Successor. A vacancy caused by resignation shall be filled with an individual nominated by the Futures Representative. A vacancy for any other reason, or in the absence of a nomination by the Futures Representative, shall be filled with an individual selected by majority vote of the Trustees. The successor Futures Representative shall, in either case, be subject to Bankruptcy Court approval.

5.4 Futures Representative's Employment of Professionals. The Futures Representative may retain or consult with counsel, accountants, appraisers, auditors, forecasters, asbestos experts and other parties deemed by the Futures Representative to be qualified as experts on matters submitted to them, and the opinion of any such parties on any matters submitted to them shall be full and complete authorization and protection in support of any action taken or not taken by the Futures Representative hereunder in good faith and in accordance with the written opinion of any such party, and in the absence of gross negligence. The Futures Representative and his or her experts shall at all times have complete access to the Trust's officers, employees and agents, and the accountants, appraisers, auditors, forecasters, and other experts retained by the Trust, as well as information generated by them or otherwise available to the Trust or Trustees.

5.5 Compensation and Expenses of the Futures Representative.

a) The Futures Representative shall receive compensation from the Trust for his or her services as the Futures Representative at his or her current hourly rate; Such rate shall be subject to an annual review and adjustment by the Trustees with the consent of the TAC.

b) The Trust will promptly reimburse, or pay directly if so instructed, the Futures Representative for all reasonable out-of-pocket costs and expenses, including fees and costs associated with employment of professionals pursuant to Section 5.4 and the procurement and maintenance of insurance incurred by the Futures Representative in connection with the

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performance of his or her duties hereunder and his or her duties in connection with the formulation, negotiation, and Confirmation of the Plan. Such reimbursement or direct payment shall be deemed a Trust Expense.

5.6 Procedure for Obtaining Consent of the Futures Representative.

a) In the event the consent of the Futures Representative is required pursuant to the terms hereof or of the TDP, the Trustees shall promptly provide the Futures Representative and his or her counsel with notice and with all information regarding the matter in question.

b) The Futures Representative must consider in good faith and in a timely fashion any request by the Trustees and may not withhold his or her consent unreasonably. If the Futures Representative does not notify the Trustees of his or her objection to such request within 30 days after receiving notice and information regarding such request, then the Future Representative shall be deemed to have objected to the request and the procedures set forth in Section 5.7 shall be followed.

5.7 Lack of Consent of the Futures Representative. In the event the Trustees are unable to obtain the consent of the Futures Representative to any action or decision for which consent is required after following the procedure set forth in Section 5.6 of this Trust Agreement, or if the Trustees and the Futures Representative are unable to reach agreement on any matter on which such consent is required, the matter shall be submitted promptly to alternative dispute resolution if mutually agreeable to the Trustees and the Futures Representative. If the disagreement is not resolved by alternative dispute resolution, the Trustees may apply to the Bankruptcy Court on an expedited basis for approval of such action or decision, and only if such approval is given by the Bankruptcy Court by entry of an appropriate order, shall the Trustees have the authority to implement such action or decision without the Futures Representative's consent.

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ARTICLE 6

TRUST ADVISORY COMMITTEE

6.1 Members. The TAC shall consist of five (5) members. The initial TAC members shall be Alan R. Brayton, Ron C. Eddins, David McClain, Jerry Neil Paul, and David A. Rosen. Alan R. Brayton has been elected Chair of the TAC by its members with authority to execute all Trust-related documents on their behalf.

6.2 Duties. The TAC shall serve in a fiduciary capacity representing all holders of Asbestos Related Claims (excluding, however, holders of Asbestos Injury Demands). The Trustees must consult with the TAC on matters identified in Subsection 2.2(e), must obtain the consent of the TAC on matters identified in Subsection 2.2(f), and may consult with the TAC on any matter affecting the Trust. Where provided in this Trust Agreement or the TDP, certain actions by the Trustees are subject to the consent of the TAC.

6.3 Term of Office.

a) Each member of the TAC shall serve until the earlier of (i) his or her death, (ii) his or her resignation pursuant to Section 6.3(b) below, (iii) his or her removal pursuant to Section 6.3(c) below, or (iv) the termination of the Trust pursuant to Section 7.2 below.

b) A member of the TAC may resign at any time by written notice to the other members of the TAC, the Trustees and the Futures Representative. Such notice shall specify a date when such resignation shall take effect, which shall not be less than ninety (90) days after the date such notice is given, where practicable.

c) A member of the TAC may be removed in the event that he or she becomes unable to discharge his or her duties hereunder due to accident, physical deterioration, mental incompetence, or a consistent pattern of neglect and failure to perform or to participate in performing the duties of such member hereunder, such as repeated non-attendance at scheduled meetings, or for other good cause. Such removal shall be made at the recommendation of the remaining members of the TAC with the approval of the Bankruptcy Court.

6.4 Appointment of Successor. A vacancy caused by resignation shall be filled with an individual nominated by the remaining members of the TAC. A vacancy for any other reason, or in the absence of a nomination by the remaining members of the TAC, shall be filled with an individual selected by majority vote of the Trustees. The successor TAC member shall, in either case, be subject to Bankruptcy Court approval.

6.5 TAC's Employment of Professionals. The TAC may retain or consult with counsel, accountants, appraisers, auditors, forecasters, asbestos experts and other parties deemed by the TAC to be qualified as experts on matters submitted to them, and the opinion of any such parties on any matters submitted to them shall be full and complete authorization and protection in support of any action taken or not taken by the TAC hereunder in good faith and in accordance with the written opinion of any such party, and in the absence of gross negligence. The TAC and its experts shall at all times have complete access to the Trust's officers, employees and agents,

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and the accountants, appraisers, auditors, forecasters, and other experts retained by the Trust, as well as information generated by them or otherwise available to the Trust or Trustees.

6.6 Compensation and Expenses of TAC Members.

(a) Each of the TAC members or their representatives shall receive compensation from the Trust by the payment of hourly fees for each of the following tasks, which are hereinafter called the "TAC Trust Tasks":

(i) Attendance at meetings of the Trustees.

(ii) Performance of tasks requested to be performed by the Managing Trustee that the Managing Trustee believes benefits or has benefited the Trust, as opposed to individual client or clients of the member of the TAC.

(b) Each of the TAC members and/or their representatives shall each be compensated as a Trust Expense at the rate of $500 per hour for an official meeting of the Trustees, or on an official trip of the Trustees, or in the performance of any other TAC Trust Task. The TAC members shall record all hourly time to be charged to the Trust on a daily basis.

(c) The Managing Trustee may, at his or her discretion, pay any invoices from members of the TAC or their representatives in aggregate amounts of up to $25,000 in any month that such Managing Trustee believes are appropriate under these resolutions without the necessity of further approval of the Trustees.

The structure and amounts of the TAC compensation will be reviewed by the Trustees, the TAC and the Futures Representative annually.

6.7 Reimbursement of TAC Expenses. The Trust will promptly reimburse, or pay directly if so instructed, each TAC member for all reasonable out-of-pocket costs and expenses, including fees and costs associated with employment of professionals pursuant to Section 6.4 and the procurement and maintenance of insurance incurred by the TAC or any TAC member in connection with the performance of its or his or her duties hereunder. Such reimbursement or direct payment shall be deemed a Trust Expense.

6.8 Procedure for Obtaining Consent of the TAC.

a) In the event the consent of the TAC is required pursuant to the terms hereof or of the TDP, the Trustees shall promptly provide the TAC and, if requested by the TAC, its counsel with notice and with all information regarding the matter in question.

b) The TAC must consider in good faith and in a timely fashion any request by the Trustees, and the TAC may not withhold its consent unreasonably. If the TAC does not notify the Trustees of its objection to such request within 30 days after receiving notice and information regarding such request, then the TAC shall be deemed to have objected to the request and the procedures set forth in Section 6.9 shall be followed.

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6.9 Lack of Consent of the TAC. In the event the Trustees are unable to obtain the consent of the TAC for any action or decision for which consent of the TAC is required, after following the procedure set forth in Section 6.8 of this Trust Agreement, or if the Trustees and the TAC are unable to reach agreement on any matter on which the TAC's consent is required, then the matter shall be submitted promptly to alternative dispute resolution if mutually agreeable to the Trustees and the TAC. If the disagreement is not resolved by alternative dispute resolution, the Trustees may apply to the Bankruptcy Court on an expedited basis for approval of such action or decision, and only if such approval is given by the Bankruptcy Court by entry of an appropriate order shall the Trustees have the authority to implement such action or decision without the TAC's consent.

ARTICLE 7

GENERAL PROVISIONS

7.1 Irrevocability. The Trust is irrevocable.

7.2 Termination.

a) The Trust shall automatically terminate on the date 90 days after the first to occur of the following events:

(i) the Trustees in their discretion decide to terminate the Trust because (A) they deem it unlikely that new Asbestos Related Claims will be filed or served against the Trust and (B) all Asbestos Related Claims duly filed with the Trust have been resolved and paid to the extent provided in this Trust Agreement and the TDP, to the extent possible based upon the funds available through the Plan, and twelve (12) consecutive months have elapsed during which no new Asbestos Related Claim has been filed with the Trust; or

(ii) if the Trustees have procured and have in place irrevocable insurance policies and have established claims handling agreements and other necessary arrangements with suitable third parties adequate to discharge all expected remaining obligations and expenses of the Trust in a manner consistent with this Trust Agreement and the TDP, the date on which the Bankruptcy Court enters an order approving such insurance and other arrangements and such order becomes a Final Order.

b) Upon the termination of the Trust, after payment of all the Trust's liabilities have been provided for, all monies remaining in the Trust estate shall be used to adjust the Funds Received Ratio and distributed to claimants who are still entitled to receive distributions from the Trust pursuant to Section 2.3 of the TDP.

7.3 Amendments. The Trustees, after consultation with the Approving Entities, and subject to the consent of the Approving Entities where so provided, may modify or amend this Trust Agreement or any document annexed to it, including, without limitation, the Trust Bylaws or the TDP. Any modification or amendment made pursuant to this Section must be done in writing. Notwithstanding anything contained in this Trust Agreement to the contrary, none of this Trust Agreement, the Trust Bylaws, the TDP, nor any document annexed to the foregoing shall be modified or amended in any way that could jeopardize, impair or modify the

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applicability of section 524(g) of the Bankruptcy Code, the indemnification provisions of this Trust Agreement, the efficacy or enforceability of the Injunctions or the Trust's qualified settlement fund status.

7.4 **Severability**. Should any provision in this Trust Agreement be determined to be unenforceable, such determination shall in no way limit or affect the enforceability and operative effect of any and all other provisions of this Trust Agreement.

7.5 **Notices**. Notices to persons asserting claims shall be given at the address of such person, or, where applicable, such person's Futures Representative, in each case as provided on such person's claim form submitted to the Trust with respect to his or her or its Asbestos Related Claim.

Any notices or other communications required or permitted hereunder shall be in writing and delivered at the addresses designated below, or sent by telex, telecopy or facsimile pursuant to the instructions listed below, or mailed by registered or certified mail, return receipt requested, postage prepaid, addressed as follows, or to such other address or addresses as may hereafter be furnished by any party to whom such notice is directed to the other parties listed herein in compliance with terms hereof.

To the Trust through the Trustees:

Thorpe Insulation Company Asbestos
Settlement Trust
P.O. Box 3413
Reno, NV 89505
ATTN: Dr. Sandra R. Hernandez
ATTN: John F. Luikart
ATTN: Stephen M. Snyder, Esq.
Facsimile No. 775.325.6200

with a copy to:
Fennemore Craig Jones Vargas
300 East Second Street, Suite 1510
Reno, NV 89501
ATTN: John P. Sande, III
Facsimile No. 775.786.1177

with a copy to:
Sara Beth Brown
Thorpe Insulation Settlement Trust
300 East Second Street, Suite 1410
Reno, NV 89501
Facsimile No. 775.325.6200

To the Futures Representative:

The Honorable Charles B. Renfrew (Ret.)
710 Sansome Street
San Francisco, CA 94111
Facsimile No. 415.397.7188

with a copy to:
Gary S. Fergus
Fergus, A Law Firm
595 Market Street, Suite 2430
San Francisco, CA 94105
Facsimile No. 415.537.9038

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To the TAC through its Chair:
Alan R. Brayton
Brayton Purcell, LLP
222 Rush Landing Road
Novato, CA 94948-6169
Facsimile No. 415.898.1247

To Reorganized Debtor Pacific Insulation Company:
2741 South Yates Avenue
Los Angeles, California 90040
ATTN: Robert Fults
Facsimile No. 323.728.5489

with a copy to:
John A. Lapinski
Clark & Trevithick
800 Wilshire Boulevard, 12th Floor
Los Angeles, California 90017
Facsimile No. 213.624.9441

All such notices and communications if mailed shall be effective when physically delivered at the designated addresses or, if electronically transmitted, when the communication is received at the designated addresses and confirmed by the recipient by return electronic transmission.

7.6 Successors and Assigns. The provisions of this Trust Agreement shall be binding upon and inure to the benefit of the Reorganized Debtor, the Trust, and the Trustees and their respective successors and assigns, except that none of the Reorganized Debtor, or the Trust, nor any Trustee may assign or otherwise transfer any of its, his or her rights or obligations under this Trust Agreement except, in the case of the Trust and the Trustees, as contemplated by Section 2.1.

7.7 Entire Agreement; No Waiver. The entire agreement of the parties relating to the subject matter of this Trust Agreement is contained herein and in the documents referred to herein, and this Trust Agreement and such documents supersede any prior oral or written agreements concerning the subject matter hereof. No failure to exercise or delay in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege hereunder preclude any further exercise thereof or of any other right, power or privilege. The rights and remedies herein provided are cumulative and are not exclusive of rights under law or in equity.

7.8 Headings. The headings used in this Trust Agreement are inserted for convenience only and neither constitute a portion of this Trust Agreement, nor in any manner affect the construction of the provisions of this Trust Agreement.

7.9 Governing Laws; Submission to Jurisdiction. This Trust Agreement shall be governed by, and construed in accordance with, the laws of the State of Nevada without regard to Nevada's conflict of laws principles. The Trust is subject to the continuing jurisdiction of the Bankruptcy Court.

7.10 Dispute Resolution. Any disputes that arise under this Trust Agreement or under the annexes hereto shall be resolved by the Bankruptcy Court pursuant to the Plan, except as otherwise provided herein or in the annexes hereto. Notwithstanding anything else herein contained, to the extent any provision of this Trust Agreement is inconsistent with any provision of the Plan, the Plan shall control.

7.11 Enforcement and Administration. The provisions of this Trust Agreement and the annexes hereto shall be enforced by the Bankruptcy Court pursuant to the Plan. The parties hereby further acknowledge and agree that the Bankruptcy Court shall have exclusive jurisdiction over the settlement of the accounts of the Trustees.

7.12 Effectiveness. This Trust Agreement shall not become effective until it has been executed and delivered by all the parties hereto.

7.13 Counterpart Signatures. This Trust Agreement may be executed in any number of counterparts, each of which shall constitute an original, but such counterparts shall together constitute but one and the same instrument.

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IN WITNESS WHEREOF, the parties have executed this Seventh Amendment to and Complete Restatement of Thorpe Insulation Company Asbestos Settlement Trust Agreement this 7th day of February, 2013.

TRUSTEES:

By: _____
Dr. Sandra R. Hernandez

By: _____
John F. Luikart

By: _____
Stephen M. Snyder, Esq.

FUTURES REPRESENTATIVE:

By: _____
The Honorable Charles B. Renfrew (Ret.)

TRUST ADVISORY COMMITTEE:

By: _____
Alan R. Brayton
Its: Chair

FIRST AMENDMENT TO AND COMPLETE RESTATEMENT OF THORPE INSULATION COMPANY ASBESTOS SETTLEMENT TRUST BYLAWS

ARTICLE I - OFFICES

SECTION 1. Principal Office. The initial principal office of the Thorpe Insulation Company Asbestos Settlement Trust (the "Trust") shall be in the County of Washoe, the State of Nevada, or at such other place other than any location in California as the Trustees shall from time to time select.

SECTION 2. Other Offices. The Trust may have such other offices at such other places as the Trustees may from time to time determine to be necessary for the efficient and cost-effective administration of the Trust; provided that the Trust may not have any offices in California at any time.

ARTICLE II – TRUSTEES

SECTION 1. Control of Property, Business and Affairs. The property, business and affairs of the Trust shall be managed by or under the direction of the Trustees, provided that certain decisions of the Trustees shall be subject to the consent of the Futures Representative and the TAC, as provided in the Trust Agreement to which these Bylaws are attached as Annex A.

SECTION 2. Number, Resignation and Removal. The number of Trustees and the provisions governing the resignation and removal of a Trustee and the appointment of a successor Trustee shall be governed by the provisions of Article 4 of the Trust Agreement.

SECTION 3. Quorum and Manner of Acting. A majority of the Trustees shall constitute a quorum for the transaction of business. In the absence of a quorum, the Trustees present may adjourn the meeting from time to time until a quorum shall be present. The vote, at a meeting at which a quorum is present, of a majority of Trustees shall be an act of the Trustees.

SECTION 4. Regular Meetings. Regular meetings of the Trustees with the Futures Representative and TAC may be held at such time and place as shall from time to time be determined by the Trustees, provided that the Trustees shall meet at least four times a year, as close as practicable on a quarterly basis, pursuant to a schedule announced as soon as practicable after the Effective Date and each year thereafter, and provided further that all meetings shall be held in the State of Nevada or such other state (other than California) as may be selected by the Trustees. After there has been such determination, and a notice thereof has been once given to each Trustee, the Futures Representative and the TAC, regular meetings may be held without further notice being given. The Futures Representative and the TAC shall have the right to attend and participate in Regular Meetings of the Trust.

SECTION 5. Special Meeting Notice. Special meetings of the Trustees shall be held whenever called by one or more of the Trustees. Notice of each such meeting shall be delivered by overnight courier to each Trustee, the Futures Representative and the TAC, addressed to each such party at the place designated by such party for receipt of such notice, or, failing such designation, at such party's residence or usual place of business, at least three days before the date on which the meeting is to be held, or shall be sent to such party at such place by

personal delivery or by telephone or telecopy not later than two days before the day on which such meeting is to be held. Such notice shall state the place, date and hour of the meeting and the purposes for which it is called. In lieu of the notice to be given as set forth above, a waiver thereof in writing, signed by the Trustee or Trustees, the Futures Representative or the TAC, entitled to receive such notice, whether before or after the meeting, shall be deemed equivalent thereto for purposes of this Section 5. No notice or waiver by any Trustee, the Futures Representative or the TAC, with respect to any special meeting shall be required if such person or entity shall be present at said meeting. The Futures Representative and the TAC shall be entitled to attend every special meeting of the Trustees. All special meetings shall be held in the State of Nevada or such other state (other than California) as may be selected by the Trustees.

SECTION 6. Action without a Meeting; Meeting by Conference Call. Any action required or permitted to be taken at any meeting of the Trustees may be taken without a meeting if all Trustees, after notice to the Futures Representative and the TAC, consent thereto in writing, and the writing or writings are filed with the minutes of proceedings of the Trustees; provided that no such consents may be provided by a Trustee acting in the State of California.

The Trustees also may take action required or permitted to be taken at any meeting by means of conference telephone or similar communication equipment provided that all persons participating in the meeting can hear each other and provided that no Trustee shall participate in such a meeting from the State of California. Participation in a meeting pursuant to this paragraph shall constitute presence in person at such meeting.

ARTICLE III – OFFICERS

SECTION 1. Principal Officers. The principal officer of the Trust shall be the Managing Trustee, as appointed pursuant to Section 4.1 of the Trust Agreement. The Trust may also have such other officers as the Trustees may appoint after determining that such appointment will promote the efficient and cost-effective administration of the Trust.

SECTION 2. Election and Term of Office. The principal officers of the Trust shall be chosen by the Trustees. Each such officer shall hold office until his or her successor shall have been duly chosen and qualified or until the earlier of his or her death, resignation, retirement or removal.

SECTION 3. Subordinate Officers. In addition to the principal officer enumerated in Section 1 of this Article III, the Trust may have such other subordinate officers, agents and employees as the Trustees may deem necessary for the efficient and cost-effective administration of the Trust, each of whom shall hold office for such period, have such authority, and perform such duties as the Trustees may from time to time determine. The Trustees may delegate to any principal officer the power to appoint and to remove any such subordinate officers, agents or employees.

SECTION 4. Removal. The Managing Trustee or any other officer may be removed with or without cause, at any time, by resolution adopted by the Trustees at any regular meeting of the Trustees or at any special meeting of the Trustees called for that purpose; provided, however, that the consent of the TAC and the Futures Representative shall be required for the removal of the Managing Trustee without cause.

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SECTION 5. Resignations. Any officer may resign at any time by giving written notice to the Trustees. The resignation of any officer shall take effect upon receipt of notice thereof or at such later time as shall be specified in such notice and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

SECTION 6. Powers and Duties. The officers of the Trust shall have such powers and perform such duties as may be conferred upon or assigned to them by the Trustees.

ARTICLE IV – AMENDMENTS

The Bylaws of the Trust, other than Article I, Article II, Article III Section 4, and this Article IV and any provisions relating to the activities of the Trustees in California, may be amended by the Trustees at any meeting of the Trustees, provided that notice of the proposed amendment is contained in the notice of such meeting. The remaining Bylaws may be amended by the Trustees only after receipt of the consent of the Approving Entities to the proposed amendment.

CERTIFICATION

Each of the undersigned hereby certifies that he or she is a duly-selected and Bankruptcy Court-approved Trustee for the Trust and that the foregoing is a true and correct copy of the First Amendment to and Complete Restatement of Thorpe Insulation Company Asbestos Settlement Trust Bylaws authorized by action of the Trust.

IN WITNESS WHEREOF, each of the undersigned Trustees set his or her hand this 27th day of October, 2010.

By: _____
Dr. Sandra R. Hernandez

By: _____
John F. Luikart

THIRD AMENDMENT TO AND COMPLETE RESTATEMENT OF THORPE INSULATION COMPANY ASBESTOS PERSONAL INJURY SETTLEMENT TRUST DISTRIBUTION PROCEDURES

THIRD AMENDMENT TO AND COMPLETE RESTATEMENT OF THORPE INSULATION COMPANY ASBESTOS PERSONAL INJURY SETTLEMENT TRUST DISTRIBUTION PROCEDURES

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THIRD AMENDMENT TO AND COMPLETE RESTATEMENT OF THORPE INSULATION COMPANY ASBESTOS PERSONAL INJURY SETTLEMENT TRUST DISTRIBUTION PROCEDURES

The Thorpe Insulation Company Asbestos Personal Injury Settlement Trust Distribution Procedures ("TDP") contained herein provide for satisfying all asbestos-related personal injury and death claims ("Asbestos Claims") caused by conduct of, and/or exposure to asbestos-containing products for which, Thorpe Insulation Company and/or Pacific Insulation Company (collectively, "Thorpe"), its predecessors, successors, and assigns have legal responsibility (hereinafter for all purposes of this TDP defined as "Trust Claims"), as provided in and required by the Thorpe Insulation Company Plan of Reorganization ("Plan") and the Thorpe Insulation Company Asbestos Personal Injury Settlement Trust Agreement ("Trust Agreement"). The Plan and Trust Agreement establish The Thorpe Insulation Company Asbestos Personal Injury Settlement Trust ("Trust"). The Trustees of the Trust ("Trustees") shall implement and administer this TDP in accordance with the Trust Agreement. Capitalized terms used herein and not otherwise defined shall have the meanings assigned to them in the Plan.

SECTION I

Introduction

1.1 Purpose. This TDP has been adopted pursuant to the Trust Agreement. It is designed to provide fair and equitable treatment for all Trust Claims that may presently exist or may arise in the future in substantially the same manner.

1.2 Interpretation. Except as expressly provided below, nothing in this TDP shall be deemed to create a substantive right for any claimant. The rights and benefits expressly provided herein to holders of Trust Claims shall vest in such holders as of the Effective Date.

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SECTION II

Overview

2.1 Trust Goals. The goal of the Trust is to treat all similarly situated claimants, present and future, equitably. This TDP furthers that goal by setting forth procedures for processing and paying Trust Claims generally on an impartial, first-in-first-out ("FIFO") basis, with the intention of paying all claimants over time as equivalent a share as possible of the Thorpe several share of the value of their claims based on the level of settlements, verdicts or judgments historically received for substantially similar claims litigated under state tort law (the "Tort System"). To this end, the TDP establishes for unliquidated claims in the Case Valuation Matrix ("Matrix"), attached hereto as Appendix I, a schedule of five asbestos-related diseases ("Compensable Diseases"), which have presumptive medical and exposure requirements ("Medical/Exposure Criteria"), criteria for establishing liquidated values ("Matrix Values"), anticipated average values ("Average Values"), and caps on liquidated values ("Maximum Values"). The Compensable Diseases, Medical/Exposure Criteria, Matrix Values, Average Values and Maximum Values, which are set forth in the attached Matrix, have all been selected and derived with the intention of achieving a fair allocation of the Trust funds as among claimants suffering from different disease processes in light of the best available information, considering the settlement, verdict and/or judgments that claimants would receive in the Tort System for the Thorpe several share absent the bankruptcy. The TDP also provides mechanisms for the treatment and payment of Liquidated Claims.

2.2 Trust Claim Liquidation Procedures. Trust Claims shall be processed based on their place in the FIFO Processing Queue to be established pursuant to Section 5.3 below. The Trust shall liquidate all Trust Claims that meet the presumptive Medical/Exposure Criteria in accordance with the Matrix. Claims that do not meet the presumptive Medical/Exposure

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Criteria for the relevant Compensable Disease may undergo the Trust's Individual Review Process described in the Matrix. In such a case, notwithstanding that the claim does not meet the presumptive Medical/Exposure Criteria for the relevant Compensable Disease, the Trust can offer the claimant an amount up to the Average Value as defined in the Matrix of that Compensable Disease if the Trust is satisfied that the claimant has presented a claim that would be cognizable, valid and compensable in the Tort System.

All unresolved disputes over a claimant's medical condition, exposure history and/or the liquidated value of the claim shall be subject to binding or non-binding arbitration, at the election of the claimant, under the Arbitration Rules. Disputes with the Trust that cannot be resolved by non-binding arbitration may enter the Tort System as provided in Sections 5.9 and 7.3 below. However, if and when a claimant obtains a judgment in the Tort System, the judgment will be payable (subject to the Funds Received Ratio, Maximum Annual Payment, Company Category Claims Payment Ratio and Disease Category Claims Payment Ratio provisions set forth below) as provided in Section 7.4 below.

2.3 Trust Application of the Funds Received Ratio. The Debtor, through the Trust and this TDP, is liable to pay to full amount of the liquidated value of all Trust Claims. The Trust will pay as much of the liquidated value of each Trust Claim as is possible, as described in more detail in section 4.2 below, taking into consideration the net funds received by the Trust to date from all sources ("Funds Received"), including payments by those insurers of Debtors that have settled the Coverage Litigation and paid their share of Debtors' liability, the anticipated present value of future Trust Claims, income taxes, inflation, the anticipated cost of Trust administration and the anticipated return on Trust investments. The Initial Funds Received Ratio will be set by the Trust, with the consent of the TAC and Futures Representative, once the Trust has collected sufficient assets to make the expense and burden on claimants of a distribution

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worthwhile. The Funds Received Ratio will be calculated on the assumption that the Matrix's Average Values will be achieved with respect to existing present claims liquidated under the Matrix and projected future claims.

Upon receipt of additional funds from Debtors' other insurers, the Trust shall review the Funds Received Ratio to determine if there are sufficient funds to adjust that ratio. The Funds Received Ratio shall be adjusted upwards or downwards from time to time by the Trust with the consent of the TAC (as defined in Section 3.1 below) and the Futures Representative (as defined in Section 3.1 below) to reflect then-current estimates of the fair market value of the Trust's assets and the net present value of its liabilities, as well as the estimated value of then-pending and future claims. However, any adjustment to the initial Funds Received Ratio shall be made only pursuant to Section 4.2 below. When the Funds Received Ratio is increased as Debtors' other insurers pay their share of Debtors' liability, claimants who have previously been paid by the Trust will receive a proportional additional payment unless the Trust with consent of the TAC and the Futures Representative concludes that the amount is so modest and the administrative costs and burdens are so great in comparison to the benefits to claimants that such additional payments shall be omitted or deferred. A claimant may only participate in such additional payments which have been approved pursuant to Section 4.2 on or before the later of the following dates: (1) The fifteenth anniversary of the Trust's first payment to the claimant; or (2) the tenth anniversary of the resolution of the Coverage Litigation. If it becomes relevant, the date of resolution of the Coverage Litigation will be determined by the Trust with the consent of the TAC and the Futures Representative.

2.4 Trust's Determination of the Maximum Annual Payment. At any given time and based upon the Funds Received, the Trust shall estimate or model the amount of cash flow anticipated to be necessary over its entire life to ensure that funds will be available to treat all

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present and future claimants as similarly as possible. In each year, the Trust will be empowered to pay out all of the interest earned during the year, together with a portion of its principal, calculated so that the application of Trust funds over its life shall correspond with the needs created by the anticipated flow of claims (the "Maximum Annual Payment"). The Trust's distributions to claimants for that year shall not exceed the Maximum Annual Payment determined for that year; provided, however, that the Maximum Annual Payment limitation shall not apply to any Pre-Petition Liquidated Claims as defined in Section 5.2(a) below because those amounts are known and have already been taken into account in the projected cash flow.

2.5 Trust Claims Disease Category Claims Payment Ratio. Based upon Thorpe's claim settlement history and analysis of present and future claims, a Disease Category Claims Payment Ratio is hereby established. The Trust's determination of the anticipated number and value of future asbestos claims incorporates the historical disease payment ratio. If there is a material deviation from the historical Disease Category Claims Payment Ratio in the actual Trust Claims received by the Trust, there could be an adverse impact on future asbestos claimants as a whole. The Trust, with the consent of the TAC and the Futures Representative, will set the Disease Category Claims Payment Ratio for "Category A" claims, which consist of Trust Claims involving malignant claims that were unliquidated as of the Petition Date, and for "Category B" claims, which are Trust Claims involving non-malignant claims that were similarly unliquidated as of the Petition Date.

In each year, after the determination of the Maximum Annual Payment, the Disease Category Claims Payment Ratio for each category multiplied by the Maximum Annual Payment amount shall be available to pay the respective Disease Category Claims that have been liquidated since the Petition Date.

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In the event there are insufficient funds in any year to pay the liquidated claims in a Disease Category, the available funds within the particular Disease Category shall be paid to the maximum extent to claimants in the particular Disease Category based on their place in the FIFO Payment Queue described in Section 5.3(c) below based upon the date of claim liquidation. Claims for which there are insufficient funds will be carried to the next year where they will be placed at the head of the FIFO Payment Queue. If there are excess funds in either or both Disease Category, because there was an insufficient amount of liquidated claims to exhaust the respective Maximum Annual Payment amount for that Disease Category, then the excess funds for either or both Disease Categories will be rolled over and remain dedicated to the respective Disease Category to which they were originally allocated.

The number and value of the Pre-Petition Liquidated Claims are known and have already been taken into account in determining the Trusts liabilities and cash flow. Thus, the Disease Category Claims Payment Ratios shall not apply to any Pre-Petition Liquidated Claims.

2.6 Adjustments to Forecast. The Trustees, with the consent of the TAC and the Futures Representative, may in a particular year conform the Disease Category Claims Payment Ratio to the revised estimates of future claims by a qualified expert subject to the Fundamental Adjustments described below.

2.7 Fundamental Adjustments. The Disease Category Claims Payment Ratio and its rollover provisions shall be continued absent circumstances, such as a significant change in law or medicine, necessitating amendment to avoid manifest injustice ("Fundamental Adjustment"). The accumulation, rollover and subsequent delay of claims resulting from application of the Disease Category Claims Payment Ratio, shall not, in and of itself, constitute such circumstances, nor may an increase in the numbers of Disease Category B claims beyond those predicted or expected be considered as a factor in deciding whether to reduce the

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percentage allocated to Disease Category A. In considering whether to make any Fundamental Adjustment to the Disease Category Claims Payment Ratio and/or its rollover provisions, the Trustees should also consider the reasons for which the Disease Category Claims Payment Ratio and its rollover provisions were adopted, the settlement history that gave rise to its calculation, and the foreseeability or lack of foreseeability of the reasons why there would be any need to make a Fundamental Adjustment. In that regard, the Trustees should keep in mind the interplay between the Funds Received Ratio and the Disease Category Claims Payment Ratio as it affects the net cash available at any given time to pay to claimants. In any event, no Fundamental Adjustment to the Disease Category Claims Payment Ratio may be made without the consent of the TAC and the Futures Representative pursuant to the consent process set forth in Section 2.2(f) of the Trust Agreement. However the Trustees may offer the option of a reduced payment to either Disease Category for any or all Company Categories in return for prompter payment (the "Reduced Payment Option"), after first obtaining the consent of the TAC and the Futures Representative as described above.

2.8 Trust Indemnity and Contribution Claims. As set forth in Section 5.6 below, Trust Claims for indemnity and contribution (if any) will be subject to the same categorization, evaluation, and payment provisions of this TDP as all other Trust Claims.

SECTION III

TDP Administration

3.1 Trust Advisory Committee and Futures Representative. Pursuant to the Plan and the Trust Agreement, this TDP will be administered by the Trustees in consultation with a five-member Trust Advisory Committee ("TAC"), that represents the interests of holders of present Trust Claims, and a Legal Representative for Future Asbestos-Related Claimants ("Futures Representative"), who represents the interests of holders of Trust Claims that will be

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asserted in the future. The Trustees shall obtain the consent of the TAC and the Futures Representative to any amendments to these Procedures pursuant to Section 8.1 below, and to such other matters as are otherwise required below and in Section 2.2(f) of the Trust Agreement. The Trustees shall also consult with the TAC and the Futures Representative on such matters as are provided below and in Section 2.2(e) of the Trust Agreement. The initial members of the TAC and the initial Futures Representative are identified in the Trust Agreement.

3.2 Consent and Consultation Procedures. In those circumstances in which consultation or consent is required, the Trustees will provide written notice to the TAC and the Futures Representative of the specific amendment or other action that is proposed. The Trustees will not implement such amendment nor take such action unless and until the parties have engaged in the consultation process described in Section 2.2(e), or the Consent Process described in Sections 5.6 and 6.6 and if necessary, 5.7 and 6.7 of the Trust Agreement.

SECTION IV

Funds Received Ratio; Periodic Evaluations

4.1 Uncertainty of Thorpe's Asbestos Claim Liabilities. As discussed above, there is inherent uncertainty regarding Thorpe's total Asbestos Claim liabilities, as well as the total value of the Funds Received available to pay such claims. Consequently, there is inherent uncertainty when or if the Trust will be able to pay the full amount of the liquidated amount of Trust Claims. To seek to ensure substantially equivalent treatment of all present and future claims, the Trustees must determine from time to time the Funds Received Ratio of the full liquidated value that holders of Trust Claims will be likely to receive absent receipt of additional payments on behalf of the Debtors for Debtors' liability to pay the full liquidated value, as described in Section 2.3 above and Section 4.2 below.

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4.2 Computation of Funds Received Ratio. The Initial Funds Received Ratio will be set by the Trust, with the consent of the TAC and Futures Representative, once the Trust has collected sufficient assets to make the expense and burden on claimants of a distribution worthwhile. The Funds Received Ratio will be calculated on the assumption that the Matrix's Average Values will be achieved with respect to existing present claims liquidated under the Matrix and projected future claims. The Funds Received Ratio shall be revised if and when material additional funds are received, subject to the terms of this TDP and the Trust Agreement. In addition, the Funds Received Ratio shall be revised if the Trustees determine, with consent of the TAC and the Futures Representative, that an adjustment is required. Commencing on the first day of January, after the Plan has been Confirmed, the Trustees shall reconsider the then applicable Funds Received Ratio to assure that it is based on accurate current information and may, after such reconsideration, change the Funds Received Ratio if necessary with the consent of the TAC and the Futures Representative. Thereafter, no less frequently than once every three years, commencing with the first day of January occurring after the Plan is consummated, the Trustees shall reconsider the then applicable Funds Received Ratio to assure that it is based on accurate, current information and may, after such reconsideration, change the Funds Received Ratio if necessary with the consent of the TAC and the Futures Representative. The Trustees shall also reconsider the then applicable Funds Received Ratio at shorter intervals if they deem such reconsideration to be appropriate or if requested to do so by the TAC or the Futures Representative. The Trustees must base their determination of the Funds Received Ratio on Funds Received, the current estimates of the number, types, and values of present and future Trust Claims, the value and liquidity of the assets then available to the Trust for their payment, all anticipated administrative and legal expenses, and any other material matters that are reasonably likely to affect the sufficiency of funds to pay a comparable percentage of the full

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value of liquidated claims to all holders of Trust Claims. When making these determinations, the Trustees shall exercise common sense and flexibly evaluate all relevant factors. The Funds Received Ratio applicable to one category of claims may not be reduced to alleviate delays in another category claims' payments caused by a backlog in that category. All claims will receive the same Funds Received Ratio then in effect at the time of payment subject to provisions of Section 4.3.

4.3 Applicability of the Funds Received Ratio. No holder of a Trust Claim shall receive a payment that exceeds the Trust's determination of the then existing Funds Received Ratio unless a Reduced Payment Option applies. If a redetermination of the Funds Received Ratio has been proposed in writing by the Trustees to the TAC and the Futures Representative but has not yet been adopted, the claimant shall receive the lower of the current Funds Received Ratio or the proposed Funds Received Ratio. However, if the proposed Funds Received Ratio was the lower amount but is not subsequently adopted, the claimant shall thereafter receive the difference between the lower proposed amount and the higher current amount. Conversely, if the proposed Funds Received Ratio was the higher amount and is subsequently adopted, the claimant shall thereafter receive the difference between the lower current amount and the higher adopted amount.

SECTION V

Resolution of Trust Claims

5.0 General Requirements. Subject to the requirements of Section 5.11 below, all Trust Claims shall be resolved as set forth in this TDP and the Claims Matrix.

5.1 Threshold Requirement for Submitting a Claim to the Trust. If a Claimant or Injured Person has commenced litigation seeking compensation for asbestos-related injuries or death that are the subject of a claim in a court where one or more of the Debtors liable for such

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claim was subject to *in personam* jurisdiction as of October 15, 2007, then that jurisdiction shall determine which limitations period shall be used subject to the exceptions stated herein. If multiple pre-petition lawsuits in different jurisdictions naming one or more of the Debtors liable for such claim have been filed for an Injured Person or Claimant, then such Injured Person or Claimant may choose the pre-petition jurisdiction (from among the different jurisdictions in which the pre-petition lawsuits naming one or more of the Debtors liable for such claim were filed for that Injured Party or Claimant, so long as in personam jurisdiction existed) in which the limitations period shall be used. If a Claimant does not have a pending lawsuit against one or more of the Debtors at the time of the submission to the Trust, then in lieu of having a tort action filed for purposes of this TDP, the Claimant or Injured Person must submit a verified certification under penalty of perjury, either of counsel based upon counsel's records, or of Claimant or Injured Person stating facts which establish in personam jurisdiction in a court where one or more of the Debtors liable for such claim was subject to in personam jurisdiction as of October 15, 2007 or incorporate a lawsuit which asserts those facts, and therefore such person can meet the jurisdictional requirements of the particular state in which the tort claim would have been timely and properly filed. The Trust shall have the right to contest any such certification. The jurisdiction so certified shall determine which limitations period shall be used subject to the exceptions stated herein.

5.2 Statute of Limitations or Repose for Trust Claims. The statute of limitations and the choice of law determination applicable to claims against the Trust shall be determined by reference to the tort system where a claim against a Debtor was pending on the filing date of these cases, or where such a claim could have been timely and properly filed as asserted by the Claimant or Injured Person.

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5.3 Ordering, Proccssing and Payment of Claims.

5.3(a) Ordering of Claims.

5.3(a)(1) Establishment of the FIFO Processing Queue. The Trust will order unliquidated claims for processing purposes on a FIFO basis except as otherwise provided herein (the "FIFO Processing Queue"). For all claims filed on or before the date six months after the Effective Date (the "Initial Claims Filing Date"), a claimant's position in the FIFO Processing Queue shall be determined as of the earlier of (i) the date prior to October 15, 2007 "Petition Date" (if any) that the specific claim was either served or filed against Thorpe in a court in which Thorpe could properly have been sued or was actually submitted to Thorpe pursuant to an administrative processing agreement; (ii) the date before the Petition Date that a claim was filed or served against another defendant in the Tort System if at the time the claim was subject to a tolling agreement with Thorpe; (iii) the date after the Petition Date (if any) but before the Effective Date that the claim was filed or served against another defendant in a court in which Thorpe could properly have been sued; or (iv) the date after the Effective Date but on or before the Initial Claims Filing Date that the claim was served or filed with the Trust. Following the Initial Claims Filing Date, the claimant's position in the FIFO Processing Queue shall be determined by the date the claim was filed with the Trust. For all claims filed on the same date, the claimant's position in the FIFO Processing Queue shall be determined by the date of the diagnosis of the asbestos-related disease.

5.3(a)(2) Effect of Statutes of Limitations and Repose. All claims barred by the applicable statute of limitations or repose, as determined in Section 5.2 above, at the Petition Date shall remain barred on and after the Petition Date. All claims not so barred shall be tolled as of the Petition Date to and including April 20, 2012, without the need of

the claimant to take any action whatsoever, including without limitation, filing a Proof of Claim in the Reorganization Cases.

5.3(b) Processing of Unliquidated Trust Claims. Within six months after the establishment of the Trust, the Trustees with the consent of the TAC and the Futures Representative shall adopt procedures for reviewing and liquidating all unliquidated Trust Claims, which shall include deadlines for processing such claims. Such procedures shall also require claimants seeking resolution of unliquidated Trust Claims to first file a Trust Claim form, together with the required supporting documentation, in accordance with the provisions of Sections 6.1 and 6.2 below. It is anticipated that the Trust shall provide an initial response to the claimant within six months of receiving the Trust Claim form. All claims filed with the Trust shall be deemed to be a claim for the highest Compensable Disease for which the claim qualifies at the time of filing, with all lower Compensable Diseases for which the claim then qualifies or may qualify in the future subsumed into the higher Compensable Disease for both processing and payment purposes. Upon filing of a valid Trust Claim form with the required supporting documentation, the claim shall be placed in the FIFO Processing Queue in accordance with the ordering criteria described in Section 5.3(a) above.

The five Compensable Diseases covered by this TDP are set forth in detail in the Matrix attached as Appendix I . The Compensable Diseases, Matrix Values, and Medical/ Exposure Criteria shall apply to all unliquidated claims filed with the Trust.

As a general practice, the Trust will review its claims files on a regular basis and notify all claimants whose claims are likely to come up in the FIFO Processing Queue in the near future.

5.3(c) Payment of Claims. Trust Claims shall be paid in FIFO order based on the date their liquidation became final (the "FIFO Payment Queue"), all such payments being

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subject to the applicable Funds Received Ratio, Maximum Annual Payment, and Disease Category Claims Payment Ratio, except as otherwise provided herein. For all claims liquidated on the same date, each claimant's position in the FIFO Payment Queue shall be determined by the date of the diagnosis of the claimant's asbestos-related disease.

5.3(d) Adjustment for Inflation. All payments made to holders of Trust Claims shall be adjusted for inflation annually beginning with the first calendar year after the Effective Date.

5.3(e) Post-Petition Interest No interest shall be paid on any post-petition Trust Claims.

5.4 Resolution of Pre-Petition Trust Claims. As soon as practicable after the Effective Date, the Trust shall pay all Trust Claims that were liquidated by (i) a settlement agreement entered into prior to the Petition Date for the particular claim, or (ii) a judgment of any kind entered on or before October 15, 2007 (collectively, "Pre-Petition Liquidated Claims"). Notwithstanding the foregoing, these payments shall be subject to the limitations set forth below in this section. The liquidated value of a Pre-Petition Liquidated Claim shall be the amount agreed to in the binding settlement agreement, or the amount of the judgment, as the case may be, plus interest, if any, that has accrued on that amount in accordance with the terms of the agreement, if any, or under applicable state law as of the Petition Date; however, pursuant to Section 7.2 below, the liquidated value of a Pre-Petition Liquidated Claim shall not include any punitive or exemplary damages.

Pre-Petition Liquidated Claims shall be processed and paid within 90 days of the Effective Date, if feasible, or as soon thereafter as is possible. The amounts payable with respect to such claims shall not be subject to or taken into account in consideration of the Maximum

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Annual Payment or the Disease Category Claims Payment Ratio, but shall be subject to the Funds Received Ratio provisions set forth in Section 4.2 above.

5.5 Hardship Claims. At any time the Trust may liquidate and pay certain Trust Claims that qualify as Hardship Claims. Such claims may be considered separately no matter what the order of processing otherwise would have been under this TDP. A Hardship Claim, following its liquidation, shall be placed at the head of the FIFO Liquidation Queue for purposes of payment, subject to the Maximum Annual Payment and Disease Category Claims Payment Ratio described above. A Trust Claim qualifies for payment as an Hardship Claim if the Trust, in its sole discretion, determines (a) that the claimant needs financial assistance on an immediate basis based on the claimant's expenses and all sources of available income, and (b) that there is a causal connection between the claimant's dire financial condition and the claimant's asbestos-related disease.

5.6 Contribution Claims. Contribution Claims that are asserted against the Trust based upon theories of contribution or indemnification under applicable law may not be processed or paid by the Trust (a) unless such claim would not be disallowed by Section 502(e) of the Code if the Trust were a debtor in a case under the Code, and (b) the holder of such claim (the "Indirect Claimant") establishes to the satisfaction of the Trustees that (i) the Indirect Claimant has paid in full the liability and obligations of the Trust to the direct claimant to whom the Trust would otherwise have had a liability or obligation under these Procedures, (ii) the direct claimant and the Indirect Claimant have forever released the Trust from all liability to the direct claimant, and (iii) the claim is not otherwise barred by a statute of limitations or repose or by other applicable law. In no event shall any Indirect Claimant have any rights against the Trust superior to the rights of the related direct claimant against the Trust, including any rights with respect to the timing, amount or manner of payment.

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The Trust shall not pay any Indirect Claimant unless and until the Indirect Claimant's aggregate liability for the direct claimant's claim has been fixed, liquidated and paid by the Indirect Claimant pursuant to final judgment and not by settlement.

The credit or offset which a co-defendant is entitled in the Tort System for settlement with the trust is the amount of the Trust's Payment to the Claimant shall be (a) the actual amount received to date by the Claimant; or (b) if no funds have yet been received, the amount of the liquidated value agreed to by the Claimant and the Trust, multiplied by the pro rata share in effect at the time the set-off is being applied.

Contribution Claims shall be processed in accordance with procedures to be developed and implemented by the Trustees, which procedures (a) shall determine the validity, allowability and enforceability of such claims; and (b) only then shall otherwise provide the same liquidation and payment procedures and rights to the holders of such claims as the Trust would have afforded the holders of the underlying valid Trust Claims.

5.7 Claim Auditing and Review Procedures.

5.7(a) Claims Audit Program. The Trust with consent of the TAC and Futures Representative shall develop methods for auditing the reliability of evidence reasonably related to the value of the claim, including additional reading of x-rays and verification of pulmonary function tests, as well as the reliability of evidence of exposure to asbestos, including exposure to asbestos-containing products manufactured or distributed by Thorpe, and requesting from claimants or other Trusts, claims materials submitted to other Trusts. In the event that the Trust reasonably determines that any unreliable individual or entity has engaged in a pattern or practice of providing unreliable medical or other evidence to the Trust, it may decline to accept additional evidence from such provider in the future. Further, in the event that an audit reveals that fraudulent information has been provided to the Trust, the Trust may penalize any responsible

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claimant or claimant's attorney by disallowing the related Trust Claim or by other means including, but not limited to, requiring the claimant or attorney submitting the fraudulent information to pay the costs associated with the audit and any future related audit or audits, reordering the priority of payment of all affected claimants' Trust Claims, raising the level of scrutiny of additional information submitted from the medical facility or other source, refusing to accept additional evidence from the same, seeking the prosecution of the claimant or claimant's attorney for presenting a fraudulent claim in violation of 18 U.S.C. 152, and seeking Rule 11 sanctions.

5.7(b) Review by the Trust for the benefit of the TAC and Futures Representative. The Trust shall cause a review of the filed claims, paid claims, average payments and disallowed claims by Compensable Disease to be performed bi-annually or upon the request of the TAC or the Futures Representative, sufficient to allow an estimation of the adequacy of the Trust fund to compensate Claimants as compared to the current claims forecast.

5.8 Second Disease Claims.

5.8(a) Second Disease (Malignancy) Claims. The holder of a claim involving a non-malignant asbestos-related disease may file a new claim for a malignant disease that is subsequently diagnosed ("Second Disease Claim"). Any payments to which such claimant may be entitled for such asbestos-related malignancy shall be reduced by the amount paid by the Trust for the non-malignant asbestos-related disease.

5.8(b) Second Disease Judgment Claims. Claimants who received personal injury judgments are allowed to file i) a wrongful death claim, if the claimant subsequently died of an asbestos-related disease; and/or ii) a Second Disease Claim. These claims will be valued, pursuant to the Matrix, at either i) one-half of the otherwise appropriate liquidated value of the wrongful death or Second Disease Claim award from the Trust; or ii) at full value of the new

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claim, wrongful death claim or Second Disease Claim less a dollar for dollar credit on money actually received from the Trust pursuant to Section 5.4 above, as the claimant may elect.

5.9 Arbitration.

5.9(a) Establishment of Arbitration Procedures. The Trust, with the consent of the TAC and the Futures Representative, shall institute Arbitration Rules for resolving disputes concerning the Trust's outright rejection or denial of a claim, or concerning the claimant's medical condition or exposure history for purposes of categorizing a claim. Binding and non-binding arbitration shall also be available for resolving disputes over the liquidated value of a claim. In all arbitrations, the arbitrator shall consider the same medical and exposure evidentiary requirements that are set forth in the Matrix. In the case of an arbitration involving the liquidated value of a claim, the arbitrator shall consider the same valuation factors that are set forth in the Matrix. With respect to all claims eligible for arbitration, the claimant, but not the Trust, may elect either nonbinding or binding arbitration. If the claimant elects non-binding arbitration, claimant will be responsible for 1 /2 of arbitrator's fees and costs. The Arbitration Rules may be modified by the Trust with the consent of the TAC and the Futures Representative. Such amendments may also include adoption of mediation procedures, as well as establishment of an Extraordinary Claims Panel to review such claims pursuant to the Matrix.

5.9(b) Claims Eligible for Arbitration. A claim is eligible for arbitration, if it has been rejected by the Trust, or the Trust has made an offer which was rejected by the claimant. The claimant must notify the Trust of such rejection in writing.

5.9(c) Limitations on and Payment of Arbitration Awards. The arbitrator shall not return an award in excess of the appropriate Matrix Value for such claim based upon the facts as found by the arbitrator. For an Extraordinary Claim, the arbitrator shall not return an award greater than the Maximum Extraordinary Value for such a claim as set forth in the Matrix.

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A claimant who submits to arbitration and who accepts the arbitral award will receive payments in the same manner as one who accepts the Trust's original valuation of the claim.

5.10 Litigation. A claimant who elects non-binding arbitration and then rejects the arbitral award retains the right to exit to the Tort System pursuant to Sections 7.3 below. However, a claimant shall be eligible for payment of a judgment for monetary damages obtained in the Tort System from the Trust's available cash only as provided in Section 7.4 below.

5.11 Trust Claims Determined by the Trust to be Covered by Policies Issued by Non-Settling Insurers. The Trustees, with the consent of the TAC and the Futures Representative, may adopt alternative claims handling procedures to those set forth herein to be offered for Trust Claims determined by the Trust to be Covered by Policies Issued by Non-Settling Insurers.

SECTION VI

Claims Materials

6.1 Claims Materials. The Trust shall prepare suitable and efficient claims materials ("Claims Materials"), and shall provide such Claims Materials upon written request. The Trust Claim form to be submitted to the Trust shall include a certification by the claimant or his or her attorney sufficient to meet the requirements of Rule 11(b) of the Federal Rules of Civil Procedure. A copy of the Trust Claim forms to be used by the Trust for Pre-Petition Liquidated Claims and unliquidated Claims will be created with the consent of the TAC and the Futures Representative within three months of the establishment of the Trust. The Trust Claim forms may be changed by the Trust with the consent of the TAC and the Futures Representative. The Trust shall also establish procedures for electronic filing of claims.

6.2 Content of Claims Materials. The Claims Materials shall include a copy of this TDP, such instructions as the Trustees shall approve, and Trust Claim forms. The Trust Claim

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forms shall be submitted with supporting documentation in accordance with the relevant criteria used to liquidate Pre-Petition claims, as set forth below. At a minimum, the unliquidated Trust Claim form shall require:

- Claimant provide, in substance, all relevant information called for in the San Francisco Superior Court General Order 129 Form Interrogatories, Set 1 and Set 2 with the exposure used to qualify for the particular category highlighted and the pages tabbed.
- Medical records, medical reports and/or death certificates evidencing the claimed disease, with the diagnosis highlighted and the pages tabbed. For lung cancer and other cancer cases, evidence of markers or other factors which would lead to an upward adjustment under the Matrix will be highlighted and the pages tabbed. For Grade I claims, evidence of x-ray and PFT values that would lead to an increased award will be highlighted and the pages tabbed.
- For Serious Asbestosis claims, evidence to support this categorization will be highlighted and the pages tabbed.
- For an Injured Person seeking a multiplier for an economic loss in excess of the base case amount, an economic report of evidence supporting claimed wage/pension/home services loss, with total claimed loss highlighted and the page tabbed.
- For an Injured Person seeking a multiplier for medical expenses in excess of the base case amount, an affidavit summarizing medical expenses, or submission of medical bills to substantiate the total claimed amount.
- An endorsed/filed copy of the face page of the complaint or equivalent proof of commencement of litigation if applicable, or alternatively a certification under Section 5.1.

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- Social security records or equivalent information, if available, in evidentiary or affidavit form.

6.3 Withdrawal of Claims. A claimant can withdraw a Trust Claim at any time upon written notice to the Trust and file another claim subsequently without affecting the status of the claim for statute of limitations purposes, but any such claim filed after withdrawal shall be given a place in the FIFO Processing Queue based on the date of such subsequent filing. A claim will be deemed to have been withdrawn if the claimant neither accepts, rejects, nor initiates arbitration within six months of the Trust's offer of payment or rejection of the claim. Upon written request and good cause, the Trust may extend this period for an additional six months.

6.4 Filing Fees. There will be a filing fee of $250.00 for each unliquidated claim which will be refunded by the Trust if the claim is allowed. The Trust may waive the refundable filing fee if it is determined that such a fee would create undue hardship for the claimant. The size of the fee will be reviewed by the Trust on a yearly basis.

6.5 Confidentiality of Claimants' Submissions. All submissions to the Trust by a holder of a Trust Claim or a proof of claim form and materials related thereto shall be treated as made in the course of settlement discussions between the holder and the Trust and intended by the parties to be confidential and to be protected by all applicable state and federal privileges, including, but not limited to, those directly applicable to settlement discussions. The Trust will preserve the confidentiality of such claimant submissions, and shall disclose the contents thereof only, with the permission of the holder, to another trust established for the benefit of asbestos personal injury claimants pursuant to section 524(g) of the Bankruptcy Code or other applicable law, to such other persons as authorized by the holder, or in response to a valid subpoena of such materials issued by the Bankruptcy Court or any state or federal Court having personal

jurisdiction over the Trust. Furthermore, the Trust shall provide counsel for the holder a copy of any such subpoena immediately upon being served. The Trust shall on its own initiative or upon request of the claimant in question take all necessary and appropriate steps to preserve said privilege before the Bankruptcy Court or any state or federal Court having personal jurisdiction over the Trust and before those courts having appellate jurisdiction related thereto. Nothing in the TDP, the Plan, or the Trust Agreement expands, limits or impairs the obligation under applicable law of a claimant to respond fully to lawful discovery in an underlying civil action regarding his or her submission of factual information to the Trust for the purpose of obtaining compensation for asbestos-related injuries from the Trust.

SECTION VII

General Guidelines for Liquidating and Paying Claims

7.1 Discretion to Vary the Order and Amounts of Payments in Event of Limited Liquidity. Consistent with the provisions hereof and subject to the FIFO Processing and Liquidation Queues, Maximum Annual Payment, and Disease Category Claims Payment Ratio requirements set forth above, the Trustees shall proceed with due diligence to liquidate valid Trust Claims, and shall make payments to holders of such claims in accordance with this TDP promptly as funds become available and as claims are liquidated, while maintaining sufficient resources to pay future valid claims in substantially the same manner. Because the Trust's income over time remains uncertain, and decisions about payments must be based on estimates that cannot be done precisely, they may have to be revised in light of experiences over time, and there can be no guarantee of any specific level of payment to claimants. However, the Trustees shall use their best efforts to treat similar claims in substantially the same manner, consistent with their duties as Trustees, the purposes of the Trust, the established allocation to Categories A and B, and the practical limitations imposed by the inability to predict the future with precision.

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In the event that the Trust faces temporary periods of limited liquidity, the Trustees may, with the consent of the TAC and the Futures Representative, suspend the normal order of payment and may temporarily limit or suspend payments altogether, and if appropriate, at any time may offer a Reduced Payment Option.

7.2 Punitive Damages. In determining the value of any liquidated or unliquidated Trust Claim, punitive or exemplary damages, i.e., damages other than compensatory damages, shall not be considered or allowed, notwithstanding their availability in the Tort System.

7.3 Suits in the Tort System.

7.3(a) Suits in the Tort System Not Involving Insurers. If the holder of a disputed claim disagrees with the Trust's determination regarding the Compensable Disease of the claim, the claimant's exposure history or the liquidated value of the claim, and if the holder has first submitted the claim to nonbinding arbitration as provided in Section 5.9 above and rejected the resulting arbitration award, the holder may file a lawsuit in the jurisdiction where in personam jurisdiction over Trust can be obtained. Any such lawsuit must be filed by the claimant in his or her own right and name and not as a member or representative of a class. No such lawsuit may be consolidated with any other lawsuit, with the exception of a personal injury or survival claim which may be consolidated with a wrongful death claim brought as a result of the death of the Injured Party. If the claimant was alive at the earlier of the date on which the initial complaint was filed or the date the Trust Claim form was filed, the case will be treated as a personal injury case with all personal injury damages to be considered even if the claimant has died during the pendency of the claim. All defenses (including, with respect to the Trust, all defenses which could have been asserted by Thorpe) shall be available to the Trust at trial and the Trust may waive any defense and/or concede any issue of fact or law; provided, however that any such waiver or concession on the part of the Trust waives, to the extent provided by

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applicable law, the Trust's right to tender the defense to, or recoup any monies from, Non-Settling Insurers that may have otherwise had coverage liability under their applicable Insurance Policies with respect to such claim.

7.3(b) Suits in the Tort System Involving Insurers. An insurer as to which the Trust asserts coverage liability in respect to the claim of a claimant filing a lawsuit consistent with the provisions of this Section (a "Litigation Claim"), which insurer continues to be entitled under the terms of its policies and applicable state law to control or participate in the resolution of such claim against the Debtors or the Trust, shall have the right to control or participate in the resolution of the Litigation Claim according to the policy language in the insurer's applicable Insurance Policy and applicable law so long as it continues to be prosecuted in a court of law.

7.4 Payment of Judgments for Money Damages. If and when a claimant obtains a judgment in the Tort System, the claim shall be placed in the FIFO payment queue based on the date on which the judgment became final. Thereafter, the claimant shall receive from the Trust an initial payment (subject to the Funds Received Ratio, the Maximum Annual Payment and Disease Category Claims Payment Ratio provisions set forth above) of an amount equal to one-hundred percent (100%) of the lesser of a) the jury award or b) the greater of (i) the Trust's last offer to the claimant or (ii) the award that the claimant declined in non-binding arbitration. The claimant shall receive the balance of the judgment, if any, in ten (10) equal installments in years six (6) through fifteen (15) following the year of the initial payment (also subject to the Funds Received Ratio, the Maximum Annual Payment, and Disease Category Claims Payment Ratio provisions set forth above). Under no circumstances shall interest be paid under otherwise applicable law on any judgments obtained in the Tort System post-petition.

7.5 Releases. The Trustees shall have the discretion, with the consent of the TAC and Futures Representative, to determine the form and substance of the releases to be provided to

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the Trust in order to maximize recovery for claimants against other tortfeasors without increasing the risk or amount of claims for indemnification or contribution from the Trust. The Release utilized by the Trust shall include all Personal Injury, Wrongful Death, and/or Derivative claims related to the Injured Party, with the exception of the Second Disease Claims, as described above in Section 5.8. As a condition to making any payment to a claimant, the Trust shall obtain a general, partial, limited, or other release as appropriate in accordance with the applicable state or other law. If allowed by state law, the endorsing of a check or draft for payment by or on behalf of a claimant shall constitute such a release.

7.6 Third-Party Services. Nothing in this TDP shall preclude the Trust from contracting with another asbestos claims resolution organization to provide services to the Trust so long as decisions about the categorization and liquidated value of Trust Claims are based on the relevant provisions of this TDP, including the Compensable Diseases, Matrix Values, Average Values, Maximum Values, and Medical/Exposure Criteria set forth in the Matrix.

7.7 Trust Disclosure of Information. Periodically, but not less often than once a year, the Trust shall make available to claimants and other beneficiaries, a statistical summary of the number of claims by Compensable Diseases that have been resolved by settlement, arbitration or trial by jurisdiction.

SECTION VIII

Miscellaneous

8.1 Amendments. Except as otherwise provided herein, the Trustees may amend, modify, delete, or add to any provisions of this TDP (including, without limitation, amendments to conform this TDP to advances in scientific or medical knowledge or other changes in circumstances), provided they first obtain the consent of the TAC and the Futures Representative pursuant to the Consent Process set forth in Sections 5.6 and 6.6 and, if necessary, Sections 5.7

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and 6.7 of the Trust Agreement, except that the right to amend the Disease Category Claims Payment Ratio provisions set forth above) are governed by the restrictions in Section 2.5 above, and the right to adjust the Funds Received Ratio as governed by Section 4.2 above.

8.2 Severability. Should any provision contained in this TDP be determined to be unenforceable, such determination shall in no way limit or affect the enforceability and operative effect of any and all other provisions of this TDP. Should any provision contained in this TDP be determined to be inconsistent with or contrary to Thorpe's obligations to any insurance company providing insurance coverage to Thorpe in respect of claims for personal injury based on Thorpe Exposure, no payment shall be made by the Trust in respect of any such claim from proceeds from said insurance coverage.

8.3 Governing Law. This TDP shall be governed by, and construed in accordance with, the laws of the State of California, without regard to California conflict of laws principles.

8.4 Attorneys' Fees. Attorneys' fees payable in connection with Trust claims paid through this TDP, whether based on hourly rates or where ealculated as a percentage of recovery, shall be the lower of the fee provided in the contract between claimant and counsel or 25% of recovery, exclusive of costs chargeable to the claimant, which costs shall be deducted from the gross amount paid before computation of fees. This recovery shall be measured by the actual payments from the Trust to the claimant, not the liquidated value of the claim. Legal fees shall be paid as payment to claimants are made by the Trust.

8.5 Trust as Defendant The holder of an asbestos claim who is a citizen of the State of California has the option to name the Trust as a party defendant where the only claims against the Trust are for Thorpe related personal injury, wrongful death or derivative claim case filed or served in California. However, the Trust shall not participate in the litigation and shall be removed from all service lists. No payment shall be made to such holder of an asbestos claim

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except as provided by the Matrix and the TDP. In the event a California citizen opts to name the Trust in an action commenced in California state court, the Trust shall not consent to remove the action to any federal court and if requested to do so, shall provide a declaration that it did not consent to any removal. The Trust shall not be required to answer or participate in the litigation and no payment shall be made to such Injured Person except as provided by the TDP and Matrix.

IN WITNESS WHEREOF, the Trustees of the Thorpe Insulation Company Asbestos Settlement Trust have executed this Third Amendment to and Complete Restatement of Thorpe Insulation Company Asbestos Personal Injury Settlement Trust Distribution Procedures this 16th day of September, 2011.

TRUSTEES:

By: _____
Stephen M. Snyder, Managing Trustee

By: _____
Dr. Sandra R. Hernandez

By: _____
John F. Luikart

Consented to by:

FUTURES REPRESENTATIVE:

By: _____
The Honorable Charles B. Renfrew (Ret.)

TRUST ADVISORY COMMITTEE:

By: _____
Alan R. Brayton
Its: Chair

SECOND AMENDMENT TO AND COMPLETE RESTATEMENT OF THORPE INSULATION COMPANY ASBESTOS SETTLEMENT TRUST CASE VALUATION MATRIX

The Case Valuation Matrix ("Matrix") is designed to approximate Thorpe's several liability (as contrasted with joint and several liability) share of the value of asbestos personal injury and wrongful death claims ("Asbestos Claims") based on the level of settlements, verdicts or judgments historically received for substantially similar claims litigated under state tort law (the "Tort System"). To achieve this goal, historical settlements, verdicts and/or judgments have been evaluated in California where Thorpe performed significant work and had a history of being sued and settling cases. Because Thorpe's insurers have asserted that Thorpe's historical settlement history is confidential, plan proponents have used the average settlement value used in the Western Asbestos Settlement Trust Matrix, adjusted for inflation using the United States Department of Labor Statistics Urban Wage Earners and Clerical Workers index (CPI-W)("Inflation Adjustment"). Once additional data is available, these settlement values may be adjusted as appropriate to current settlement values using settlement data from Thorpe and derived from other defendants who remained active in the Tort System. Compensable diseases include mesothelioma, lung cancer, other cancers (as defined herein) and two grades of non-malignant asbestos-related disease. The Matrix establishes the minimum criteria which must be met in order to qualify in each disease category.

The following represents the Thorpe several share of the value of Asbestos Claims determined as described above ("Average Value") based upon the above described methodology:

Disease	Average Value for Thorpe Insulation Several Share
Mesothelioma	$597,913
Lung Cancer	$227,281
Other Cancer	$85,575
Grade I Non-Malignancy	$58,827
Grade II Non-Malignancy	$24,892

The Matrix is designed to value cases using base case values. These base case values are then increased and/or decreased by a series of adjustment factors that approximate factors which add or subtract value to cases in the Tort System. The base case values have been derived from the Western Asbestos Settlement Trust Matrix using the Inflation Adjustment. As other information becomes available, these base values may be adjusted:

Disease	Thorpe Insulation Company Base Case Value
Mesothelioma	$315,463
Lung Cancer	$70,794
Other Cancer	$25,442
Grade I Non-Malignancy	$36,661
Grade II Non-Malignancy	$21,193

I. GENERAL CLAIM PROVISIONS

a. All claims after being valued at their respective base case value and any appropriate adjustments are subject to the following minimum and maximum values.

(i) **Minimum Value.** Any Injured Person who has submitted an approved claim under a Compensable Disease category and has submitted a Trust Claim form to the trust

with all required documentation as outlined in the Trust Distribution Plan and herein, will receive a minimum of 10% of the Average Value of the claim for that disease.

(ii) **Maximum Value.** Any Injured Person who has submitted an approved claim under a Compensable Disease category and has submitted a Trust Claim form to the trust with all required documentation as outlined in the Trust Distribution Plan and herein, will receive a maximum of four times the Average Value of the claim for that disease, unless it qualifies as an Extraordinary Claim as defined in Section IX of the Matrix.

b. Any diagnosis of pulmonary asbestosis shall be made by a (i) a Pathologist, who personally reviewed the Injured Person's pathology, or (ii) an Internist, Pulmonologist or Occupational Medicine Physician who actually examined the Injured Person. These findings will be contained in a detailed narrative written report of the examination. All medical diagnoses in the Matrix are required to be made by Board-Certified physicians in appropriate specialties to a level of reasonable medical probability. Specifically, medical reports that only come to a conclusion that findings are "consistent with" asbestos-related disease will not, standing alone, be sufficient to establish compliance with the medical criteria in the Matrix. Medical experts who are not Board-Certified but who meet equivalent medical experience and expertise requirements may be approved by the Trust with the consent of the TAC and Futures Representative upon application by a Claimant.

c. Notwithstanding subsection (b) above, in the event that the Trust determines upon adequate showing under penalty of perjury that good cause exists to excuse either (1) personal review of Injured Person's pathology by a Pathologist; and/or (2) actual examination of the Injured Person by an Internist, Pulmonologist or Occupational Medicine Physician, the Trust in its exercise of discretion may permit those medical professionals to submit their diagnosis of pulmonary asbestosis on the basis of a review of the Injured Person's medical records ("Record Review Claim"), provided however, the Maximum Value for any such claim shall be the limit set in Section VIII for Individual Review. Examples of record review claims would be wrongful death actions where no pathology exists, or Injured Persons who are such extremis that no such examination is practicable.

d. The Trust may require the submission of x-rays, laboratory tests, medical examinations or reviews, medical reports, other medical evidence, or any other evidence to support or verify the Trust Claim, and may further require that medical evidence submitted comply with recognized medical and/or legal standards regarding equipment, testing methods, and procedures to assure that such evidence is reliable.

e. Claims based on conspiracy theories that do not involve exposure to asbestos-containing materials sold, installed or removed by Thorpe are not compensable under this Matrix.

II. MESOTHELIOMA

a. **Base Case** ("M"). The base case value for a Mesothelioma case is referred to in this Agreement as "M". A case will be considered a base case Mesothelioma under this Matrix when it satisfies each of the following criteria:

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(i) Injured Person diagnosed with malignant Mesothelioma by a Pathologist, Internist, Pulmonologist or Occupational Medicine Physician;

(ii) Injured Person deceased at commencement of litigation or the time of filing of proof of claim, whichever is earlier;

(iii) Injured Person aged 75 years old at death;

(iv) Injured Person had a spouse;

(v) Injured Person had no other dependents or minor children at time of death;

(vi) Injured Person's loss of earnings, pension, social security and home services total up to, but no more than, $200,000;

(vii) Injured Person's medical and funeral expenses total up to, but no more than, $200,000;

(viii) Injured Person had Standard Exposure to Thorpe's asbestos-containing products in traditional occupations at traditional shipyard, refinery, power plants or other sites, as defined herein; and

(ix) The Injured Person had at least a 10-year latency period between the date of the first exposure to asbestos and the date of diagnosis of the disease.

(x) **Adjustments.** Certain features of a Mesothelioma case will warrant an adjustment in the liquidated value either above or below the base case Mesothelioma value, as set forth herein. The following adjustments are provided as multipliers of the base case value M. For example, an adjustment of 1.3M for a Living 55 year-old mesothelioma Injured Person indicates that such an Injured Person would receive 1.3 times the base case Mesothelioma value. In situations where numerous adjustments are required for an Injured Person's case, all of the applicable adjustment multipliers shall be multiplied together, and times the base case value M, to determine the liquidated value of the case. For example, an Injured Person who is age 55 (1.3M) and alive at the commencement of litigation or the time of filing of proof of claim, whichever is earlier (1.3M), and who had exposure at what is known to be a high exposure site (1.5M), would be eligible for a liquidated value of 1.3 times 1.3 times 1.5 or 2.535 M times the base case value.

(xi) **Age.** Age shall be determined as of the commencement of litigation or the time of filing of the proof of claim, whichever is earlier. The adjustment factor for age shall be decreased .015 for every year over 75 years of age up to a maximum downward adjustment to .7M, and shall be increased .015 for every year under 75 years of age up to a maximum upward adjustment to 1.4M.

(xii) **Exposure.** The following adjustments are based on exposure in traditional occupations at traditional shipyard, refinery, power plant, or other sites as set forth herein:

Exposure Rating	Adjustment
Very high exposure sites, as defined herein	3.0 M
High exposure sites, as defined herein	1.5 M
Standard exposure sites, as defined herein	1.0 M
Low exposure sites, as defined herein	0.5 M
Very Low exposure sites, as defined herein	0.25 M

(xiii) If an Injured Person is living as of the date litigation commences or the proof of claim is filed, whichever is earlier, the Injured Person's case will be adjusted by 1.3 M.

(xiv) If an Injured Person does not have a spouse as of the date litigation commences or the proof of claim is filed, whichever is earlier, the Injured Person's case will be adjusted by .8 M. If an Injured Person has minor children, adult disabled dependent children or dependent minor grandchildren living with the Injured Person at the time of diagnosis, the Injured Person's case will be adjusted by 1.5 M. If an Injured Person can demonstrate to the Trust's satisfaction that he or she has minor children, adult disabled dependent children or dependent minor grandchildren not living with the Injured Person but for whom the Injured Person provides support to the same extent as if they were living with Injured Person, then the Injured Person's case may also be adjusted by 1.5 M but not otherwise.

(xv) **Total Economic Loss (excluding medical and funeral expenses).** An Injured Person who has incurred economic losses for loss of earnings, pension, social security and home services in an amount greater than $200,000, shall be adjusted upward .001 for every thousand dollars of economic loss over $200,000, up to a maximum upward adjustment to 2 M. For example, a total economic loss of $500,000 would result in an increase of .3 to 1.3 M. All claimed economic loss over $200,000 must be supported by adequate documentation. Total economic loss shall not include any amount for hedonic damages.

(xvi) **Medical and Funeral Expenses.** An Injured Person who has or will incur medical and funeral expenses in an amount greater than the base Mesothelioma case maximum of $200,000, shall be adjusted upward .001 for every thousand dollars of medical and funeral expenses over $200,000, up to a maximum adjustment to 2M. All claimed medical and funeral expenses over $200,000 must be supported by adequate documentation. Standard future medical expenses are presumed to be $75,000. Future medical expenses exceeding $75,000 require documentation supported by affidavit.

III. LUNG CANCER

a. **Base Case** ("LC"). The base case value for a Lung Cancer case is referred to in this Agreement as "LC". A case will be considered a base case Lung Cancer under this Matrix when it satisfies each of the following criteria:

(i) Injured Person diagnosed with primary lung cancer by a Pathologist, Internist, Pulmonologist or Occupational Medicine Physician who attributes or finds asbestos exposure to be a substantial contributing factor in the development of the primary cancer;

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(ii) Injured Person deceased at time of commencement of litigation or the time of filing of the proof of claim, whichever is earlier;

(iii) Injured Person aged 75 years old at death;

(iv) Injured Person had a spouse;

(v) Injured Person had no other dependents or minor children at time of death;

(vi) Injured Person's loss of earnings, pension, social security and home services total up to, but no more than, $200,000;

(vii) Injured Person's medical and funeral expenses total up to, but no more than, $200,000;

(viii) Injured Person had Standard Exposure to Thorpe's asbestos-containing products in traditional occupations at traditional shipyard, refinery, power plant or other sites, as defined herein;

(ix) Injured Person had a 20-80 pack-year history of smoking;

(x) Injured Person was still smoking at the time of diagnosis, or had quit smoking less than 10 years before diagnosis;

(xi) Injured Person had been not diagnosed with clinical or pathological asbestosis, but Injured Person had both:

(A) A reliable history of exposure to asbestos; and

(B) Evidence of asbestos-related anatomical changes, such as: asbestos-related pleural disease, chest X-ray abnormalities graded 1/0 or higher on the ILO scale attributed to prior asbestos exposure, computed tomography (CT) evidence of interstitial disease attributed to prior asbestos exposure, or asbestos bodies or increased fiber burden indicative of occupational exposure to asbestos; and

(xii) The Injured Person had at least a 10-year latency period between the date of the first exposure to asbestos and the date of diagnosis of the disease.

b. **Adjustments.** Certain features of a Lung Cancer Case will warrant an adjustment in the liquidated value either above or below the base case Lung Cancer value, as set forth herein. The following adjustments are provided as multipliers of the base case value LC. For example, an adjustment of 1.3 LC for a living 55 year-old lung cancer Injured Person **indicates that such an** Injured Person **would receive 1.3 times the base case Lung Cancer value.** In situations where numerous adjustments are required for an Injured Person's case, all of the applicable adjustment multipliers shall be multiplied together, and times the base case value LC, to determine the liquidated value of the case. For example, an Injured Person who is age 55 (1.3 LC) and alive at the commencement of litigation or the time of filing of proof of claim, whichever is earlier (1.3 LC), and who had exposure at what is known to be a high exposure site (1.5 LC), would be eligible for a liquidated value of 1.3 times 1.3 times 1.5 or 2.535 LC times the base case value.

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(i) **Age.** Age shall be determined as of the commencement of litigation or the time of filing of the proof of claim, whichever is earlier. The adjustment factor for age shall be decreased .015 for every year over 75 years of age up to a maximum downward adjustment to .7 LC, and shall be increased .015 for every year under 75 years of age up to a maximum upward adjustment to 1.4 LC.

(ii) **Exposure.** The following adjustments are based on exposure in traditional occupations at traditional shipyard, refinery or power plant, or other sites as set forth herein:

Exposure Rating	**Adjustment**
Very high exposure sites, as defined herein	3.0 LC
High exposure sites, as defined herein	1.5 LC
Standard exposure sites, as defined herein	1.0 LC
Low exposure sites, as defined herein	0.5 LC
Very Low exposure sites, as defined herein	0.25 LC

(iii) If an Injured Person is living as of the date litigation commences or the proof of claim is filed, whichever is earlier, the Injured Person's case will be adjusted by 1.3 LC.

(iv) If an Injured Person does not have a spouse as of the date litigation commences or the proof of claim is filed, whichever is earlier, the Injured Person's case will be adjusted by .8 LC. If an Injured Person has minor children, adult disabled dependent children or dependent minor grandchildren living with the Injured Person at the time of diagnosis, the Injured Person's case will be adjusted by 1.5 LC. If an Injured Person can demonstrate to the Trust's satisfaction that he or she has minor children, adult disabled dependent children or dependent minor grandchildren not living with the Injured Person but for whom the Injured Person provides support to the same extent as if they were living with Injured Person, then the Injured Person's case may also be adjusted by 1.5 LC but not otherwise.

(v) **Total Economic Loss (excluding medical and funeral expenses).** An Injured Person who has incurred economic losses for loss of earnings, pension, social security and home services in an amount greater than the greater than $200,000, shall be adjusted upward .001 for every thousand dollars of economic loss over $200,000, up to a maximum upward adjustment to 2 LC. For example, a total economic loss of $500,000 would result in an increase of .3 to 1.3 LC. All claimed economic loss over $200,000 must be supported by adequate documentation. Total economic loss shall not include any amount for hedonic damages.

(vi) **Medical and Funeral Expenses.** An Injured Person who has or will incur medical and funeral expenses in an amount greater than the base Lung Cancer case maximum of $200,000, shall be adjusted upward .001 for every thousand dollars of medical and funeral expenses over $200,000, up to a maximum adjustment to 2 LC. All claimed medical and funeral expenses over $200,000 must be supported by adequate documentation. Standard future medical expenses are presumed to be $75,000. Future medical expenses exceeding $75,000 require documentation supported by affidavit.

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(vii) **Medical Causation.** The following adjustments apply to Injured Persons who have different smoking histories and/or medical findings than those described for the base Lung Cancer case. In no event can any of the adjustments listed below be combined for an overall causation adjustment in excess of 3.0 LC.

Causation Information	Adjustment
Pathological diagnosis of asbestosis, or occupational levels of asbestos bodies or asbestos fibers in lung tissue	2.0 LC
Clinical diagnosis of asbestosis (in absence of pathological diagnosis)	1.5 LC
No radiographic evidence of asbestos exposure and no increased fiber burden as a marker of asbestos exposure (Applicable to smokers only)	0.5 LC
Lifetime non-smoker	2.0 LC
1-20 pack-years of smoking	1.2 LC
Over 80 pack-years of smoking	0.6 LC
Diagnosis over 10 years since Injured Person quit smoking	1.2 LC
Diagnosis over 15 years since Injured Person quit smoking	1.5 LC

IV. OTHER CANCER

a. **Base Case** ("OCA"). The base case value for an Other Cancer case is referred to in this Agreement as "OCA". A case will be considered a base case Other Cancer under this Matrix when it satisfies each of the following criteria:

(i) Injured Person diagnosed with laryngeal, esophageal, kidney, colo-rectal cancer, non-Hodgkin's lymphoma or chronic lymphocytic leukemia by a Pathologist, Internist, Pulmonologist or Occupational Medicine Physician who attributes or finds asbestos exposure to be a substantial contributing factor in the development of the primary cancer;

(ii) Injured Person deceased at commencement of litigation or the time of filing of proof of claim, whichever is earlier;

(iii) Injured Person aged 75 years old at death;

(iv) Injured Person had a spouse;

(v) Injured Person had no other dependents or minor children at time of death;

(vi) Injured Person's loss of earnings, pension, social security and home services total up to but no more than, $200,000;

(vii) Injured Person's medical and funeral expenses total up to, but no more than, $200,000;

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(viii) Injured Person had Standard Exposure to Thorpe's asbestos-containing products in traditional occupations at traditional shipyard, refinery, power plant or other sites, as defined herein;

(ix) Injured Person had a 20-80 pack-year history of smoking;

(x) Injured Person was still smoking at the time of diagnosis, or had quit smoking less than 10 years before diagnosis;

(xi) Injured Person not diagnosed with clinical or pathological asbestosis, but Injured Person had both:

(A) A reliable history of exposure to asbestos, and

(B) Evidence of asbestos-related anatomical changes, such as: asbestos-related pleural disease chest X-ray abnormalities graded 1/0 or higher attributed to prior asbestos exposure on the ILO scale, or computed tomography (CT) evidence of interstitial disease attributed to prior asbestos exposure; and

(xii) The Injured Person had at least a 10-year latency period between the date of the first exposure to asbestos and the date of manifestation of the disease.

b. **Adjustments.** Certain features of an Other Cancer case will warrant an adjustment in the liquidated value either above or below the base case Other Cancer value, as set forth herein. The following adjustments are provided as multipliers of the base case value OCA. For example, an adjustment of 1.3 OCA for a living 55 year-old other cancer Injured Person indicates that such an Injured Person would receive 1.3 times the base case Other Cancer value. In situations where numerous adjustments are required for an Injured Person's case, all of the applicable adjustment multipliers shall be multiplied together and times the base case value OCA, to determine the liquidated value of the case. For example, an Injured Person who is age 55 (1.3 OCA) and alive at the commencement of litigation or the time of filing of proof of claim, whichever is earlier (1.3 OCA), and who had exposure at what is known to be a high exposure site (1.5 OCA), would be eligible for a liquidated value of 1.3 times 1.3 times 1.5 or 2.535 OCA times the base case value.

(i) **Age.** Age shall be determined as of the commencement of litigation or the time of filing of the proof of claim, whichever is earlier. The adjustment factor for age shall be decreased .015 for every year over 75 years of age up to a maximum downward adjustment to .7 OCA, and shall be increased .015 for every year under 75 years of age up to a maximum upward adjustment to 1.4 OCA.

(ii) **Exposure.** The following adjustments are based on exposure in traditional occupations at traditional shipyard, refinery, power plant or other sites, as set forth herein:

Exposure Rating	**Adjustment**
Very high exposure sites, as defined herein	3.0 OCA
High exposure sites, as defined herein	1.5 OCA

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Exposure Rating	Adjustment
Standard exposure sites, as defined herein	1.0 OCA
Low exposure sites, as defined herein	0.5 OCA
Very Low exposure sites, as defined herein	0.25 OCA

(iii) If an Injured Person is living as of the date litigation commences or the proof of claim is filed, whichever is earlier, the Injured Person's case will be adjusted by 1.3 OCA.

(iv) If an Injured Person does not have a spouse as of the date litigation commences or the proof of claim is filed, whichever is earlier, the Injured Person's case will be adjusted by .8 OCA. If an Injured Person has minor children, adult disabled dependent children or dependent minor grandchildren living with the Injured Person at the time of diagnosis, the Injured Person's case will be adjusted by 1.5 OCA. If an Injured Person can demonstrate to the Trust's satisfaction that he or she has minor children, adult disabled dependent children or dependent minor grandchildren not living with the Injured Person but for whom the Injured Person provides support to the same extent as if they were living with Injured Person, then the Injured Person's case may also be adjusted by 1.5 OCA but not otherwise.

(v) **Total Economic Loss (excluding medical and funeral expenses).** An Injured Person who has incurred economic losses for loss of earnings, pension, social security and home services in an amount greater than $200,000, shall be adjusted upward .001 for every thousand dollars of economic loss over $200,000, up to a maximum upward adjustment to 2 OCA. For example, a total economic loss of $500,000 would result in an increase of .3 to 1.3 OCA. All claimed economic loss over $200,000 must be supported by adequate documentation. Total economic loss shall not include any amount for hedonic damages.

(vi) **Medical and Funeral Expenses.** An Injured Person who has or will incur medical and funeral expenses in an amount greater than the base Other Cancer case maximum of $200,000, shall be adjusted upward .001 for every thousand dollars of medical and funeral expenses over $200,000, up to a maximum adjustment to 2 OCA. All claimed medical and funeral expenses over $200,000 must be supported by adequate documentation. Standard future medical expenses are presumed to be $75,000. Future medical expenses exceeding $75,000 require documentation supported by affidavit.

(vii) **Medical Causation.** The following adjustments apply to Injured Persons who have different smoking histories and/or medical findings than those described for the base Other Cancer case. In no event can any of the adjustments listed below be combined for an overall causation adjustment in excess of 3.0 OCA.

Causation Information	Adjustment
Pathological diagnosis of asbestosis, or occupational levels of asbestos bodies or asbestos fibers in lung tissue	2.0 OCA
Clinical diagnosis of asbestosis (in absence of pathological diagnosis)	1.5 OCA

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Causation Information	Adjustment
No radiographic evidence of asbestos exposure and no increased fiber burden as a marker of asbestos exposure	0.25 OCA

For laryngeal, esophageal, kidney other cancers, the following additional adjustments shall be applied:

Causation Information	Adjustment
Lifetime non-smoker	2.0 OCA
1-20 pack-years of smoking	1.2 OCA
Over 80 pack-years of smoking	0.6 OCA
Diagnosis over 10 years since Injured Person quit smoking	1.2 OCA
Diagnosis over 15 years since Injured Person quit smoking	1.5 OCA

(viii) **Other Organ Cancers.** An Injured Person who has not been diagnosed with cancers of the organs described for the base Other Cancer case (i.e., laryngeal, esophageal kidney, colo-rectal cancers, non-Hodgkin's lymphoma and chronic lymphocytic leukemia) may still obtain compensation under this Matrix, if the Injured Person has been diagnosed with a primary cancer of a different organ and a Board-Certified specialist in an appropriate specialty or a Board-Certified occupational medicine physician at the time of the report attributes the malignancy to prior asbestos exposure. An Injured Person's case which meets the criteria set forth above, subject to the Trust's consent, shall be classified as an "Other Organ Cancer" and will be adjusted by .5 OCA.

V. GRADE I NON-MALIGNANCY

a. **Base Case** ("I"). The base case value for a Grade I Non-malignancy Case is referred to in this Matrix as "I". A case will be considered a base case Grade I Non-malignancy under this Matrix when it satisfies each of the following criteria:

(i) Injured Person aged 75 years old;

(ii) Injured Person has a spouse;

(iii) Injured Person has no other dependents or minor children;

(iv) Injured Person's loss of earnings, pension, social security and home services total up to, but no more than, $200,000;

(v) Injured Person's medical and funeral expenses total up to, but no more than, $200,000;

(vi) Injured Person had Standard Exposure to asbestos-products in traditional occupations at traditional shipyard, refinery, power plant or other sites, as defined herein;

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(vii) Injured Person satisfies all the following criteria of interstitial lung disease with impairment of lung function:

1. The Injured Person must establish at least a 10-year latency period between the date of the first exposure to asbestos and the date of diagnosis of the disease, and clinical evidence of asbestosis defined in subsection 2;

2. Clinical Evidence of Asbestosis. A diagnosis of pulmonary asbestosis by a Pulmonologist, Internist or Occupational Medicine Physician who actually examined the Injured Person based on the following minimum objective criteria:

(a) Chest X-rays which, in the opinion of a Certified B-reader, show small irregular opacities of ILO Grade 1/0 or greater, or a report from a Pulmonologist, Internist or Occupational Medicine Physician that the Injured Person has evidence of asbestos related interstitial fibrosis on high resolution CT scan; and

(b) Pulmonary Function Testing results demonstrating either:

1) FVC<80% of Predicted Value with FEV-1/FVC≥65% (actual value) if the individual tested is at least 70 years old at the date of testing, ≥70% (actual value) if the individual tested is at least 60 years old but less than 70 years old at the date of testing, and ≥75% (actual value) if the individual tested is less than 60 years old at the date of testing; or

2) TLC<80% of Predicted Value; or

3) DLCO<75% of Predicted Value with FEV-1/FVC≥65% (actual value) if the individual tested is at least 70 years old at the date of testing, ≥70% (actual value) if the individual tested is at least 60 years old but less than 70 years old at the date of testing, and ≥75% (actual value) if the individual tested is less than 60 years old at the date of testing and a statement by a Pulmonologist or an Occupational Medicine Physician stating that the asbestos-related lung disease is the probable explanation for the test result.

3. Pathological Evidence of Asbestosis. A diagnosis of asbestosis by a Pathologist that examined the pathology of the claimant. See also Section I(c) above.

4. Those claims wherein the Injured Person suffers from extensive disabling asbestos-related pleural disease may be submitted to the Individual Review process, as described in Section VIII of this Matrix, provided however such a claim shall not be limited to Average Value and may be awarded up to the Maximum Value for Grade I.

b. **Adjustments.** Certain features of a Grade I Non-malignancy Case will warrant an adjustment in the liquidated value either above or below the base case Grade I Non-malignancy value, as set forth herein. The following adjustments are provided as multipliers of the base case value I. For example, an adjustment of 1.3 I for a 55 year-old Grade I non-malignancy Injured Person indicates that such an Injured Person would receive 1.3 times the base case Grade I Non-malignancy value. In situations where numerous adjustments are required for an Injured Person's case, all of the applicable adjustment multipliers shall be multiplied together and times the base case value I, to determine the liquidated value of the case. For example, an Injured Person who is age 55 (1.3 I) and determined to be an Enhanced Grade I

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non- malignancy Injured Person as defined in section (vi) herein (1.5 I) and who had exposure at what is known to be a high exposure site (1.5 I), would be eligible for a liquidated value of 1.3 times 1.5 times 1.5, or 2.925 I, times the base case value.

(i) **Age.** Age shall be determined as of the commencement of litigation or the time of filing of the proof of claim, whichever is earlier. The adjustment factor for age shall be decreased .015 for every year over 75 years of age up to a maximum downward adjustment to .7 I, and shall be increased .015 for every year under 75 years of age up to a maximum upward adjustment to 1.4 I.

(ii) **Exposure.** The following adjustments are based on exposure in traditional occupations at traditional shipyard, refinery or power plant, or other sites as set forth herein:

Exposure Rating	**Adjustment**
Very high exposure sites, as defined herein	3.0 I
High exposure sites, as defined herein	1.5 I
Standard exposure sites, as defined herein	1.0 I
Low exposure sites, as defined herein	0.5 I
Very Low exposure sites, as defined herein	0.25 I

(iii) If an Injured Person does not have a spouse as of the date litigation commences or the proof of claim is filed, whichever is earlier, the Injured Person's case will be adjusted by .8 I. If an Injured Person has minor children, adult disabled dependent children or dependent minor grandchildren living with the Injured Person at the time of diagnosis, the Injured Person's case will be adjusted by 1.5 I. If an Injured Person can demonstrate to the Trust's satisfaction that he or she has minor children, adult disabled dependent children or dependent minor grandchildren not living with the Injured Person but for whom the Injured Person provides support to the same extent as if they were living with Injured Person, then the Injured Person's case may also be adjusted by 1.5I but not otherwise.

(iv) **Total Economic loss (excluding medical).** An Injured Person who has incurred economic losses for loss of earnings, pension, social security and home services in an amount greater than $200,000, shall be adjusted upward .001 for every thousand dollars of economic loss over $200,000, up to a maximum upward adjustment to 2 I. For example, a total economic loss of $500,000 would result in an increase of .3 to 1.3 I. All claimed economic loss over $200,000 must be supported by adequate documentation. Total economic loss shall not include any amount for hedonic damages.

(v) **Medical Expenses.** An Injured Person who has or will incur medical expenses in an amount greater than the base Grade I Non-malignancy case maximum of $200,000, shall be adjusted upward .001 for every thousand dollars of medical and funeral expenses over $200,000, up to a maximum adjustment to 2 I. All claimed medical and funeral expenses over $200,000 must be supported by adequate documentation. Standard future medical

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expenses are presumed to be $75,000. Future medical expenses exceeding $75,000 require documentation supported by affidavit.

(vi) **Enhanced Grade I Non-Malignancy.** If an Injured Person has evidence of asbestosis of a severity exceeding the following criteria, the liquidated value of that Injured Person's case will be adjusted by 1.5 I.

1. The Injured Person must establish at least a 10-year latency period between the date of first exposure to asbestos and the date of manifestation of the disease, and either clinical or pathological evidence of asbestosis as defined in subsection 2 or 3;

2. Clinical Evidence of Asbestosis. A diagnosis of pulmonary asbestosis by an Internist, Pulmonologist or an Occupational Medicine Physician who actually examined the Injured Person based on the following minimum objective criteria:

Chest X-rays which, in the opinion of a Certified B-reader, show small irregular opacities of ILO Grade 1/1 or greater, or asbestos related interstitial fibrosis on high resolution CT scan; and Pulmonary Function Testing results demonstrating either:

(a) FVC<60% of Predicted Value with FEV-1/FVC≥65% (actual value) if the individual tested is at least 70 years old at the date of testing, ≥70% (actual value) if the individual tested is at least 60 years old but less than 70 years old at the date of testing, and ≥75% (actual value) if the individual tested is less than 60 years old at the date of testing; or

(b) TLC≥70% of Predicted Value; or

(c) DLCO<60% of Predicted Value with FEV-1/FVC≥65% (actual value) if the individual tested at least 70 years old at the date of testing, ≥70% (actual value) if the individual tested is at least 60 years old but less than 70 years old at the date of testing, and ≥75% (actual value) if the individual tested is less than 60 years old at the date of testing and a statement by a Pulmonologist, Internist or an Occupational Medicine Physician at the time of the stating that the asbestos-related lung disease is the probable explanation for the test result; or

(d) VO MAX<20mL (kg•min) or<5.7 METS with FEV-1/FVC≥65% (actual value) if the individual tested is at least 70 years old at the date of testing, ≥70% (actual value) if the individual tested is at least 60 years old but less than 70 years old at the date of testing, and ≥75% (actual value) if the individual tested is less than 60 years old at the date of testing and a statement by a Pulmonologist, Internist or an Occupational Medicine Physician stating that the asbestos-related lung disease is the probable explanation for the test result.

3. Pathological Evidence of Asbestosis. A statement by a Pathologist, Pulmonologist, Internist or an Occupational Medicine Physician that a representative section of lung tissue demonstrates asbestosis as defined by the 1982 report of the Pneumoconiosis Committee of the College of American Pathologists and the National Institute for Occupational Safety and Health including the "demonstration of discrete foci of fibrosis in the walls of respiratory bronchioles associated with accumulations of asbestos bodies", and also

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that there is no more probable explanation for the presence of the fibrosis than prior asbestos exposure.

(vii) **"Serious asbestosis"** is asbestosis with ILO 2/2 or greater and AMA Class IV Impairment, or where the Injured Person is on oxygen with a report by a Pulmonologist, Internist or an Occupational Medicine Physician that asbestosis is the predominant cause of the need for oxygen. "Asbestosis death" is where asbestosis is listed as the cause or a substantial contributing factor to the death on the death certificate, or where a report from a Pathologist, Pulmonologist, Internist or an Occupational Medicine Physician states that asbestosis was a substantial contributing factor in the death. If an Injured Person has evidence of serious asbestosis or asbestosis death, and exposure to Thorpe products or conduct was a substantial contributing factor in the development of the serious asbestosis or asbestosis death, then the valuation criteria for lung cancer, including the base Lung Cancer case, as defined in (II)(a), shall be utilized to determine the value of the claim. An Injured Party who qualifies for Serious Asbestosis automatically meets the requirements for Grade I Non-Malignancy claims.

VI. GRADE II NON-MALIGNANCY

a. **Base Case** ("II"). The base case value for a Grade II Non-malignancy Case is referred to in this Matrix as "II". A case will be considered a base case Grade II Non-malignancy under this Matrix when it satisfies each of the following criteria:

(i) Injured Person aged 75 years old;

(ii) Injured Person had Standard Exposure to Thorpe asbestos-products in traditional occupations at traditional shipyard, refinery, power plant or other sites, as defined herein;

(iii) Injured Person satisfies the following criteria for asbestos-related disease:

1. The Injured Person must establish at least a 10-year latency period between the date of the first exposure to asbestos and the date of diagnosis of the disease; and

2. The Injured Person must establish evidence of an asbestos related disease including:

(a) Clinical Evidence of Asbestosis. A diagnosis of pulmonary asbestosis by an Internist, Pulmonologist or qualified Occupational Medicine Physician who actually examined the Injured Person based on the following minimum objective criteria:

1) Chest X-rays which, in the opinion of a Certified B-reader, show small irregular opacities of ILO Grade 1/0 or greater, or

2) Asbestos related interstitial fibrosis on high resolution CT scan or appropriate diagnostic imaging procedure; or

(b) Clinical Evidence of Asbestos-Related Pleural Disease. A diagnosis of asbestos-related pleural disease by an Internist, Pulmonologist or Occupational Medicine Physician.

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b. **Adjustments.** Certain features of a Grade II Non-malignancy case will warrant an adjustment in the liquidated value either above or below the base Grade II Non-malignancy value, as set forth herein. The following adjustments are provided as multipliers of the base case value II. For example, an adjustment of 1.3 II for a 55 year-old Grade II non-malignancy Injured Person indicates that such an Injured Person would receive 1.3 times the base case Grade II Non-malignancy value. In situations where numerous adjustments are required for an Injured Person's case, all of the applicable adjustment multipliers shall be multiplied together and times the base case value II, to determine the liquidated value of the case. For example, an Injured Person who is age 55 (1.3 II) and who had exposure at what is known to be a high exposure site (1.5 II), would be eligible for a liquidated value of 1.3 times 1.5, or 1.95 II, times the base case value.

(i) **Age.** Age shall be determined as of the commencement of litigation or the time of filing of the proof of claim, whichever is earlier. The adjustment factor for age shall be decreased .015 for every year over 75 years of age up to a maximum downward adjustment to .7 II, and shall be increased .015 for every year under 75 years of age up to a maximum upward adjustment to 1.4 II.

(ii) **Exposure.** The following adjustments are based on exposure in traditional occupations at traditional shipyard, refinery or power plant, or other sites as set forth herein:

Exposure Rating	**Adjustment**
Very high exposure sites, as defined herein	3.0 II
High exposure sites, as defined herein	1.5 II
Standard exposure sites, as defined herein	1.0 II
Low exposure sites, as defined herein	0.5 II
Very Low exposure sites, as defined herein	0.25 II

VII. EXPOSURE REQUIREMENTS

a. **Standard Exposure Criteria.** Exposure to asbestos-containing material for which Thorpe is responsible can be established by deposition testimony, invoices, affidavits, business records, deck logs, military service records or other credible evidence acceptable to the Trust, that establishes the Injured Person's presence at a particular ship, facility, job site, building or buildings, or location during a time period in which the asbestos-containing material for which Thorpe is responsible was present. The Trust shall have the right to consider all other appropriate evidence of exposure and may establish appropriate alternative exposure criteria after consultation with the Trust Advisory Committee ("TAC") and the Futures Representative. The burden shall be on the Claimant or Injured Person to establish exposure to Thorpe products.

1. **Ship Exposure.** Evaluation of shipboard exposure shall be as follows:

a) Claims of shipboard exposure will require evidence that Thorpe products were actually installed on the ship, and that the Injured Person can demonstrate presence in an area of the ship that would constitute an exposure to these products.

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b) Exposure on board a ship at a shipyard during a repair or overhaul will constitute an exposure at that shipyard if the Injured Person remained onboard during the repair or overhaul, subject to meeting the duration of exposure requirements outlined herein.

c) Evidence that an Injured Person was subsequently present on a ship that was repaired or overhauled at a shipyard where Thorpe products were used is not sufficient to constitute exposure. See Dumin v. Owens Coming Fiberglas Corp., 28 Cal. App. 4th 650 (1994).

d) It shall not be sufficient for an Injured Person to show that Thorpe products were generally used at a shipyard where a particular ship that the Injured Person worked on was repaired. Specific identification of Thorpe products on board the ship, and meeting the duration of exposure requirements on the ship are both required. See Dumin v. Owens Corning Fiberglas Corp., 28 Cal. App. 4th 650 (1994).

2. **Derivative Exposure.** An Injured Person exposed to Thorpe products solely from exposure to an occupationally exposed person, such as a family member, will have their claims valued by the trust as follows:

a) The Injured Person must establish that the occupationally exposed person would have met the exposure requirements under the Matrix that would have been applicable had that person filed a direct claim with the Trust.

b) The Injured Person must establish that he or she is suffering from one of the Compensable Diseases and that his or her own exposure to the occupationally exposed person occurred within the same time frame as the occupationally exposed person experienced Thorpe exposure as defined herein and that such exposure was a substantial contributing factor in the development of the disease. All other liquidation and payment rights and limitations under this Matrix shall be applicable to such claims.

3. **Longshore Exposure.** A Longshoreman working in Southern California ports with Thorpe exposure will be treated as a Standard exposure.

b. **Site List.** The Trust in consultation with the TAC will compile a list of the ships, facilities and other locations where Thorpe asbestos-containing materials were present including relevant dates when available. The Trust may use this list to establish and to characterize exposure and to create a list of sites where exposure is accepted. The Trust with consent of the TAC and Futures Representative may modify the list in light of additional evidence or experience with claims processing. Any Injured Person may submit additional evidence to establish Thorpe presence at a site, or in support of a higher exposure categorization in a particular case.

c. **Minimum Exposure Criteria.**

1. To meet the minimum exposure requirements, an Injured Person filing a claim as a Mesothelioma case must establish that the Injured Person's asbestos exposure at approved Thorpe sites totals at least three months or at least 10% of the Injured Person's total asbestos exposure. Notwithstanding the foregoing, an Injured Person filing a claim as a Mesothelioma case who can establish that the Injured Person's exposure at approved Thorpe

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sites totals at least one month (but less than three months) exposure shall be entitled to a reduced liquidated claim value.

2. An Injured person filing in any other Compensable Disease category must establish that the Injured Person's asbestos exposure at approved Thorpe sites totals at least one year or at least 25% of the Injured Person's total asbestos exposure. Notwithstanding the foregoing, an Injured Person filing in any other Compensable Disease category who can establish that the Injured Person's exposure at approved Thorpe sites totals at least three months (but less than one year) exposure shall be entitled to a reduced liquidated claim value.

3. If no one site is sufficient to establish the duration necessary, an Injured Person may aggregate exposure at multiple sites to meet the minimum exposure requirements. The Trust will use a blending formula to give credit for exposure time beginning with the highest rated site.

4. If the Injured Person has exposure at multiple sites, but there is no evidence supporting actual length of time at any of the sites, for purposes of applying the provisions 3, above, the Trust will allocate exposure based upon an even distribution of the total length of exposure among all sites claimed. The Injured Person's attorney and the Injured Person or Personal Representative must provide declarations stating that the work sites listed include all work sites where the Injured Person worked, and that there is no other information available to demonstrate actual work time at each site. In addition, the interrogatories accompanying the claim must contain the Injured Person's entire work history.

Nothing in sub-paragraphs 3 and 4, above, shall diminish the obligation of a claimant to offer evidence of exposure that meets the minimum required exposure at approved Thorpe's Sites set forth in paragraph c. above to qualify for a Matrix Claim.

d. **Exposure Site Rating.**

1. **Standard Exposure Sites.** Standard Sites include typical exposures to asbestos at shipyards, refineries, power plants and other industrial and commercial sites where Thorpe was determined by the Trust to be responsible for a significant portion of asbestos exposure at the worksite.

2. **High Exposure Sites.** High Exposure Sites include the same type of exposure settings as Standard Sites; except that in High Exposure Sites, Thorpe has been identified as a primary supplier such that Thorpe was responsible for a large portion of asbestos exposure at the work site.

3. **Very High Exposure Sites.** Very High Exposure Sites include the same type of exposure settings as High Exposure Sites, except that in Very High Exposure Sites, Thorpe has been identified as being responsible for the overwhelming majority of asbestos exposure at the work site.

4. **Low Exposure Sites.** Low Exposure Sites include exposures occurring at shipyards, refineries, power plants and other industrial and commercial sites settings where Thorpe was not a major source of exposure but has been identified as having some responsibility for the asbestos exposure at the site.

5. **Very Low Exposure Sites.** Very Low Exposure Sites include work sites with occupational asbestos exposure outside the typical exposures occurring at shipyards, refineries, power plants and other industrial and commercial sites. Very Low Exposure Sites

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include construction settings and other such settings where exposure was not primarily to products supplied and/or installed by Thorpe.

VIII. INDIVIDUAL REVIEW

Any Claimant or Injured Person whose claim does not meet the medical or exposure criteria for any Compensable Disease shall have the opportunity for individual consideration and evaluation of their claim. In such a case, the Trust shall either deny the claim or, if the Trust is satisfied that the Injured Person has presented a claim that would be cognizable and valid in the Tort System, the Trust can offer the Injured Person a liquidated value amount up to the Average Value for that Compensable Disease, unless the claim qualifies as an Extraordinary Claim as defined in IX below, in which case its liquidated value cannot exceed the maximum value specified for such a claim.

In special circumstances where it would be unjust to enforce the Individual Review cap, the cap may be relaxed if the Executive Director makes a recommendation to a panel, which shall consist of one Trustee, the Futures Representative and the Chair of the TAC. In the case of a claim submitted by the Chair of the TAC's firm, another member of the TAC will substitute. The Individual Review cap will be relaxed only if the decision of the panel is unanimous.

IX. EXTRAORDINARY CLAIMS PROVISION

a. **Extraordinary Claims.** In extraordinary situations such as where an Injured Person was exposed only to Thorpe, or where Thorpe exposure constituted over 80% of the Injured Person's asbestos exposure, where extraordinary present or future medical expenses are incurred, or where special damages are exceptionally large, the Trust may individually evaluate and liquidate a claim for an amount that exceeds the Maximum Value for the particular Compensable Disease asserted by the Injured Person. Any dispute as to Extraordinary Claim status shall be submitted to arbitration by a special Extraordinary Claims panel established by the Trust. Under no circumstances shall an Extraordinary Claim be valued at more than 8 times the Average Value for the particular Compensable Disease.

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EXHIBIT J

AGREEMENT AND PLAN OF MERGER

AGREEMENT AND PLAN OF MERGER

THIS AGREEMENT AND PLAN OF MERGER (this "Agreement") is entered into as of October 22, 2010, by and between Thorpe Insulation Company, a California corporation ("Thorpe"), and Pacific Insulation Company, a California corporation ("Pacific").

RECITALS

A. Thorpe and Pacific are debtors in certain Chapter 11 cases titled "In re: Thorpe Insulation Company, a California corporation, and Pacific Insulation Company, a California corporation – Chapter 11, Case Nos. 07-19271-BB & 07-20016-BB" filed with the United States Bankruptcy Court for the Central Court of California (the "Bankruptcy Case").

B. In connection with the Bankruptcy Case, Thorpe and Pacific have also filed that certain Joint Plan of Reorganization of Thorpe Insulation Company and Pacific Insulation Company with the United States Bankruptcy Court for the Central Court of California, dated as of February 1, 2010 (the "Reorganization Plan").

C. Pursuant to the terms of the Reorganization Plan, the respective Board of Directors and the holders of a majority of the outstanding shares of common stock of each of Thorpe and Pacific have determined that it is fair to, and in the best interests of, their respective companies and their shareholders for Pacific to be merged with and into Thorpe upon the terms and subject to the conditions set forth herein (the "Merger").

D. The Board of Directors of Thorpe and the holders of a majority of the issued and outstanding common stock of Thorpe have approved the Merger in accordance with the provisions of the California General Corporations Code (the "CGCL").

E. The Board of Directors of Pacific and the holders of a majority of the issued and outstanding common stock of Pacific have approved the Merger in accordance with the CGCL.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants, agreements, representations and warranties herein contained, the parties hereto agree as follows:

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ARTICLE I.
DEFINITIONS

Unless otherwise defined herein, all capitalized terms used but not defined in this Agreement shall have the respective meanings given to such terms under the Reorganization Plan.

ARTICLE II.
THE MERGER

SECTION 2.1 Merger. Upon the terms and subject to the conditions of this Agreement, at the Effective Time (defined below), Pacific shall be merged with and into Thorpe in accordance with the applicable provisions of the CGCL. Thorpe and Pacific are herein sometimes referred to as the "Constituent Corporations." At the Effective Time, the identity and separate corporate existence of Pacific (sometimes hereinafter referred to as the "Disappearing Corporation") shall cease and Thorpe shall be the surviving corporation in the Merger (sometimes hereinafter referred to as the "Surviving Corporation"). The Merger shall have the effects set forth in Section 1107 of the CGCL, except as otherwise expressly provided herein.

SECTION 2.2 Effective Time. The Merger shall become effective on the date and at the time the Agreement of Merger referred to in Section 2.8 hereof is filed with the Secretary of State of the State of California in accordance with Section 1103 of the CGCL. The time at which the Merger shall become effective as aforesaid is referred to hereinafter as the "Effective Time."

SECTION 2.3 Articles of Incorporation, Bylaws, Board of Directors, Officers and Name of the Surviving Corporation.

(a) The Articles of Incorporation of Thorpe, as in effect immediately prior to the Effective Time, shall be the Articles of Incorporation of the Surviving Corporation, from and after the Effective Time until amended in accordance with applicable law; provided, however, promptly after the Effective Time, such Articles of Incorporation shall be amended to provide that, following the Effective Time, the Surviving Corporation is prohibited from issuing any nonvoting securities to the extent required under the provisions of Section 1123(a)(6) of the Bankruptcy Code.

(b) The bylaws of Thorpe, as in effect immediately prior to the Effective Time, shall be the bylaws of the Surviving Corporation from and after the Effective Time until amended in accordance with applicable law.

(c) Robert W. Fults and Eric W. Fults shall be the directors of the Surviving Corporation, and each shall hold his respective office from and after the Effective Time until his successor shall have been elected and shall have qualified or as otherwise provided in the bylaws of the Surviving Corporation.

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(d) The officers of the Surviving Corporation shall be as set forth in the table below, and each shall hold his or her respective office from and after the Effective Time until his or her successor shall have been elected and shall have qualified or as otherwise provided in the bylaws of the Surviving Corporation.

Name of Officer	Position/Office Held
Robert W. Fults	Chairman, President, Chief Executive Officer and Chief Financial Officer
Eric W. Fults	Vice President and Secretary
Stephen C. Butler	Vice President and General Manager
Linda D. Chavarria	Assistant Secretary

(e) The name of the Surviving Corporation from and after the Effective Time shall be amended to become "Pacific Insulation Company" until further changed in accordance with applicable law.

SECTION 2.4 Assets and Liabilities. At the Effective Time but subject, in all respects, to the terms of the Reorganization Plan:

(a) The Surviving Corporation shall succeed, without other transfer, to all the rights and property of the Disappearing Corporation and shall be subject to all the debts and liabilities of each Constituent Corporation in the same manner as if the Surviving Corporation had itself incurred them; provided, however, notwithstanding anything to the contrary contained herein, the Surviving Corporation shall not assume any liability or obligation, contingent, absolute or otherwise, pertaining to the Asbestos Related Claims against the Disappearing Corporation (in accordance with Section 524(g)(3)A)(ii) of the Bankruptcy Code (as more specifically provided in the Reorganization Plan)).

(b) All rights of creditors and all liens upon any property of any of the Constituent Corporations shall be preserved unimpaired, provided that any liens upon the property of the Disappearing Corporation shall be limited to the property affected thereby immediately prior to the Effective Time.

(c) Any action or proceeding pending by or against the Disappearing Corporation may be prosecuted to judgment, which shall bind the Surviving Corporation, or the Surviving Corporation may be proceeded against or substituted in its place.

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SECTION 2.5 Further Assurances. If, at any time after the Effective Date, the Surviving Corporation shall consider or be advised that any deeds, bills of sale, assignments or assurances or any other acts or things are necessary, desirable or proper (i) to vest, perfect or confirm, of record or otherwise, in the Surviving Corporation, its right, title or interest in, to or under any of the rights, properties or assets of the Constituent Corporations acquired or to be acquired as a result of the Merger, or (ii) otherwise to carry out the purposes of this Agreement, the Surviving Corporation and its proper officers and directors or their designees shall be authorized to execute and deliver, in the name and on behalf of the Constituent Corporations, all such deeds, bills of sale, assignments and assurances and do, in the name and on behalf of the Constituent Corporations, all such other acts and things necessary, desirable or proper to vest, perfect or confirm its right, title or interest in, to or under any of the rights, properties or assets of the Constituent Corporations acquired or to be acquired as a result of the Merger and otherwise to carry out the purposes of this Agreement.

SECTION 2.6 Cancellation of Pacific Shares.

(a) At the Effective Time, by virtue of the Merger and without any action on the part of the holder of any of the common stock of Pacific (the "Pacific Shares"), all of the Pacific Shares shall be cancelled without consideration therefor. It is acknowledged and agreed that, immediately prior to the Effective Time: (i) the holders of all of the issued and outstanding Pacific Shares also own all of the issued and outstanding shares of common stock of Thorpe (the "Thorpe Shares"); and (ii) the percentage of the Pacific Shares held by each holder thereof is equal to the percentage of the Thorpe Shares held by such holder.

(b) By virtue of the Merger and without any action on the part of the holder thereof, at the Effective Time each share of Pacific Shares held by Pacific as a treasury share immediately prior to the Effective Time shall be canceled and no payment of any consideration shall be made with respect thereto.

SECTION 2.7 Surrender of Certificates Representing Pacific Shares.

(a) Each holder of a certificate or certificates (the "Certificates") which immediately prior to the Effective Time represented the outstanding shares of Pacific Shares shall surrender to Thorpe such Certificates for cancellation.

(b) In the event any Certificate shall have been lost, stolen or destroyed, each holder of such Certificate shall execute and deliver to Thorpe an affidavit of that fact by the person stating such Certificate to be lost, stolen or destroyed. Thorpe may, in its discretion, require the owner of such lost, stolen or destroyed Certificate to give Thorpe indemnity against, or post a bond for, any claim that may be made against Thorpe with respect to the Certificate alleged to have been lost, stolen or destroyed.

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(c) No party hereto shall be liable to a holder of Pacific Shares for any cash or interest thereon delivered to a public official pursuant to applicable abandoned property, escheat or similar laws.

(d) From and after the Effective Time, the holders of shares of Pacific Shares outstanding immediately prior to the Effective Time shall cease to have any rights with respect to such shares of Pacific Shares, except as otherwise provided herein or by law.

(e) After the Effective Time, there shall be no transfers on the stock transfer books of the Surviving Corporation of any shares of Pacific Shares which were outstanding immediately prior to the Effective Time. If, after the Effective Time, Certificates are presented to the Surviving Corporation, they shall be canceled.

SECTION 2.8 Consummation of Merger. Upon the Effective Date of the Reorganization Plan, or as soon thereafter as practicable, Thorpe and Pacific shall execute and deliver the Agreement of Merger to the Secretary of State of the State of California in substantially the form attached as Exhibit A hereto.

ARTICLE III.
REPRESENTATIONS AND WARRANTIES REGARDING PACIFIC

Pacific hereby represents and warrants to, and covenants and agrees with Thorpe that:

SECTION 3.1 Organization and Good Standing; Authorization.

(a) Pacific has been duly formed and is existing as a corporation in good standing under the laws of the State of California with full corporate power and authority to own and lease its properties and to conduct its business as currently conducted

(b) Pacific has no subsidiaries nor owns or controls, or has any other equity investment or other interest in, directly or indirectly, any corporation, joint venture, partnership, association or other person.

(c) Subject to the Reorganization Plan, Pacific has the corporate power and authority to execute and deliver this Agreement, to consummate the transactions contemplated hereby and to perform its obligations under this Agreement. The execution and delivery by Pacific of this Agreement, and the consummation of the transactions contemplated hereby, have been duly authorized by all necessary corporate action by Pacific. This Agreement, upon its execution and delivery by Pacific (assuming the due authorization, execution and delivery hereof by Thorpe), will constitute the legal, valid and binding obligation of Pacific, enforceable against Pacific in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency

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and similar laws relating to creditors' rights generally and by general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

SECTION 3.2 Capitalization. The authorized capital stock of Pacific consists solely of 10,000,000 shares of Pacific Shares, of which 85,500 are, and on date hereof will be, issued and outstanding. Schedule 3.2 sets forth a complete and accurate list of the holders of shares of Pacific Shares, indicating the number of Shares held by each holder and their respective addresses. All of the issued and outstanding shares of Pacific Shares are duly authorized, validly issued, fully paid, and nonassessable. Other than as set forth on Schedule 3.3, there are no outstanding securities or other instruments convertible into or exchangeable for shares of Pacific Shares and no commitments to issue such securities or instruments and no person has any right of first refusal, preemptive right, subscription right or similar right with respect to any shares of Pacific Shares.

ARTICLE IV.
REPRESENTATIONS AND WARRANTIES OF THORPE

Thorpe hereby represents and warrants to, and covenants and agrees with, Pacific as of the date hereof that:

SECTION 4.1 Organization and Good Standing; Authorization.

(a) Thorpe has been duly formed and is existing as a corporation in good standing under the laws of the State of California with full corporate power and authority to own and lease its properties and to conduct its business as currently conducted.

(b) Thorpe has no subsidiaries nor owns or controls, or has any other equity investment or other interest in, directly or indirectly, any corporation, joint venture, partnership, association or other person.

(c) Subject to the Reorganization Plan, Thorpe has the corporate power and authority to execute and deliver this Agreement, to consummate the transactions contemplated hereby and to perform its obligations under this Agreement. The execution and delivery by Thorpe of this Agreement, and the consummation of the transactions contemplated hereby, have been duly authorized by all necessary corporate action by Thorpe. This Agreement, upon its execution and delivery by Thorpe (assuming the due authorization, execution and delivery hereof by Pacific), will constitute the legal, valid and binding obligation of Thorpe, enforceable against Thorpe in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency and similar laws relating to creditors' rights generally and by general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

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SECTION 4.2 Capitalization. The authorized capital stock of Thorpe consists solely of 100,000 Thorpe Shares, of which 8,550 Thorpe Shares are, and on date hereof will be, issued and outstanding. Schedule 4.2 sets forth a complete and accurate list of the holders of Thorpe Shares, indicating the number of Thorpe Shares held by each holder and their respective addresses. All of the issued and outstanding Thorpe Shares are duly authorized, validly issued, fully paid, and nonassessable. Other than as set forth on Schedule 3.3, there are no outstanding securities or other instruments convertible into or exchangeable for Thorpe Shares and no commitments to issue such securities or instruments and no person has any right of first refusal, preemptive right, subscription right or similar right with respect to any Thorpe Shares.

ARTICLE V.
ADDITIONAL COVENANTS

SECTION 5.1 Expenses. Except as otherwise specifically provided herein, each party to this Agreement shall bear its own direct and indirect expenses incurred in connection with the negotiation and preparation of this Agreement and the consummation and performance of the transactions contemplated hereby.

SECTION 5.2 Further Assurances.

(a) Subject to the terms and conditions of this Agreement, each of the parties hereto agrees to use all reasonable efforts to take, or cause to be taken, all action, and to do, or cause to be done, all things necessary, proper or advisable under applicable laws, to consummate and make effective the transactions contemplated by this Agreement.

(b) If at any time after the date hereof any further action is necessary or desirable to carry out the purposes of this Agreement, Pacific or the proper officers or directors, as applicable, of Pacific or Thorpe, as the case may be, shall take or cause to be taken all such necessary or convenient action and execute, and deliver and file, or cause to be executed, delivered and filed, all necessary or convenient documentation.

ARTICLE VI.
TERMINATION, AMENDMENT AND WAIVER

SECTION 6.1 Termination. This Agreement may be terminated at any time by mutual consent of all of the parties hereto.

SECTION 6.2 Effect of Termination.

(a) In the case of any termination of this Agreement, the provisions of Sections 5.1 and 5.2 shall remain in full force and effect.

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(b) Upon termination of this Agreement as provided in Section 6.1(a), this Agreement shall forthwith become void and there shall be no liability or obligation on the part of any party hereto or their respective directors, officers, employees, agents or other representatives.

SECTION 6.3 Amendment. This Agreement may be amended only by a written instrument executed by each of the parties hereto. Any amendment effected pursuant to this Section 6.3 shall be binding upon all parties hereto.

SECTION 6.4 Waiver. Any term or provision of this Agreement may be waived in writing at any time by the party or parties entitled to the benefits thereof. Any waiver effected pursuant to this Section 6.4 shall be binding upon all parties hereto. No failure to exercise and no delay in exercising any right, power or privilege shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege preclude the exercise of any other right, power or privilege. No waiver of any breach of any covenant or agreement hereunder shall be deemed a waiver of any preceding or subsequent breach of the same or any other covenant or agreement. The rights and remedies of each party under this Agreement are in addition to all other rights and remedies, at law or in equity, that such party may have against the other parties.

ARTICLE VII.
GENERAL PROVISIONS

SECTION 7.1 Notices. All notices and other communications under or in connection with this Agreement shall be in writing and shall be deemed given (a) if delivered personally, upon delivery, (b) if delivered by registered or certified mail (return receipt requested), upon the earlier of actual delivery or three (3) days after being mailed, or (c) if given by facsimile, upon confirmation of transmission by facsimile, in each case to the parties at the following addresses:

(a) If to Thorpe, addressed to:

Thorpe Insulation Company
2741 South Yates Avenue
Los Angeles, CA 90040
Facsimile: (323) 728-5489
Attention: Robert W. Fults

With a copy to:

Pachulski, Stang, Ziehl & Jones, LLP
10100 Santa Monica Blvd.
Los Angeles, CA 90067
Facsimile: (310) 201-0760
Attention: Jeremy V. Richards, Esq.

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(b) If to Pacific, addressed to:

Pacific Insulation Company
2741 South Yates Avenue
Los Angeles, CA 90040
Facsimile: (323) 728-5489
Attention: Robert W. Fults

With a copy to:

Clark & Trevithick
800 Wilshire Blvd., 12th Floor
Los Angeles, CA 90017
Facsimile: (213) 624-9441
Attention: John A. Lapinski, Esq.

SECTION 7.2 Severability. If any term or provision of this Agreement or the application thereof to any circumstance shall, in any jurisdiction and to any extent, be invalid or unenforceable, such term or provision shall be ineffective as to such jurisdiction to the extent of such invalidity or unenforceability without invalidating or rendering unenforceable such term or provision in any other jurisdiction, the remaining terms and provisions of this Agreement or the application of such terms and provisions to circumstances other than those as to which it is held invalid or enforceable.

SECTION 7.3 Entire Agreement. Except as specifically set forth herein, this Agreement, including the annexes and schedules attached hereto and other documents referred to herein, contain the entire understanding of the parties hereto in respect of their subject matter and supersede all prior and contemporaneous agreements and understandings, oral and written, among the parties with respect to such subject matter.

SECTION 7.4 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of each of the parties hereto and their respective successors, heirs and assigns; provided, however, that no party may assign either this Agreement or any of its rights, interests or obligations hereunder in whole or in part without the prior written consent of the other parties hereto (other than to the Surviving Corporation as a result of the Merger), and any such transfer or assignment without said consent shall be void, ab initio. Subject to the immediately preceding sentence, this Agreement is not intended to benefit, and shall not run to the benefit of or be enforceable by, any other person or entity other than the parties hereto and their permitted successors and assigns.

SECTION 7.5 Counterparts. This Agreement and any other agreement (or document) delivered pursuant hereto may be executed in one or more counterparts and by different parties in separate counterparts (including by facsimile), each of which shall be deemed an original, but all such counterparts together shall constitute but one

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and the same agreement and shall become effective when one or more counterparts of this Agreement have been signed by each party (including by facsimile) and delivered to the other party.

SECTION 7.6 Governing Law. This Agreement shall be governed by and construed in accordance with the internal laws (and not the law of conflicts) of the State of California.

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed as of the date first above written.

THORPE INSULATION COMPANY,
a California corporation

By: _____
Name: Robert W. Fults
Title: President

PACIFIC INSULATION COMPANY,
a California corporation

By: _____
Name: Robert W. Fults
Title: President

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Exhibit A

Agreement of Merger

Please see attached.

DISCLOSURE SCHEDULES

to

AGREEMENT AND PLAN OF MERGER

(the "Agreement")

Between

THORPE INSULATION COMPANY

and

PACIFIC INSULATION COMPANY

October 22, 2010

Capitalized terms used but not otherwise defined herein shall have the respective meanings set given to such terms as forth in the Agreement. These Disclosure Schedules are being delivered by Thorpe and Pacific pursuant to the provisions of the Agreement. Information set forth in these Disclosure Schedules shall be considered to be disclosure both with respect to the section of the Agreement to which the individual schedule corresponds and to all other articles or sections of this Agreement, irrespective of whether any cross reference is made.

Schedule 3.2 – Capitalization - Shareholders of Pacific Insulation Company

Eric Fults	45,300 shares of common stock of Pacific
David Fults	40,200 shares of common stock of Pacific

Schedule 3.3 – Capitalization – Other Equity Interests

None

Schedule 4.2 – Capitalization - Shareholders of Thorpe Insulation Company

Eric Fults	4,530 shares of common stock of Thorpe
David Fults	4,020 shares of common stock of Thorpe

Schedule 4.3 – Capitalization – Other Equity Interests

The interests being granted to Thorpe Insulation Company Asbestos Settlement Trust (the "Trust") in connection with that certain Reorganized Debtor Stock Pledge Agreement dated as of the date written above, by and between the Trust and the shareholders of Thorpe.

533194.2 (P06785.001)

EXHIBIT K

REORGANIZED DEBTOR PROMISSORY NOTE

COPY

REORGANIZED DEBTOR PROMISSORY NOTE

$750,000 Los Angeles, California October 22, 2010

FOR VALUE RECEIVED, the receipt of which is hereby acknowledged, Pacific Insulation Company, a California corporation, successor by merger to the former Thorpe Insulation Company and Pacific Insulation Company, and reorganized debtor under and pursuant to that certain confirmed Joint Plan Of Reorganization Of Thorpe Insulation Company And Pacific Insulation Company dated February 1, 2008 ("Plan"), in the United States Bankruptcy Court for the Central District of California, Case No. 2:07-17271 BB, Jointly Administered with Case No. 2:07-20016 BB ("Maker"), promises to pay to the Thorpe Insulation Company Asbestos Settlement Trust ("Payee" or "Holder"), at Reno, Nevada, or at such other place as the Holder of this Note may from time to time designate in writing, the principal sum of **SEVEN HUNDRED FIFTY THOUSAND AND 00/100 DOLLARS ($750,000.00)** together with interest thereon, subject to terms and condition herein contained.

I. Payment. The principal payments shall be payable in annual installments of One Hundred Fifty Thousand Dollars ($150,000.00).

II. Interest. The outstanding principal amount of this Note shall bear interest at a rate per annum which shall be 3% above the discount rate established by Federal Reserve Bank of San Francisco in effect on the Confirmation Date of the Plan as defined therein, and such interest shall be payable annually in arrears with the principal payments. Interest shall be computed on the basis of the actual number of days elapsed in the period during which interest accrues and a year of three hundred sixty (360) days.

III. Payment Date. The annual installment payment for principal and interest shall be due on June 30 of each year commencing with June 30, 2011.

IV. Maturity Date. All outstanding principal and accrued interest, and all other fees and charges payable hereunder, unless previously accelerated by reason of default or breach, and if not sooner paid, shall be immediately due and payable on October 22, 2016.

V. Prepayments. Maker may prepay the principal in whole or in part at any time without penalty. No partial payment shall extend or postpone the due date of any subsequent payment or change the amount of such payment.

VI. Business Loss Allocation Offset. To the extent any amounts may be due and outstanding by the Holder to the Maker on account of the Business Loss Allocation as defined in the Plan, Holder shall credit such amounts to Maker's obligations hereunder, to be applied first to any accrued unpaid interest, then to principal, and any balance to any costs of collection owing hereunder.

VII. Partial Invalidity. If any provision or any word, terms, or part of any provision of this Note is deemed to be invalid for any reason, the same shall be ineffective but the remainder of this Note and of the provisions shall not be affected and shall remain in full force and effect.

VIII. Security. This Note is secured by the Reorganized Debtor Stock Pledge Agreement of even date.

IX. Modifications. No waiver or modification of any of the terms or provision of the Note shall be valid or binding unless set forth in a writing signed by Payee and a duly authorized officer of Maker, and then only to the extent therein specifically set forth.

X. Assignments. This Note may not be assigned by either Holder or Maker without the express written consent of the other.

XI. Acceleration Upon Monetary Default. Upon and after the occurrence of a failure by Maker to make any payment of principal or interest in full on the applicable payment date hereunder, unless such default is expressly waived in writing by Payee, all amounts outstanding under this Note, including without limitation all principal and accrued interest, may, at the option of the Payee, be declared immediately due and payable in full, if such default is not cured within ten (10) days written notice by Payee to Maker to such effect.

XII. Acceleration Upon Non-Monetary Default. Upon and after the occurrence of a non-monetary default or breach by maker hereunder, unless such default or breach is expressly waived in writing by Payee, all amounts outstanding under this Note, including without limitation principal and accrued interest may, at the option of the Payee, be declared immediately due and payable in full, if such default is not cured within thirty (30) days written notice by Payee to Maker to such effect.

XIII. Acceleration Upon Bankruptcy. The amount owing under this Note shall be immediately accelerated upon the filing of either a voluntary or involuntary bankruptcy filing by or against Maker, the reorganized debtor.

XIV. Waiver of Demand, Presentment, Protest. Upon and after the occurrence of a default or breach by Maker hereunder that has not been timely cured after application of the provisions of Sections 11, 12, and 13 hereof, Holder may declare the Note, all interest thereon, and all other amounts payable hereunder to be forthwith due and payable, whereupon all such amounts shall become and be forthwith due and payable, without presentment, demand for payment, protest, notice of protest, dishonor, dishonor in payment, notice of dishonor, or further notice of any kind, all of which are hereby expressly waived by the Maker.

XV. Time of Essence. Time is of the essence with respect to every provision hereof.

XVI. Costs of Collection. Maker shall pay all costs, expenses, and reasonable attorneys' fees and expenses incurred by the Holder hereof in the exercise of any remedy (with or without litigation), in any proceeding for the enforcement of the Note or collection of indebtedness hereunder, whether or not any legal action or proceeding is filed, or in any litigation or controversy arising from or connected with this Note, and including without limitation in any future bankruptcy case initiated by or against Maker.

XVII. Governing Law; Consent to Jurisdiction; Venue. This Note shall be governed by and construed in accordance with the laws of the State of California (without giving effect to the conflict of law provisions of such State). Maker, and Payee by accepting this Note, each

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irrevocably consent to the jurisdiction of any federal or state court located in Los Angeles, California in which any action, suit or proceeding is brought arising under or for collection of this Note.

"Maker"

PACIFIC INSULATION COMPANY, a California corporation and the Reorganized Debtor

By: _____
Robert W. Pults
President

EXHIBIT L

REORGANIZED DEBTOR EARNOUT PROMISSORY NOTE

COPY

REORGANIZED DEBTOR EARNOUT PROMISSORY NOTE

$500,000 Los Angeles, California October 22, 2010

FOR VALUE RECEIVED, the receipt of which is hereby acknowledged, Pacific Insulation Company, a California corporation, successor by merger to the former Thorpe Insulation Company and Pacific Insulation Company, and reorganized debtor under and pursuant to that certain confirmed Joint Plan Of Reorganization Of Thorpe Insulation Company And Pacific Insulation Company dated February 1, 2008 ("Plan"), in the United States Bankruptcy Court for the Central District of California, Case No. 2:07-17271 BB, Jointly Administered with Case No. 2:07-20016 BB ("Maker"), promises to pay to the Thorpe Insulation Company Asbestos Settlement Trust ("Payee" or "Holder"), at Reno, Nevada, or at such other place as the Holder of this Note may from time to time designate in writing, the principal sum of **FIVE HUNDRED THOUSAND AND 00/100 DOLLARS ($500,000)** together with interest thereon, subject to terms and condition herein contained.

I. Payment. The principal payments shall be payable in annual installments equal to fifty percent (50%) of annual profits earned by Maker, but not to exceed Fifty Thousand Dollars ($50,000.00) in any one year.

II. Annual Profits. Annual profits are defined as net profits. Net profits are defined as the excess of all revenues over all expenses for a given fiscal year, calculated on the basis of generally accepted accounting principles consistently applied. For purposes hereof, expenses include all costs incurred in the operation of Maker's business, including, but not limited to, taxes, as well as depreciation and other non-cash expenses.

III. Interest. The outstanding principal amount of this Notice shall bear interest at a rate per annum which shall be 3% above the discount rate established by Federal Reserve Bank of San Francisco in effect on the Confirmation Date of the Plan as defined therein, and such interest shall be payable annually in arrears with the principal payments. Interest shall be computed on the basis of the actual number of days elapsed in the period during which interest accrues and a year of three hundred sixty (360) days.

IV. Payment Date; Delivery of Financial Statement. The annual installment payment for principal and interest shall be due on November 15 of each year, commencing with November 15, 2011. Profits shall be calculated as of the end of the Maker's fiscal year most recently completed prior to the payment date and Maker shall deliver to Holder a copy of its financial statements for such fiscal year together with the annual installment payment. Maker may not change the designation of its fiscal year from that in effect as of the Confirmation Date without express written consent of the Holder hereof.

V. Maturity Date. All outstanding principal and accrued interest, and all other fees and charges payable hereunder, unless previously accelerated by reason of default or breach, and if not sooner prepaid, shall be immediately due and payable on November 15, 2021.

VI. Prepayments. Maker may prepay the principal in whole or in part at any time without penalty. No partial payment shall extend or postpone the due date of any subsequent payment or change the amount of such payment.

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VII. Partial Invalidity. If any provision or any word, terms, or part of any provision of this Note is deemed to be invalid for any reason, the same shall be ineffective but the remainder of this Note and of the provisions shall not be affected and shall remain in full force and effect.

VIII. Modifications. No waiver or modification of any of the terms or provision of the Note shall be valid or binding unless set forth in a writing signed by a duly authorized officer of Payee and a duly authorized officer of Maker, and then only to the extent therein specifically set forth.

IX. Assignments. This Note may not be assigned by either Holder or Maker without the express written consent of the other.

X. Acceleration Upon Monetary Default. Upon and after the occurrence of a failure by Maker to make any payment of principal or interest in full on the applicable payment date hereunder, unless such default is expressly waived in writing by Payee, all amounts outstanding under this Note, including without limitation all principal and accrued interest, may, at the option of the Payee, be declared immediately due and payable in full, if such default is not cured within ten (10) days written notice by Payee to Maker to such effect.

XI. Acceleration Upon Non-Monetary Default. Upon and after the occurrence of a non-monetary default or breach by maker hereunder, unless such default or breach is expressly waived in writing by Payee, all amounts outstanding under this Note, including without limitation principal and accrued interest may, at the option of the Payee, be declared immediately due and payable in full, if such default is not cured within thirty (30) days written notice by Payee to Maker to such effect.

XII. Acceleration Upon Bankruptcy. The amount owing under this Note shall be immediately accelerated upon the filing of either a voluntary or involuntary bankruptcy filing by or against Maker, the reorganized debtor.

XIII. Waiver of Demand, Presentment, Protest. Upon and after the occurrence of a default or breach by Maker hereunder that has not been timely cured after application of the provisions of Sections 10, 11, and 12 hereof, Holder may declare the Note, all interest thereon, and all other amounts payable hereunder to be forthwith due and payable, whereupon all such amounts shall become and be forthwith due and payable, without presentment, demand for payment, protest, notice of protest, dishonor, dishonor in payment, notice of dishonor, or further notice of any kind, all of which are hereby expressly waived by the Maker.

XIV. Time of Essence. Time is of the essence with respect to every provision hereof.

XV. Costs of Collection. Maker shall pay all costs, expenses, and reasonable attorneys' fees and expenses incurred by the Holder hereof in the exercise of any remedy (with or without litigation), in any proceeding for the enforcement of the Note or collection of indebtedness hereunder, whether or not any legal action or proceeding is filed, or in any litigation or controversy arising from or connected with this Note, and including without limitation in any future bankruptcy case initiated by or against Maker.

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XVI. Governing Law; Consent to Jurisdiction; Venue. This Note shall be governed by and construed in accordance with the laws of the State of California (without giving effect to the conflict of law provisions of such State). Maker, and Payee by accepting this Note, each irrevocably consent to the jurisdiction of any federal or state court located in Los Angeles, California in which any action, suit or proceeding is brought arising under or for collection of this Note.

"Maker"

PACIFIC INSULATION COMPANY, a California corporation and the Reorganized Debtor

By: _____
Robert W. Hults
President

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EXHIBIT M

REORGANIZED DEBTOR STOCK PLEDGE AGREEMENT

REORGANIZED DEBTOR STOCK PLEDGE AGREEMENT

THIS REORGANIZED DEBTOR STOCK PLEDGE AGREEMENT ("Pledge") is made and entered into as of October 22, 2010, by and between the THORPE INSULATION COMPANY ASBESTOS SETTLEMENT TRUST ("Pledgee"), on the one hand, and ERIC W. FULTS and DAVID FULTS (each a "Pledgor" and collectively "Pledgors"), on the other hand.

RECITALS

A. Pledgors own 100% of the issued and outstanding common stock of Pacific Insulation Company, a California corporation, successor by merger to the former Thorpe Insulation Company and Pacific Insulation Company, and reorganized debtor ("Pacific") under and pursuant to that certain confirmed Joint Plan Of Reorganization Of Thorpe Insulation Company And Pacific Insulation Company dated February 1, 2008 ("Plan"), in the United States Bankruptcy Court for the Central District of California, Case No. 2:07-17271 BB, Jointly Administered with Case No. 2:07-20016 BB.

B. Under the terms of the Plan, Pacific executed and delivered to Pledgee the following: (i) that certain Reorganized Debtor Promissory Note, dated as of even date herewith, in the principal amount of $750,000; and (ii) that certain Reorganized Debtor Earnout Promissory Note, dated as of even date herewith, in the principal amount of $500,000 (collectively, the "Notes").

C. Pursuant to 11 U.S.C. § 524(g) and the Plan, Pledgors are required to pledge 4,360.50 shares of the common stock, par value $1.00 per share, of Pacific (the "Pledged Shares") to the Pledgee as security for the Note obligations under the Notes.

D. Pledgors hereby desire to pledge the Pledged Shares to Pledgee and Pledgee desires that the Pledged Shares be pledged to it on the terms and subject to the conditions set forth herein.

TERMS AND CONDITIONS

NOW, THEREFORE, the parties hereto agree as follows:

1. Pledge. Pledgors grant to Pledgee a security interest in all of their right, title and interest in an to the Pledged Shares, and assign and pledge to Pledgee the Pledged Shares to be held as security for the performance of the obligations of Pacific under the Notes. Pledgors further grant to Pledgee a security interest in the proceeds or products of any sale or other disposition of the Pledged Shares and any stock rights, rights to subscribe, liquidating events, dividends paid in stock, new securities or any other property to which any Pledgor is or may hereafter become entitled to receive on account of the Pledged Shares. Pledgors agree that, from time to time, at their expense, each and all of them will promptly execute and deliver all further instruments and documents and take all further action that may be necessary or desirable, or that Pledgee may request, in order to perfect and protect any security interest granted hereby or to enable Pledgee to exercise and enforce its rights and remedies hereunder with respect to the Pledged Shares or to carry out the provisions and purposes hereof. Pledgors warrant and

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represent that at all times the Pledged Shares shall constitute not less than 51% of all issued and outstanding stock of Pacific.

2. Term. The Pledgee shall hold the Pledged Shares, and a stock assignment separate from certificate executed by each Pledgor in blank, until the Notes have been paid in full (whether at the stated maturity or upon acceleration or when otherwise due and payable) or until Pledgee exercises its right to take delivery of the Pledged Shares as described in Section 6 hereof, whichever is the first to occur.

3. Voting of the Pledged Shares. As long as no event of default has occurred and is continuing, at all meetings of shareholders of Pacific or with respect to any action taken or proposed to be taken pursuant to the written consent of the shareholders of Pacific, held or taken at any time during the term of this Pledge and prior to the occurrence of any event of default as defined in Section 5 hereof, the Pledged Shares may be voted by Pledgors as they see fit, provided that no vote shall be cast or consent, waiver or ratification given or action taken which would impair Pledgee's interest in the Pledged Shares or violate any provisions of this Pledge or the Notes (including, without limitation, adding super majority voting rights for approval of actions to be taken on behalf of Pacific).

4. Limitations on Issuance and Transfer of Shares. Pacific shall not issue any additional shares of stock of any class that would dilute the ownership interest in Pacific represented by the Pledged Shares to less than 51% of the total ownership interest. Neither Pacific nor any Pledgor shall sell, transfer, lien, pledge, or otherwise dispose of any shares of stock of any class in Pacific to anyone without express written consent of Pledgee, and any such transfer consented to shall be upon the condition that transferee first assume in writing all of Pledgor's agreements and obligations under, and become a party to, this Pledge.

5. Redelivery of Pledged Shares to Pledgors. Pledgee shall hold the Pledged Shares and shall deliver them as follows: Within 10 calendar days after Pacific pays all principal and interest due under the Notes and any other fees and charges payable thereunder, Pledgee shall return the Pledged Shares to Pledgors, together with the stock assignment separate from certificate marked "cancelled", and this Pledge shall terminate.

6. Event of Default. An event of default under this Pledge shall occur when there is a breach by Pacific or any Pledgor as the case may be, with respect to any agreement, covenant, representation or warranty contained in the Notes, which Pacific or any Pledgor, as the case may be, refuses or fails to cure within 30 days after written notice is delivered by Pledgee to such breaching party.

7. Pledgee's Rights. If there is an event of default under Section 5 hereof, then Pledgee may at its option sell the Pledged Shares in any manner provided by law, as a whole or in parcels, from time to time at the discretion of Pledgee, at a public or private sale, upon legal notice, and at any such public or private sale or sales, Pledgee may purchase any or all of the Pledged Shares and, in addition, Pledgee shall have all rights and remedies accorded it under Division 8 and Division 9 of the California Commercial Code. Pledgors also authorize Pledgee, acting as Pledgors' attorney-in-fact, at any time and from time to time, to execute, in connection with any sale provided for herein, any endorsements, assignments or other

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instruments of conveyance or transfer with respect to the Pledged Shares. All authorizations and agencies herein contained with respect to the Pledged Shares are powers coupled with an interest and are irrevocable. The remedies granted to Pledgee in this Pledge are not exclusive and it is expressly understood that any remedies granted to Pledgee pursuant to this Section 6 are cumulative and in addition to remedies now or hereafter permitted by law.

8. General Provisions.

8.1. Governing Law; Consent to Jurisdiction; Venue. This Agreement shall be governed by and construed in accordance with the laws of the State of California (without giving effect to the conflict of law provisions of such State). The parties hereto each irrevocably consent to the jurisdiction of any federal or state court located in Los Angeles, California in which any action, suit or proceeding is brought arising under this Agreement.

8.2. Notices. All notices, requests, demands and other communications called for or contemplated hereunder shall be in writing and shall be deemed to have been fully given when personally delivered or when mailed by United States certified or registered mail postage prepaid, overnight express, or electronic mail, addressed to the following parties, their successors-in-interest, or their permitted assignees at the following addresses, or at such other addresses as the parties may designate by written notice in the manner aforesaid.

If to Pledgee:	Thorpe Insulation Company Asbestos Settlement Trust P.O. Box 3397 Reno, NV 89505 Attention: Dr. Sandra R. Hernandez Attention: John F. Luikart Facsimile: (775) 325-6200
With a copy to:	Jones Vargas 100 West Liberty St., Twelfth Floor Reno, NV 89501 Attention: John P. Sande, III Facsimile: (702) 737-7705
If to Pledgors:	Eric W. Fults 2741 South Yates Ave. Los Angeles, CA 90040 Email: efults@farwestinsulation.com
With a copy to:	John A. Lapinksi, Esq. Clark & Trevithick 800 Wilshire Blvd., 12th Floor Los Angeles, CA 90017 Email: jlapinski@clarktrev.com

8.3. Assignment. This Pledge shall not be assigned without the express written consent of all parties hereto.

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8.4. Remedies. None of the remedies provided for herein is intended to be exclusive, and each party shall have all other remedies now or hereafter existing at law or in equity or by statute or otherwise, and the election of any one or more remedies shall not constitute a waiver of the right to pursue other available remedies.

8.5. Time of Essence. Time is of the essence with respect to every provision hereof.

8.6. Costs of Collection. Pledgors shall pay all costs, expenses, and reasonable attorneys' fees and expenses incurred by Pledgee in the exercise of any remedy (with or without litigation), in any proceeding for the enforcement of this Pledge, whether or not any legal action or proceeding is filed, or in any litigation or controversy arising from or connected with this Pledge, and including without limitation in any future bankruptcy case initiated by or against Pledgors (or any of them). Pledgors shall be jointly and severally liable for the charges provided for under this provision.

8.7. Entire Agreement. This Pledge and the Exhibits specially referred to herein or required to be delivered pursuant to the terms hereof represent the entire agreement of the parties hereto with respect to the subject matter hereof superseding all prior agreements, understanding, discussions, negotiations and commitments of any kind. This Pledge may not be amended or supplemented, nor may any rights hereunder be waived, except in a writing signed by each of the parties affected thereby.

8.8. Section Headings. The Section headings in this Pledge are included for convenience only, are not a part of this Pledge and shall not be used in construing it.

8.9. Severability. In the event that any provision or any part of any provision of this Pledge is held to be illegal, invalid or unenforceable such illegality, invalidity or unenforceability shall not affect the validity of enforceability of any other provisions or part hereof.

8.10. Counterparts. This Pledge may be executed in one or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

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IN WITNESS WHEREOF, the parties hereto have duly executed this Pledge as of the date first above written.

"Pledgors"

Eric W. Fults

David Fults

"Pledgee"

THORPE INSULATION COMPANY
ASBESTOS SETTLEMENT TRUST

By:_____
Its:_____

IN WITNESS WHEREOF, the parties hereto have duly executed this Pledge as of the date first above written.

"Pledgors"

Eric W. Fults

David Fults

"Pledgee"

THORPE INSULATION COMPANY
ASBESTOS SETTLEMENT TRUST

By:_____
Dr. Sandra Hernandez
Trustee

By:_____
John F. Luikart
Trustee

IN WITNESS WHEREOF, the parties hereto have duly executed this Pledge as of the date first above written.

"Pledgors"

"Pledgee"

THORPE INSULATION COMPANY
ASBESTOS SETTLEMENT TRUST

_____
Eric W. Fults

_____
David Fults

By:_____
Dr. Sandra Hernandez
Trustee

By:_____
John F. Luikart
Trustee

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EXHIBIT N

CENTURY SETTLEMENT AGREEMENT

SETTLEMENT AGREEMENT, BUY BACK OF INSURANCE POLICIES AND RIGHTS, RELEASE OF CLAIMS AND COVENANT NOT TO SUE

This Settlement Agreement, Buy Back of Insurance Policies And Rights, Full And Mutual Releases of Claims, and Covenant Not to Sue ("**Agreement,**" as defined below) is made this 14th day of ~~August~~ December 2012, by and between:

Thorpe Insulation Company ("**Thorpe,**" for itself and as successor by merger to Pacific Insulation Company ("**Pacific Insulation**")), Thorpe Insulation Company Asbestos Settlement Trust ("**Thorpe Trust**"), Farwest Insulation Contracting ("**Farwest**"), Bayshore Partners, LLC ("**Bayshore**"), Robert W. and Debra Fults, Linda E. Fults, Eric W. and Vicky Fults, and David A. and Stacie Fults (collectively the "**Fults Family**") (collectively the "**TPFBF Parties**"), on the one hand;

and

Century Indemnity Company, successor to Cigna Specialty Insurance Company f/k/a California Union Insurance Company ("**Cal Union**"), Central National Insurance Company of Omaha ("**Central National**"), and Motor Vehicle Casualty Company ("**Motor Vehicle**") (hereinafter collectively "**Century Insurers**") on the other hand.

The Parties to this Agreement are referred to collectively as the "**Parties**" or individually as a "**Party.**"

RECITALS

Insurance Policies And Claims

WHEREAS, the Century Insurers are alleged to have issued certain insurance policies to Thorpe (the "**Subject Insurance Policies,**" as defined below);

WHEREAS, the TPFBF Parties contend that the Subject Insurance Policies obligate Century Insurers to defend, reimburse defense costs, and indemnify certain of the TPFBF Parties for certain asbestos bodily injury claims and demands ("**Asbestos Bodily Injury Claims,**" as defined below) and have sought defense of and indemnification for such liabilities against the Century Insurers and "**Certain Insurers**," as defined below;

WHEREAS, the Century Insurers have reserved their rights under the Subject Insurance Policies;

WHEREAS, in an effort to obtain an adjudication of their rights and obligations under the Subject Insurance Policies (the "**Insurance Claims**"), Thorpe and some of the Certain Insurers initiated actions in California captioned: *Thorpe Insulation Company v. Allstate Insurance Company, et al.*, No. CGC-05-446 682 (California Superior Court, County of San Francisco), *Chicago Insurance Company, et al. v. Allstate Insurance Company, et al.*, No. BC343014 (California Superior Court, County of Los Angeles), *Chicago Insurance Company v. Pacific Insulation Company, et al.*, No. BC346667 (California Superior Court, County of Los Angeles), which were coordinated before the California Superior Court, County of Los Angeles,

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in *In Re Thorpe Asbestos Coverage Cases*, Judicial Council Coordinated Proceeding No. 4458 (collectively, "**Declaratory Judgment Actions**");

WHEREAS, a separate proceeding was initiated as a Wellington Arbitration to determine the rights of Thorpe and Cal Union under a policy allegedly issued by Cal Union ("**the Wellington Arbitration**");

WHEREAS, Central National and Motor Vehicle are defendants and cross-defendants in the Declaratory Judgment Actions and Cal Union is a party to the Wellington Arbitration;

WHEREAS, Cal Union, Central National and Motor Vehicle have denied, and continue to deny, all substantive allegations and Insurance Claims asserted against them in the Declaratory Judgment Actions and Wellington Arbitration;

The Bankruptcy Case

WHEREAS, Thorpe and Pacific Insulation filed the **Bankruptcy Case** (as defined below) in order to confirm a plan of reorganization that (a) provides protections pursuant to sections 524(g) and 105(a) of the Bankruptcy Code, among others, against the assertion of Asbestos Bodily Injury Claims and Contribution Claims (as defined below) for certain protected parties, and (b) establishes the Thorpe Trust;

WHEREAS, on October 25, 2007, the United States Trustee for the Central District of California appointed in the Bankruptcy Case an Official Committee of Unsecured Creditors (the "**UCC,**" as defined below), which is comprised of representatives of present "**Claimants**" (as defined below), including those who have asserted Asbestos Bodily Injury Claims;

WHEREAS, on December 20, 2007, the Bankruptcy Court appointed Charles B. Renfrew as the legal representative of persons who may assert Asbestos Bodily Injury Claims in the future (the "**Future Claimants' Representative**" or "**FCR,**" as defined below, and collectively with Thorpe and the UCC "**Plan Proponents**")));

WHEREAS, on December 28, 2009, Plan Proponents filed the Fifth Amended Joint Plan of Reorganization of Thorpe Insulation Company and Pacific Insulation Company [Dkt. No. 2539] (the "**Plan**") in the Bankruptcy Case;

WHEREAS, on February 1, 2010, the Bankruptcy Court entered its Order Confirming Fifth Amended Joint Plan of Reorganization of Thorpe Insulation Company and Pacific Insulation Company [Dkt. No. 2611] (the "**Confirmation Order,**" as defined below) in the Bankruptcy Case;

WHEREAS, on September 21, 2010, the District Court entered its Order and Opinion Affirming Plan Confirmation and § 524(g) Injunction [Dkt. No. 86] (the "**Affirmance Order**");

WHEREAS, Thorpe contends that, on October 22, 2010, the Plan Effective Date occurred, and among other things, the Thorpe Trust was established, the § 524(g) Injunctions provided for in the Plan became effective, Pacific Insulation merged into Thorpe, and the property of the bankruptcy estates was vested in the Thorpe Trust and Thorpe respectively;

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WHEREAS, on January 24, 2012, the United States Court of Appeals for the Ninth Circuit entered its opinion and judgment in Certain Insurers' appeal from the Confirmation Order and the Affirmance Order Case No. 10-56543 (Dkt. No. 73-1) (as subsequently modified on rehearing, the "**Ninth Circuit Ruling**");

WHEREAS, the Parties disagree about the import and effect of the Ninth Circuit Ruling, including its effect on the current status of the Plan, but agree that the result of the Ninth Circuit Ruling is currently-pending proceedings on remand in the Bankruptcy Court in respect of the Plan, which remains subject to modification in accordance with the terms of the Ninth Circuit Ruling.

This Agreement

WHEREAS, representatives of the FCR, UCC, the TPFBF Parties, and the Century Insurers have met in an effort to resolve all disputes with respect to coverage for Asbestos Bodily Injury Claims under the Subject Insurance Policies;

WHEREAS, the UCC and FCR specifically have negotiated (a) resolution of the dispute over coverage for Asbestos Bodily Injury Claims and (b) the payment provisions in section 2 of this Agreement with the Century Insurers and have determined that those payment provisions provide reasonably equivalent value to the TPFBF Parties for the consideration provided to the Century Insurers;

WHEREAS, the UCC, FCR, TPFBF Parties, and Century Insurers have been advised of all negotiations leading up to this Agreement, have sought legal advice from their attorneys, believe this Agreement is in their respective best interests, and fully and freely consent to this Agreement;

WHEREAS, Thorpe and the Thorpe Trust, in the exercise of their best business judgment, believe that this Agreement is in the best interests of Thorpe and the Thorpe Trust, respectively;

WHEREAS, the Parties reached a settlement in principle and are attempting to memorialize a mutually acceptable settlement agreement;

WHEREAS, by this Agreement, the Parties intend to adopt a full and final settlement that compromises, releases, and terminates all rights of all of the TPFBF Parties and all liabilities and obligations of the Century Insurers arising from or relating to the Subject Insurance Policies, including but not limited to all rights, obligations, and liabilities arising from or relating to any Asbestos Bodily Injury Claims, without further adjudication or trial of any issues of fact or law, except as expressly provided herein;

WHEREAS, the Parties agree that this Agreement shall not: (i) prejudice or waive any of their respective positions in matters with unrelated parties or constitute or be construed as an admission of any fact or liability in the Bankruptcy Case or otherwise; (ii) constitute or be construed as an admission by the Century Insurers of any liability, obligation, or responsibility under the Subject Insurance Policies ("**Insurance Rights**," as defined below); or (iii) prejudice or waive the Parties respective positions about the meaning of words or terms in the Subject

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Insurance Policies, or on any other issues in the Declaratory Judgment Actions or any other action, except as provided herein; and

WHEREAS, this Agreement is entered into by the Parties in good faith and as the result of arms-length negotiations between the Parties.

AGREEMENTS

NOW, THEREFORE, in full consideration of the foregoing and of the mutual agreements contained in this Agreement, and intending to be legally bound, the Parties agree as follows:

1. *Definitions.*

As used in this Settlement Agreement, the following terms shall have the following meanings:

1.1 "**Affiliate**" means an Entity that is an affiliate of, or an Entity that is affiliated with, another specified Entity because it directly or indirectly through one or more intermediaries controls, is controlled by, or is under common control with the other specified Entity.

1.2 "**Agreement**" means this Settlement Agreement, Buy Back of Insurance Policies and Rights, Full and Mutual Release of Claims, and Covenant Not to Sue, as it may be amended or modified from time to time in accordance with its provisions.

1.3 "**Approval Order**" means an order of the "**Bankruptcy Court**," as defined below (a) approving this Agreement (b) effecting the buyback of the Subject Insurance Policies and all rights under those Policies pursuant to this Agreement, free and clear of any and all liens, claims, and interests; (c) imposing a "**Permanent Injunction**" (as defined below) in favor of the Century Entities consistent in all respects with this Agreement together with supporting findings of fact and conclusions of law required under section 524(g)(4)(B)(ii) of the Bankruptcy Code with respect to the Century Entities and identifying the Century Entities by name, or as part of an identifiable group, as Entities to be protected by the Permanent Injunction; (d) requiring that from and after the Settlement Effective Date (and provided that the Settlement Amount has been paid), all Holders of Asbestos Bodily Injury Claims receiving payments from the Thorpe Trust shall provide a release in favor of the Century Entities; (e) causing this Agreement to be binding on the Parties and to inure to their benefit; (f) containing a provision providing that the Court shall have and retain jurisdiction over any proceeding to enforce the provisions of the Approval Order or the Agreement to the fullest extent permitted by applicable law; and (g) making (or if separately entered by the Court, incorporating by reference) findings of fact and conclusions of law required under sections 524(g) and 1129(a) — and, if applicable, under sections 105(a) and 1129(b) — of the Bankruptcy Code. At Thorpe's option,

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some or all of the provisions of the Approval Order may be in a separate order or made a part of the Confirmation Order.

1.4 "**Asbestos Bodily Injury Claims**" means those "**Asbestos-Related Liability Claims**," as defined below,

(a) brought or maintained, or

(b) to be brought or maintained in the future

against one or more of the TPFBF Parties on account of bodily injury, personal injury, or death, including but not limited to:

(1) any such bodily injury, personal injury, or death Claims alleging (a) loss of consortium, wrongful death, or survivorship, and/or (b) proximate, consequential, special, or punitive damages; and

(2) Claims (a) for contribution, reimbursement, indemnity, or subrogation, and (b) under any other legal or equitable theory, based on, arising under, or attributable to the payment of all or any part of any Asbestos-Related Liability Claim.

1.5 "**Asbestos-Related Liability Claims**" means any "**Claim**," as defined below, relating in whole or in part, in fact or by allegation, to asbestos or asbestos-containing products that were or were alleged to have been manufactured, installed, removed, fabricated, sold, supplied, produced, designed, disturbed, released, or in any way at any time held, handled, distributed, marketed, or disposed of by any TPFBF Party, or that had or were alleged to have had anything to do with any TPFBF Party.

1.6 "**Bankruptcy Case**" means cases commenced by the voluntary petitions for relief filed under Chapter 11 of the Bankruptcy Code by Thorpe (as Case No. 07-19271-BB, on October 15, 2007) and Pacific Insulation (as Case No. 07-20016-BB, on October 31, 2007), which were ordered to be jointly administered with all pleadings filed under Case No. 07-19271-BB.

1.7 "**Bankruptcy Court**" means the United States Bankruptcy Court for the Central District of California, Los Angeles Division (Honorable Sheri Bluebond presiding), which is the court where the Bankruptcy Case is pending.

1.8 "**Bayshore**" means Bayshore Partners, LLC, formerly known as Bayshore Group, which was formerly known as Fults Development Co. and (a) each of their parents, (b) each of their past or present Subsidiaries and Affiliates, (c) each of their interests in any joint venture in which they participated, and (d) each of their respective officers, directors, employees, agents, representatives, shareholders, and attorneys, or the successors of any of them, solely in their capacity as such.

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1.9 "**Business Day**" means any day other than a Saturday, Sunday, or day upon which national banks in the city of Los Angeles, California are authorized to be closed.

1.10 "**Century Entities**" means, subject to the provisions of section 1.10(t) below:

(a) Century Indemnity Company, as it exists on the Execution Date;

(b) each of Century Indemnity Company's predecessors, including without limitation Cigna Specialty Insurance Company, formerly known as California Union Insurance Company;

(c) Century Indemnity Company's Subsidiaries and Affiliates, as they exist on the Execution Date;

(d) the Subsidiaries and Affiliates of Century Indemnity Company's parents, as they exist on the Execution Date;

(e) any joint venture in which Century Indemnity Company has participated as of the Execution Date;

(f) Central National Insurance Company of Omaha, as it exists on the Execution Date;

(g) each of Central National Insurance Company of Omaha's predecessors;

(h) Central National Insurance Company of Omaha's Subsidiaries and Affiliates, as they exist on the Execution Date;

(i) the Subsidiaries and Affiliates of Central National Insurance Company of Omaha's parents, as they exist on the Execution Date;

(j) any joint venture in which Central National Insurance Company of Omaha has participated as of the Execution Date;

(k) Motor Vehicle Casualty Company, as it exists on the Execution Date;

(l) each of Motor Vehicle Casualty Company's predecessors;

(m) Motor Vehicle Casualty Company's Subsidiaries and Affiliates, as they exist on the Execution Date;

(n) the Subsidiaries and Affiliates of Motor Vehicle Casualty Company's parents, as they exist on the Execution Date;

(o) any joint venture in which Motor Vehicle Casualty Company has participated as of the Execution Date;

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(p) the successors-in-interest to the policies issued by California Union Insurance Company, Central National Insurance Company, and Motor Vehicle Casualty Company when acting in their capacity as such;

(q) the respective past, present, and future direct and indirect, parents, Subsidiaries, and Affiliates of the Entities identified in Section 1.10 (a)-(r), including the entities listed on Appendix B, when acting in their capacity as such;

(r) all of the officers, directors, employees, agents, representatives, members, and attorneys (including each of their respective successors, assigns, heirs, administrators, or executors) of any of the Entities identified in subsections 1.10 (a)-(r), when acting in their capacity as such;; and

(s) any Entity that acquired or acquires a Century Entity within the scope of subsections 1.10(a) - (r) above, or becomes a successor in interest to such a Century Entity through assignment, merger, or otherwise, but only to the extent that such successor succeeds to that Century Entity's rights and obligations, as they existed on the Execution Date, with respect to the TPFBF Parties.

(t) In the event that any of the Entities described in subsections 1.10(a) – (s) above has any rights or obligations that are independent of and not derivative of such Entity's rights and obligations as they existed on the Execution Date, then such Entity shall not be included within the definition of "Century Entities" for purposes of this Agreement with respect to such independent and non-derivative rights and obligations. Further, "Century Entities" shall not mean or include any other insurer identified as one of the "Certain Insurers" in Section 1.11 herein.

1.11 "**Certain Insurers**" means the following insurers and their successors: Pacific Indemnity Company (Chubb), Fireman's Fund Insurance Company (Allianz), Chicago Insurance Company (Allianz), Continental Insurance Co. (CNA); Harbor Insurance Company (CNA), Transcontinental Insurance Company (CNA), National Fire Insurance Company of Hartford (CNA), Middlesex Mutual Insurance Company/Middlesex Insurance Company (Sentry), Transport Insurance Company, Maine Bonding and Casualty Company, Allstate Insurance Company, Great American, American Centennial, General Insurance Company, National Union Fire Insurance Company of Pittsburgh and Granite State Insurance Company (AIG), Associated International Insurance Company, Argonaut Insurance Company, Westport Insurance Company (Swiss Re), Employers Reinsurance Company (Swiss Re), and any other insurer, excluding the Century Entities, alleged or found to be an insurer of any TPFBF Party.

1.12 **"Channeling Injunction**" means the Section 524(g) Injunction provided for by the Plan or any other Section 524(g) Injunction that is at least as broad and inclusive as to the Century Entities as the Section 524(g) Injunction provided to "Settling Insurance Entities" in the Plan.

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1.13 "**Claim**" means:

(a) a claim as that term is defined in section 101(5) of the Bankruptcy Code;

(b) Demand, as that term is defined below and in section 524(g)(5) of the Bankruptcy Code; or

(c) any claim, assertion of right, complaint, cross-complaint, counterclaim, liability, right, request, allegation, arbitration, mediation, lawsuit, direct action, administrative proceeding, cause of action, suit, action, lien, debt, bill, indemnity, equitable indemnity, right of subrogation, equitable subrogation, injunctive relief, controversy, contribution, exoneration, covenant, agreement, promise, act, omission, trespass, variance, damages, judgment, compensation, set-off, reimbursement, restitution, cost, expense, loss, exposure, execution, attorneys' fee, obligation, order, affirmative defense, writ, demand, inquiry, request, directive, obligation, proof of claim in a bankruptcy proceeding or submitted to a trust established pursuant to section 524(g) of the Bankruptcy Code, government claim or action, settlement, and/or any liability whatsoever,

whether past, present or future, known or unknown, asserted or unasserted, foreseen or unforeseen, fixed or contingent, matured or unmatured, liquidated or unliquidated, direct or indirect, or otherwise consequential,

whether in law, equity, admiralty, or otherwise,

whether compromised, settled, or reduced to a consent judgment,

that exists or may exist now or hereinafter for property damages, compensatory damages, consequential damages, special damages, or punitive damages,

including but not limited to claims for loss of consortium, wrongful death, survivorship, public and private claims, any other right to relief, whether sounding in tort, contract, strict liability, equity, nuisance, trespass, a statutory violation, wrongful entry, eviction, or other invasion of the right of private occupancy of any nature whatsoever.

For avoidance of doubt, Claim includes but is not limited to: (a) any Asbestos Bodily Injury Claim; (b) any Trust Claim, as defined below; (c) any Tort Claim, as defined below; (d) any claim for unfunded defense costs, settlement(s), or judgment(s) that arose prior to the Petition Date; (e) any Direct Action Claim, as defined below; and (f) any Contribution Claim, as defined below.

1.14 "**Claimant**" means the past, present, or future holder of any Claim against any TPFBF Party

1.15 **"Confirmation Order**" means that certain Order Confirming Fifth Amended Joint Plan of Reorganization of Thorpe Insulation Company and Pacific Insulation Company [Dkt. No. 2611] entered February 1, 2010 in the Bankruptcy Case, together with all supporting findings of fact and conclusions of law, as modified by the Approval Order, and as it may be subsequently amended, modified, and affirmed until it becomes a Final Order.

1.16 "**Contribution Claim**" means any Claim by any insurer of any of the TPFBF Parties against any or all of the Century Entities seeking contribution, equitable contribution, indemnity, equitable indemnity, subrogation, equitable subrogation, or relief pursuant to any other legal or equitable theory, arising out of or relating to the payment or defense of all or any part of any Asbestos Bodily Injury Claim that is asserted against one or more of the TPFBF Parties.

1.17 "**Court**" means the Bankruptcy Court or the District Court, as applicable, and as may be necessary to meet the requirements of section 524(g) of the Bankruptcy Code.

1.18 "**Coverage Litigation**" means the Declaratory Judgment Actions, the Wellington Arbitration, and any subsequent litigation, including any adversary proceeding in the Bankruptcy Case, which relates to the availability of insurance coverage for Asbestos Bodily Injury Claims brought against any of the TPFBF Parties or their current or former insurers.

1.19 "**Demand**" means a "demand" as that term is defined in section 524(g)(5) of the Bankruptcy Code.

1.20 "**Direct Action Claim**" means any Claim by any Entity (other than a TPFBF Party) against one or more of the Century Entities based on or arising out of any Claim against one or more of the TPFBF Parties, whether arising by contract, in tort, or under the laws of any jurisdiction, including any statute that gives or is alleged to give a third party a direct cause of action against an insurer.

1.21 "**District Court**" means the United States District Court for the Central District of California.

1.22 "**Entity**" means any person, individual, corporation, partnership, association, limited liability company, joint stock company, joint venture, estate, trust, unincorporated organization, government (including any federal, state, local, or foreign government), any governmental or quasi-governmental body, or any political subdivision, agency, department, board, or instrumentality of any federal, state, local, or foreign government.

1.23 "**Execution Date**" means the earliest date on which this Agreement is signed by all of the Parties and persons contemplated to sign this Agreement.

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1.24 "**Farwest**" means Farwest Insulation Contracting, formerly known as Far West Insulation Contracting, and also formerly known as Tico Group, Inc., and (a) each of their parents, (b) each of their past or present Subsidiaries and Affiliates, (c) each of their interests in any joint venture in which they participated, and (d) each of all of their respective officers, directors, employees, agents, representatives, shareholders, and attorneys, or the successors of any of them, solely in their capacity as such.

1.25 "**FCR**" or "**Future Claimants' Representative**" means Charles B. Renfrew in his capacity as a person appointed by the Court in the Bankruptcy Case pursuant to section 524(g)(4)(B)(i) of the Bankruptcy Code and any successor.

1.26 "**Final Order**" means an order

(a) as from which the time to appeal, petition for certiorari or review, or request re-argument and/or rehearing has expired; and

(b)(1) as from which no appeal, petition for certiorari or review, or request for re-argument or rehearing is pending, or as to which any right to appeal, petition for certiorari or review, or request for re-argument or rehearing shall have been waived in writing in form and substance satisfactory to Thorpe, the Thorpe Trust, the Century Entities and each of their respective counsel; or

(2) in the event that an appeal, petition for certiorari or review, or request for re-argument or rehearing has been sought, then (a) such order shall have been affirmed by the highest court to which it was appealed, (b) certiorari or review shall have been denied, (c) re-argument or rehearing shall have been denied, (d) the time for any further appeal, petition for certiorari or review, and request for re-argument or rehearing shall have expired, and (e) any issues identified for resolution, or further proceedings required, by any ruling on any appeal, petition for certiorari or review, or request for re-argument or rehearing -- including the Ninth Circuit Ruling-- shall be resolved in a Final Order that leaves in place, or results in the issuance of, a Channeling Injunction in favor of the Century Entities;

provided, however, that the possibility that a motion under Rule 60 of the Federal Rules of Civil Procedure or any analogous rule under the Federal Rules of Bankruptcy Procedure (the "**Bankruptcy Rules**") may be filed with respect to such order shall not cause such order not to be a "Final Order."

1.27 **"Instructions Order"** means an order of a court of competent jurisdiction authorizing the Thorpe Trust to enter into this Agreement.

1.28 "**Insurance Rights**" means: (a) the Subject Insurance Policies; (b) any right to or interest in insurance coverage or proceeds relating to the Subject Insurance Policies; and (c) any Claims relating to the Subject Insurance

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Policies that would arise under any theory of law, admiralty, or equity, or under any statutory or other theory.

1.29 "**Pacific Insulation**" means the former Pacific Insulation Company, a California corporation, and (a) each of its parents, (b) each of its past or present Subsidiaries and Affiliates, (c) each of its interests in any joint venture in which it participated, and (d) each of its respective officers, directors, employees, agents, representatives, shareholders, and attorneys, or the successors of any of them, solely in their capacity as such.

1.30 "**Permanent Injunction**" means the injunction forth in the Plan, pursuant to section 524(g) and, if applicable, section 105(a) of the Bankruptcy Code, which enjoins any Entity from taking legal action against certain protected parties, including, without limitation, the Century Entities, for the purpose of directly or indirectly collecting, recovering, or receiving payment or recovery with respect to: (i) any Claim (including Asbestos Bodily Injury Claims) that, under the Plan, is to be paid in whole or in part, or otherwise resolved, by the Thorpe Trust; (ii) any Direct Action Claims; and (iii) any Contribution Claims. Thorpe will use its best efforts to add the Century Entities as a Settling Asbestos Insurer, as defined in the Plan, and to otherwise obtain the benefit of the Channeling Injunction for the Century Entities. Such reasonable best efforts shall include with respect to any Plan, the inclusion of such Channeling Injunction in such Plan and the Confirmation Order.

1.31 "**Petition Date**" means October 15, 2007.

1.32 "**Plan**" or "**Plan of Reorganization**" means the Fifth Amended Joint Plan of Reorganization of Thorpe Insulation Company and Pacific Insulation Company [Dkt. No. 2539] filed in the Bankruptcy Case on December 28, 2009, and any amendments or modifications to that plan.

1.33 "**Plan Effective Date**" means October 22, 2010.

1.34 "**Settlement Amount**" means the monies to be paid by the Century Insurers under section 2 of this Agreement.

1.35 "**Settlement Effective Date**" means the first Business Day upon which the Approval Order, the Instructions Order, and the Confirmation Order become Final Orders; provided, however, that the entry or finality of the Instructions Order may be waived by the Thorpe Trust in its sole discretion.

1.36 "**Settling Insurers**" means the Century Entities and any other "Settling Asbestos Insurer" as defined in the Plan.

1.37 "**Subject Insurance Policies**" means:

(a) all insurance policies listed in Appendix C to this Agreement;

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(b) any and all known and unknown liability insurance policies, including any and all wrap-up policies, ever issued by the Century Entities as they may exist on the Execution Date to any TPFBF Party; and

(c) any and all known and unknown liability insurance policies, including any and all wrap-up policies, ever issued by the Century Entities as they may exist on the Execution Date that potentially or actually provide coverage to any TPFBF Party for any Asbestos Bodily Injury Claim or other Trust Claim.

1.38 "**Subsidiary**" of an Entity means: (a) a corporation as to which the Entity possesses shares of common stock and exercises control through the voting power of said stock, (b) a limited liability company as to which the Entity exercises control under the terms of the limited liability company's operating agreement or (c) a partnership as to which the Entity exercises control under the terms of the partnership's partnership agreement.

1.39 "**TPFBF Party**" means Thorpe for itself and as successor by merger to Pacific Insulation, the Thorpe Trust, Farwest, Bayshore, or any member of the Fults Family. **"TPFBF Parties**" refers to Thorpe, for itself and as successor by merger to Pacific Insulation, the Thorpe Trust, Bayshore, Farwest, and the Fults Family members collectively.

1.40 "**Thorpe**" means:

(a) Thorpe Insulation Company, as merged with Pacific Insulation including but not limited to:

(1) Thorpe Insulation Company, a California corporation, formerly known as Plant Insulation Company and sometimes doing business as C.R.B. Supply Co., Inc., in Arizona, a subsidiary;

(2) Thorpe Insulation Company dba: Thorpe Products Company;

(3) Industrial Insulation Company, a dissolved Arizona corporation, and a subsidiary;

(4) Thorpe Insulation Company of San Diego, a dissolved California corporation, and a subsidiary; and

(5) Thorpe Environmental Services, Inc., formerly known as Western Removal Services, Inc., also a dissolved California corporation and a subsidiary;

(b) its parents, including but not limited to the parents of each and every Entity identified in (a)(1)-(5);

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(c) its past or present Subsidiaries and Affiliates, including but not limited to the Subsidiaries and Affiliates of each and every Entity identified in (a)(1)-(5);

(d) its interests in any joint venture in which it participated, including but not limited to the interests of each and every Entity identified in (a)(1)-(5); and

(e) its officers, directors, employees, agents, representatives, shareholders, and attorneys, or the successors of any of them, solely in their capacity as such, including but not limited to the officers, directors, employees, agents, representatives, shareholders, and attorneys (and successor) of each and every Entity identified in (a)(1)-(5).

1.41 "**Thorpe Trust**" means the trust established by the Plan on the Plan Effective Date to assume liability for, and pay, Trust Claims pursuant to section 524(g), and if applicable section 105, of the Bankruptcy Code and the Plan.

1.42 "**Tort Claim**" mean any Claim, other than an Asbestos Bodily Injury Claim, that: (a) arises out of allegations of personal injury, wrongful death, property damage, products liability or similar legal theories of recovery; or (b) arises under any federal, state, or local statute, rule, regulation, or ordinance governing, regulating, or relating to health, safety, hazardous substances, or the environment.

1.43 "**Trust Claim**" means (a) any Asbestos Bodily Injury Claims and (b) any other Claims against any of the TPFBF Parties or any of the Settling Insurers to the extent that liability for such Claims is transferred to and is assumed by the Thorpe Trust. Nothing in this definition or Agreement requires the TPFBF Parties to transfer liability for Claims other than Asbestos Bodily Injury Claims to the Thorpe Trust.

1.44 "**UCC**" or the "**Unsecured Creditors' Committee**" means the Entity that is also known as the Official Committee of Unsecured Creditors and was appointed by the United States Trustee to represent Thorpe's and Pacific Insulation's unsecured creditors in the Bankruptcy Case, including the present Claimants, which include holders of Asbestos Bodily Injury Claims.

To the extent that a term is not defined in this Agreement and is defined in Title 11 of the United States Code, sections 101 *et seq.* (the "**Bankruptcy Code**"), or in the Plan, that term shall have the meaning set forth in the Plan or the Bankruptcy Code, respectively. Each defined term stated in a singular form shall include the plural form. Each defined term stated in plural form shall include the singular form. Each defined term stated in the masculine form or in the feminine form shall include the other. The word "including" means "including but not limited to." The phrase "relating to" means "relating to, with regard to, by reason of, based on, or arising out of." (These words and phrases generally are not capitalized in this Agreement or in any of the attachments to this Agreement.)

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2. *Settlement Payment.*

2.1 In consideration of the mutual covenants stated in this Agreement, the Century Insurers shall pay Thirty-Six Million dollars ($36,000,000) to the Thorpe Trust.

2.2 The Century Insurers' payment shall be due on the first Business Day that is at least fifteen (15) days after the Settlement Effective Date.

3. *Cessation of Litigation, Claims, and Dismissals.*

3.1 Upon the Execution Date, the Parties (i) shall cease all litigation activities against each other in the Coverage Litigation and the Wellington Arbitration, and (ii) the Century Insurers shall stay, suspend or adjourn their objections to the Plan and cease any other litigation activity in the Bankruptcy Case (including, without limitation, in any matters in the District Court, the Ninth Circuit Court of Appeals or the United States Supreme Court arising out of the Bankruptcy Case).

3.2 Within two (2) Business Days of the Execution Date, the Parties shall dismiss, without prejudice, all Claims against each other in the Coverage Litigation and shall withdraw the Wellington Arbitration without prejudice.

3.3 Upon each Party's filing of the dismissal without prejudice described in section 3.2, that Party's claims shall be tolled, without prejudice, as of the date the dismissal is filed, until either: (a) the Parties have dismissed their claims against each other with prejudice (including as provided by section 3.4 of this Agreement); or (b) the settlement between the Parties terminates and the claims may be reinstituted in the Coverage Litigation.

3.4 Upon the Century Insurers' payment of the full Settlement Amount, the Parties' dismissals and withdrawals will be converted to dismissals and withdrawals with prejudice without any further action of the Parties.

3.5 The Parties agree to use their best efforts to ensure that no ruling, proceeding, or other matter in connection with the Plan or the Chapter 11 Case will impair, affect, or modify the Parties' rights or obligations under this Agreement. The Century Insurers reserve the right to object to any Plan and/or to any order confirming any Plan to the extent that any of them are not consistent with the terms of this Agreement. The TPFBF Parties cannot, however, guarantee that there never will be changes to the Plan, Confirmation Order, and/or Settlement Approval Order that would impose obligations, requirements, and/or conditions that would be inconsistent with is Agreement. All Parties likewise recognize that certain types of changes to the Plan, Confirmation Order, and/or Settlement Approval Order that would impose obligations, requirements and/or conditions that would be inconsistent with this Agreement could potentially lead to termination of this Agreement.

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3.6 Notwithstanding anything else in this Agreement, the Parties agree that the Century Insurers may challenge or object to confirmation of the Plan if the Plan is altered, modified, or revised, if any such alteration, modification, or revision (a) is inconsistent with the terms of this Agreement, (b) materially and adversely affects the interests of the Century Insurers under this Agreement, or (c) does not include the Permanent Injunction.

3.7 Notwithstanding anything else in this Agreement, the Parties reserve their rights to be heard in the Bankruptcy Case if any Party takes any action inconsistent with this Agreement that materially and adversely affects the Parties' respective rights or interests under this Agreement.

3.8 For the avoidance of doubt, nothing in this Section 3 shall prevent:

(a) the Parties from taking whatever steps they deem necessary to defend their interests in the Coverage Litigation and the Wellington Arbitration until the Parties dismiss their claims in the Coverage Litigation and withdraw the Wellington Arbitration without prejudice as provided in section 3.2;

(b) Thorpe, the UCC, the FCR and the Thorpe Trust from:

(1) seeking confirmation of the Plan or approval of modifications or amendments to the Plan and prosecuting and defending appeals arising from the Bankruptcy Case;

(2) consummating the Plan or modifications or amendments to the Plan;

(3) seeking and obtaining an injunction preventing prosecution of the Coverage Litigation;

(4) entering into settlement agreements with insurers other than the Century Insurers that issued one or more insurance policies to Thorpe; and

(5) prosecuting the Coverage Litigation with respect to insurers other than the Century Insurers.

3.9 Any TPFBF Party that becomes a party to the Coverage Litigation, agrees to use best efforts to obtain, upon the Century Insurers' request:

(a) the dismissal, with or without prejudice, of any complaints and cross-complaints against the Century Insurers by any of the Certain Insurers; and

(b) the tolling, severance, or stay of any Claims by any of the Certain Insurers against the Century Insurers in the Coverage Litigation, in any litigation concerning Contribution Claims, and in the Bankruptcy Case,

provided that the Century Insurers are not then in default of their obligations pursuant to Section 2 of this Agreement and that this Agreement has not been terminated as provided in Section 3.10

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3.10 The TPFBF Parties agree that the Century Entities shall have no obligation to pay, handle, object, or otherwise respond to any Claim, from and after the Execution Date unless and until this Agreement is terminated for any reason.

3.11 Notwithstanding anything in this Agreement, if the Confirmation Order does not become a Final Order, then the Century Insurers may, in their sole and absolute discretion, either (a) elect to continue this Agreement in full force and effect, or (b) terminate this Agreement.

The Century Insurers shall inform the TPFBF Parties of its choice in writing within the later of thirty (30) days after Century's receipt of a written notice from Thorpe that Thorpe has determined that the Confirmation Order will not become a Final Order; provided that Thorpe may not provide such notice prior to the time that the Ninth Circuit Court of Appeals rules on any appeal from the Confirmation Order and any separate order that may be entered imposing the Permanent Injunction (if the Permanent Injunction is entered in an order separate from the Confirmation Order).

In the absence of such a written notice from Century, this Agreement shall continue in full force and effect.

3.12 If Century elects to terminate this Agreement pursuant to section 3.10, then:

(a) the releases and buy backs of the Subject Insurance Policies provided for in this Agreement shall be of no further force or effect;

(b) the parties shall have no further obligations pursuant to Sections 2, 3.1-3.2, and 6-9 of this Agreement;

(c) the Century Insurers shall thereafter be obliged to pay, handle, object, or otherwise respond to any Claim to the same extent as they are so obligated as of the Execution Date (which obligations the Century Insurers contest); and

(d) The Century Insurers may renew any and all objections to the Plan, which shall be deemed preserved in the interim.

3.13 The Parties shall bear, as to each other only, their own costs, expenses, and counsel fees in the Coverage Litigation, the Bankruptcy Case, and in connection with or relating to this Agreement.

4. *Full and Mutual Releases and Insurance Rights Buy Back.*

Except for the obligations created by this Agreement, the TPFBF Parties and the Century Insurers enter into the following agreements and full and mutual releases:

4.1 By the TPFBF Parties:

4.1.1 Upon the Settlement Effective Date, and conditioned upon the receipt by the Thorpe Trust of the Settlement Amount provided for in section

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2.1 of this Agreement, other than as to their rights under this Agreement, the TPFBF Parties(collectively, the "TPFBF Releasors") do hereby settle, remit, release, covenant not to sue, and forever discharge the Century Entities, from and against any and all past, present, and future Claims that the TPFBF Releasors ever had, now have, or hereafter may have relating to the Insurance Rights, including all:

(a) Claims for insurance coverage, including both defense costs and indemnification of Claims;

(b) Claims for or relating to or in connection with any act, omission, representation, or conduct of any sort relating to the Insurance Rights;

(c) Tort Claims;

(d) Trust Claims;

(e) Asbestos Bodily Injury Claims;

(f) Claims filed directly or indirectly against the Century Entities relating to either the Insurance Rights or the Trust Claims;

(g) Claims for any form of extra-contractual liability relating to the Insurance Rights, including Claims for punitive damages, attorneys' fees, antitrust or unfair competition, breach of duty of good faith and fair dealing, breach of statutory duties, and breach of common law duties, such as, but not limited to, negligent undertaking, breach of fiduciary duty or any other theory of extra-contractual liability; and

(h) Claims that are the subject of the Coverage Litigation.

Notwithstanding any other provision of this Agreement, and for the avoidance of doubt, the TPFBF Releasors do **not** settle, remit, release, covenant not to sue, or otherwise discharge their rights (i) to bring a claim for enforcement or breach of this Agreement, or (ii) to pursue rights or claims not released by this Agreement.

4.1.2 Thorpe and the Thorpe Trust acknowledge that the foregoing release includes a release of any and all claims for extra-contractual liability arising from the Insurance Rights, including but not limited to the Claims set forth in section 4.1.1, any and all claims for business loss that Thorpe may have incurred, and any right to punitive or exemplary damages or attorneys' fees that Thorpe may have possessed.

4.1.3 Upon the Settlement Effective Date, and conditioned upon the receipt by the Thorpe Trust of the Settlement Amount provided for at Section 2.1 of this Agreement, the Century Insurers shall have bought back the Insurance Rights, pursuant to the Plan and the Confirmation Order as

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modified by the Approval Order, free and clear of any and all Claims, and the rights, title, or interest of any Entity, and the Century Insurers shall be credited with the return of all premiums received. As a result, the Subject Insurance Polices shall no longer remain in effect. The TPFBF Releasors intend to reserve no rights or benefits whatsoever relating to the Insurance Rights and intend to assure the Century Insurers peace and freedom from all Claims and from all assertions of rights in connection with such Claims, including Trust Claims.

4.1.4 Upon the Settlement Effective Date, and conditioned upon the receipt by the Thorpe Trust of the Settlement Amount provided for at Section 2.1 of this Agreement, any and all rights, duties, responsibilities, and obligations of the Century Entities created by the Subject Insurance Policies or relating to the Insurance Rights shall be deemed to have terminated and to have been extinguished.

4.1.5 The TPFBF Releasors expressly assume the risk that Claims, acts, omissions, matters, causes, or things arising out of or relating to the Insurance Rights may have occurred that the TPFBF Releasors do not know or do not suspect to exist. The TPFBF Releasors hereby waive with respect to Claims released in section 4.1.1 of this Agreement the terms and provisions of any statute, rule, or doctrine of common law that either: (a) narrowly construes releases purporting by their terms to release Claims in whole or in part based upon, arising from, or relating to such acts, omissions, matters, causes, or things; or (b) restricts or prohibits the releasing of such Claims.

4.1.6 **THE TPFBF RELEASORS ACKNOWLEDGE THAT THEY HAVE BEEN ADVISED BY THEIR ATTORNEYS CONCERNING, AND ARE FAMILIAR WITH, CALIFORNIA CIVIL CODE SECTION 1542, WHICH PROVIDES THAT:**

"A RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR."

THE TPFBF RELEASORS ACKNOWLEDGE THAT THEY EXPRESSLY WAIVE ANY AND ALL RIGHTS UNDER BOTH CALIFORNIA CIVIL CODE SECTION 1542 AND UNDER ANY OTHER FEDERAL OR STATE STATUTE OR LAW OF SIMILAR EFFECT.

4.2 By the Century Insurers:

4.2.1 In consideration of the promises and covenants contained in this Agreement, from and after the Settlement Effective Date, other than its

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rights under this Agreement, the Century Insurers hereby settle, remit, release, covenant not to sue, and forever discharge the TPFBF Releasors and their respective officers, directors, employees, agents, representatives, members, trustees and attorneys (including in each case their respective successors, assigns, heirs, administrators, or executors) from any and all past, present, and future Claims relating to the Insurance Rights, including Claims for bad faith and other misconduct or alleged wrongdoing relating to the Insurance Rights or the Trust Claims. Notwithstanding any other provision of this Agreement, and for the avoidance of doubt, the Century Insurers do **not** settle, remit, release, covenant not to sue, or otherwise discharge their rights (i) to bring a claim for enforcement or breach of this Agreement, or (ii) to pursue rights or claims not released by this Agreement.

4.2.2 From and after the Settlement Effective Date, the Century Insurers intend to reserve no Claims, rights, or benefits against the TPFBF Releasors and their respective officers, directors, employees, agents, representatives, members, trustees and attorneys (including in each case their respective successors, assigns, heirs, administrators, or executors) relating to the Insurance Rights.

4.2.3 Subject in each case to the provisions of Sections 3.9 and 3.10, from and after the Settlement Effective Date and provided the Century Insurers have paid the Settlement Amount, (i) any and all rights, duties, responsibilities, and obligations of the TPFBF Parties relating to or in connection with the Insurance Rights are hereby terminated and (ii) the TPFBF Parties shall have no Insurance Rights with respect to the Subject Policies. The releases contained in this Agreement are intended to operate as though the Century Insurers had never issued the Subject Insurance Policies.

4.2.4 Nothing in this Agreement shall affect the Century Insurers' right to seek reimbursement from their reinsurers or retrocessionaires in their capacities as such.

4.2.5 The Century Insurers expressly assume the risk that Claims, acts, omissions, matters, causes, or things relating to the Insurance Rights may have occurred that it does not know or does not suspect to exist. The Century Insurers hereby waive, with respect to the claims released in section 4.2.1 of this Agreement, the terms and provisions of any statute, rule, or doctrine of common law that either: (a) narrowly construes releases purporting by their terms to release Claims in whole or in part based upon, arising from, or relating to such acts, omissions, matters, causes, or things; or (b) restricts or prohibits the releasing of such Claims.

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4.2.6 **THE CENTURY INSURERS ACKNOWLEDGE THAT THEY HAVE BEEN ADVISED BY THEIR ATTORNEYS CONCERNING, AND ARE FAMILIAR WITH, CALIFORNIA CIVIL CODE SECTION 1542 , WHICH PROVIDES THAT:**

"A RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR."

THE CENTURY INSURERS ACKNOWLEDGE AND EXPRESSLY WAIVE ANY AND ALL RIGHTS UNDER CALIFORNIA CIVIL CODE SECTION 1542 AND ANY OTHER FEDERAL OR STATE STATUTE OR LAW OF SIMILAR EFFECT.

4.3 The Parties intend that this Agreement shall be complete and shall not be subject to any claims of accident, unilateral mistake, mutual mistake, mistake of fact, rescission, or reformation and that they intend by this Agreement to resolve all present and future disputes relating to or in connection with the nature and extent of past, present, and future insurance coverage relating to the Insurance Rights.

4.4 Upon Payment by the Century Insurers of all of the Settlement Amount referenced in Section 2.1 of this Agreement, the Century Insurers shall have no further obligation to pay any Claim.

4.5 This Agreement constitutes a full and final resolution of all Claims and defenses in the Coverage Litigation, the Wellington Arbitration and the Bankruptcy Case between the Parties.

5. *Obligations in Bankruptcy Court.*

5.1 Thorpe will use its best efforts to obtain the Permanent Injunction in favor of the Century Entities. The Century Insurers acknowledge that the terms of the injunctions provided for in the Plan and this Agreement, if made applicable to the Century Entities by a Final Order, will satisfy this obligation.

5.2 The TPFBF Parties shall use their best efforts to:

(a) obtain the entry of the Approval Order, the Confirmation Order and the Instructions Order;

(b) prevent the entry of a stay of the Approval Order or the Instructions Order, other than the stay provided for in Bankruptcy Rule 3020; and

(c) cause the Approval Order, the Instructions Order and the Confirmation Order to become Final Orders, in the event of any appeal(s).

The Century Insurers shall cooperate with the TPFBF Parties in relation to each of the foregoing matters.

5.3 The TPFBF Parties agree, together with, or as part of, their request seeking entry of the Approval Order, to file a motion to modify the Plan to designate the Century Entities as a "Settling Asbestos Insurer," as defined in the Plan, and otherwise in accordance with the proposed plan modifications attached hereto as Appendix A. The amendment shall set forth as conditions subsequent to such designation that (a) the Settlement Effective Date shall have occurred, and (b) the Thorpe Trust shall have received the Settlement Amount no later than ten (10) days following the provision of a written notice to the Century Insurers that payment of the Settlement Amount was due and not timely made. The TPFBF Parties further agree that the proposed Approval Order submitted to the Court shall be in a form and substance as required by this Agreement, including that it satisfies Sections 1.3(a) through (g) of this Agreement, Thorpe will provide to the Century Insurers a form of the proposed Approval Order not less than two (2) Business Days prior to its filing to permit the Century Insurers to comment and make suggestions to the Plan Proponents before its submission.

5.4 If the Court requires or permits written findings of fact and conclusions of law supporting the Approval Order, Thorpe will provide to the Century Insurers proposed findings of fact and conclusions of law to permit the Century Insurers to comment and make suggestions to the Plan Proponents before submission of such findings and conclusions to the Court.

5.5 The request to obtain the Approval Order shall be prepared and served by the Plan Proponents at their expense in accordance with applicable Bankruptcy Rules and applicable local rules. In the event that the Century Insurers so request in writing, the Plan Proponents shall move the Court, at their expense, for an order authorizing publication of notice of the motion in the national edition of USA TODAY for such periods as the Century Insurers shall reasonably designate in such request, and determining that notice in accordance with the terms of the order is adequate. In the event that the Court grants such motion, the Century Insurers promptly shall reimburse the Thorpe Trust for the cost of publishing the notice prior to the earlier of: (a) two (2) Business Days prior to the date upon which payment is due to the entities publishing notice, or (b) ten (10) Business Days after being provided with copies of the invoices from the party or parties publishing such notice. The proposed form of notice shall be submitted to the Century Insurers for its approval no later than ten (10) days prior to the actual service of notice and publication, and the Century Insurers will not unreasonably withhold its approval.

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5.6 In the event that any Entity attempts to prosecute any Claim against the Century Entities relating to the Subject Insurance Policies, including, but not limited to, Direct Action Claims and Contribution Claims, following the Execution Date and prior to the Settlement Effective Date, promptly following notice from the Century Insurers to do so, Thorpe will use its best efforts to obtain an order from the Court, pursuant to Bankruptcy Code section 105(a), protecting the Century Entities from any such Claims until entry of the Permanent Injunction. As used in this paragraph, "best efforts" means a motion and other necessary papers acceptable to the Century Insurers, in their reasonable discretion, to obtain the relief referred to above.

5.7 The Century Insurers shall cooperate with the TPFBF Parties in relation to their efforts to obtain the Approval Order and the Confirmation Order (insofar as it is to be amended or modified) and ensure that they becomes Final Orders; provided, however, that the Century Insurers reserve the right to object to the Plan, the Approval Order, the Confirmation Order, and the Permanent Injunction to the extent one or more of them are not consistent with the requirements of this Agreement.

5.8 The Century Insurers and the TPFBF Parties hereby consent, as of the Settlement Effective Date, to the required assignment of the rights of the TPFBF Parties (other than the Thorpe Trust) under this Agreement to the Thorpe Trust pursuant to the Plan.

5.9 The Parties agree to use their best efforts to ensure that no ruling, proceeding, or other matter in connection with the Plan or the Bankruptcy Case will impair, affect or modify the Parties' rights or obligations under this Agreement.

5.10 It is a condition precedent to the Parties' obligations under this Agreement that the UCC and the FCR indicate in writing by their signatures below that they consent to (i) Thorpe's entry into this Agreement, and (ii) the terms and conditions of this Agreement.

6. *Contribution, Subrogation, and Similar Rights Against Certain Insurers and Others.*

6.1 Upon the Settlement Effective Date, the Century Insurers hereby transfer and assign to the Thorpe Trust all rights, title and interest in and to contribution, indemnity, subrogation or similar common law or statutory relief they may have, with respect to any and all of the Certain Insurers (hereafter, the portion of these assigned rights as to the Certain Insurers shall be referred to as the "Contribution Rights Against Certain Insurers") and third parties with respect to indemnity payment of Asbestos Bodily Injury Claims against Thorpe and related defense costs, except that: (a) the Century Insurers shall retain all contribution rights as to defense costs only against another insurer which makes a Contribution Claim for defense costs against it or if the Century Insurers are sued by such insurer for defense costs; (b) upon the Settlement Effective Date the Century Insurers shall retain in shared ownership with the Thorpe Trust so much of the Contribution Rights Against Certain Insurers as

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necessary to respond to Claims, if any, of insurers or third parties against it that are not barred or enjoined by the Confirmation Order or, if reflected in a separate order, the Permanent Injunction. In the event any claim for contribution, indemnity, subrogation, or similar common law or statutory relief is asserted or brought against any of the Century Entities by any Entity, the Century Insurers shall have the right, at their own expense to pursue their Contribution Rights against such Entity in response, based on their payment of the Settlement Amount, including claims against any Affiliate or Subsidiary of the insurer or third party; provided, however, that the Century Insurers shall not otherwise assert such Contribution Rights against Certain Insurers under insurance policies issued to Thorpe.

7. *No Insurer Reimbursement.*

7.1 The Century Insurers agree that they will not seek reimbursement of amounts paid under this Agreement from any other insurer (or such other insurers' Affiliates or Subsidiaries) that enters into a settlement with Thorpe with regard to Asbestos Bodily Injury Claims or Trust Claims in which such insurer:

(a) agrees not to seek any defense costs or indemnity payments from or assert a Contribution Claim against the Century Entities; and

(b) releases or dismisses with prejudice any claims against the Century Entities described in section 6 above.

Nothing in this section, however, shall affect any rights that the Century Entities may have with respect to their reinsurance or other third parties pursuant to reinsurance agreements, contracts, treaties, or other reinsurance relationships.

7.2 Thorpe agrees that, in the event it hereafter enters into any settlement agreement(s) with one or more of the Certain Insurers against which it has asserted or may assert Claims, Thorpe or the Thorpe Trust shall use its best efforts to obtain a provision substantially identical to section 7.1 of this Agreement in such settlement agreement.

8. *Judgment Reduction Clause.*

8.1 The provisions of this Section 8 apply only in the event that the Century Insurers exercise the election provided for in Section 3.11(a).

8.2 In any proceeding, suit, or action, including the Coverage Litigation, involving one or more of the TPFBF Parties, or any insurer with respect to Claims, where any insurer has asserted, asserts, or could assert any contribution, indemnity, subrogation, equitable subrogation, or "other insurance clauses" rights, or any similar Claim or Contribution Claim against the Century Entities relating to the Claims released by the TPFBF Releasors as stated in section 4 of this Agreement, any judgment obtained by the

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TPFBF Parties against such other insurer shall be automatically reduced by the amount, if any, that the Century Entities would have been liable to pay such other insurer as a result of that insurer's Contribution Claim so that the Claim by such other insurer against the Century Entities is thereby satisfied and extinguished. In order to effectuate this clause in any action against another insurer where none of the Century Entities are parties, such TPFBF Party shall either:

(a) obtain a finding from that court of what amount the Century Insurers would be required to pay such other insurer under its contribution, indemnity, subrogation, equitable subrogation, or "other insurance" rights, or similar Claim or Contribution Claim, before entry of judgment against such other insurer; or

(b) segregate and hold monies received from such other insurer until such rights are adjudicated in a proceeding involving the Century Entities where this judgment reduction clause can be applied.

9. *Cooperation.*

9.1 So long as the Century Insurers are not in default of their obligations pursuant to Section 2.1 of this Agreement, Thorpe and the Thorpe Trust, will undertake all reasonable actions and cooperate with the Century Insurers to obtain the dismissal of any Direct Action Claims or other Claims or actions asserting Asbestos Bodily Injury Claims for which Thorpe is or was allegedly responsible pending against the Century Insurers, or of any actions brought by insurers against the Century Insurers with respect to Asbestos Bodily Injury Claims for which Thorpe is or was allegedly responsible, or to obtain additional orders from the Court enjoining such actions, should any further orders become necessary as set forth in further detail in sections 3 and 5 herein.

9.2 The TPFBF Parties will, at all times during which the Century Insurers are in compliance with its obligations under Section 2.1 of this Agreement, undertake all reasonable actions and cooperate with the Century Insurers in connection with any claims that they may assert against their reinsurers, including responding to reasonable requests for information and meeting with representatives of reinsurers as set forth below.

9.2.1 Following the receipt by the Thorpe Trust of the Settlement Amount, the Thorpe Trust shall cause the Century Insurers to have the right (upon reasonable notice and in a manner convenient to the Thorpe Trust) to review and obtain from the Thorpe Trust, relevant files, information, and documents: (a) concerning Claims subject to payment or potential payment with the proceeds of this Agreement, and (b) required of or necessary to the Century Insurers in connection with any Claims, arbitrations, or litigation for reinsurance for the Settlement Amount or in connection with this Agreement. The Century Insurers will accept the documents in the form provided to the Thorpe Trust

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(e.g., electronic, paper, etc.) or in the form easiest for the Thorpe Trust to provide. The Thorpe Trust shall not be required to modify or change the form or format of any such information. The Century Insurers shall pay reasonable copying charges of documents obtained under this section.

9.2.2 For the avoidance of doubt, the relevant files, information and documents referenced in section 9.2.1 above shall include:

(a) information from any database maintained by the Thorpe Trust, any information that the Thorpe Trust collects pursuant to any trust distribution procedures, and any information included on any claim form used by the Thorpe Trust with respect to Trust Claims, and

(b) for each Trust Claim resolved:

(i) the Claimant's name;

(ii) a claim number if the Thorpe Trust, uses such a number to identify claims;

(iii) the Claim's status (open or closed);

(iv) the date of first exposure, , if the Thorpe Trust, collects such information;

(v) the alleged disease and date of diagnosis, if the Thorpe Trust, collects such information; and

(vi) the amount at which such claim was allowed.

9.2.3 Following the receipt by the Thorpe Trust of the Settlement Amount, the Thorpe Trust shall reasonably cooperate in obtaining and providing the files, information and documents referred to in sections 9.2.1 and 9.2.2 above at the Century Insurers' reasonable request and expense (provided that the Century Insurers shall have no obligation to pay, other than reasonable copying costs, any internal costs of the Thorpe Trust, including costs associated with time or expenses of the Thorpe Trust's employees). For the avoidance of doubt, and without limitation of the foregoing, provided that the Century Insurers are not then in default of their obligations pursuant to Section 2.1 of this Agreement, the Thorpe Trust shall undertake all reasonable actions to cooperate with the Century Insurers in connection with any obligation that the Century Insurers may have to provide information to its reinsurers, including responding to reasonable requests for information and meeting with representatives of the Century Insurers' reinsurers (upon reasonable notice, at the Century Insurers' expense (such as reasonable copying costs) other than internal costs of the Thorpe Trust, including

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costs associated with time and expense of the Thorpe Trust's employees, and in a manner convenient to the Thorpe Trust as applicable). Such cooperation shall include providing the Century Insurers' representative access to all files relating to (a) Trust Claims, including all product exposure, medical, claim status, and payment records contained in such files, and (b) Thorpe's historical operations. For the avoidance of doubt, this section 9, and any results of such a review:

(a) shall not affect the Century Insurers' payment obligations under this Agreement;

(b) shall not obligate the Thorpe Trust to collect any information from any Claimant that it is not otherwise obligated to collect; and

(c) shall not give the Century Insurers any right to challenge the allowance or payment of any Claim by the Thorpe Trust.

9.3 At the Thorpe Trust's sole discretion, the Thorpe Trust may satisfy its obligations under section 9.2 above by providing the Century Insurers (or their representatives) with a report concerning Trust Claims activity with respect to the time period that is the subject of the Century Insurers' requests for relevant files, information, and documents (the "**Report**"). If the Thorpe Trust collects the following information, such Reports shall include:

(a) with respect to Thorpe Trust, the number of total claims filed, pending, settled, dismissed or that went to judgment, the total indemnity paid, and total expense paid; and

(b) with respect to each claim resolved during the relevant period:

(i) the Claimant's name and social security number;

(ii) the claim number;

(iii) jurisdiction, if any;

(iv) status (open or closed);

(v) the date of first exposure as set forth in the complaint or as reflected by information reasonably available to the Thorpe Trust (as applicable);

(vi) the site for which Thorpe is responsible to which the Claimant alleges exposure;

(vii) the alleged disease and the date of diagnosis;

(viii) whether there is a medical diagnosis of the alleged disease;

(ix) date of death, if applicable; and

(x) the amount of indemnity paid.

9.4 If the Thorpe Trust exercises its discretion to provide Reports to the Century Insurers pursuant to section 9.3 above, the Thorpe Trust shall still be obligated, at the request of the Century Insurers (upon reasonable notice, at the Century Insurers' sole expense, and in a manner convenient to the Thorpe Trust) to make available to the Century Insurers files, information, and documents described in this section 9 relating to Trust Claims that are the subject of the Report.

9.5 Notwithstanding anything in this Section 9 to the contrary:

9.5.1 The Thorpe Trust shall not be required to provide any files, information, documents, or Reports (hereafter defined) that would be protected from disclosure by the attorney-client privilege, the work product doctrine or the settlement discussion privilege.

9.5.2 The Century Insurers shall not make any use of the Reports, results, files, information, or documents obtained by the Century Insurers pursuant to this Section (the "**Materials**") other than for the following purposes (collectively, the "**Permitted Uses**") and no others:

(a) to use the Materials in any proceeding or process to collect reinsurance with respect to the Settlement Amount or this Agreement;

(b) to comply with any applicable law, governmental regulations, or insurance regulations;

(c) in connection with any internal or external audit of the Century Insurers; and

(d) to respond to any process, order, or other procedure of any court or other adjudicative body compelling the production of such Materials, after providing reasonable notice to the Thorpe Trust, that such Materials are being requested.

9.5.3 The Century Insurers shall restrict access to the Materials to their employees, attorneys, accountants, actuaries, regulators, rehabilitators, liquidators, reinsurers, retrocessionaires, and rating agencies who require access to the Materials for Permitted Uses.

9.6 In the event that the Century Insurers desire to disclose any of the Materials to any third party other than those permitted pursuant to subsection 9.5.3, the Century Insurers shall:

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(a) use their best efforts to obtain from such third party an agreement to restrict such third party's use of the Materials to the Permitted Uses and to refrain from disclosing any of the Materials other than as permitted under the terms of this Agreement, which agreement shall identify the Thorpe Trust as an intended third party beneficiary;

(b) provide the Thorpe Trust with written notice describing their intention to so disclose the Materials and provide the Thorpe Trust with a reasonable opportunity to obtain its own confidentiality agreement or a protective order;

(c) in the event that the Century Insurers are unable to obtain such an agreement from such third party, then, prior to the disclosure of the Materials to such third party, the Century Insurers shall advise such third party that the Materials contain confidential information whose dissemination is restricted by the terms of this Agreement and/or applicable law; and

(d) in the event that the Century Insurers are requested to provide any third party with Materials pursuant to court process, then the Century Insurers shall promptly provide notice of such request to the Thorpe Trust, which notice shall include a copy of the relevant request, so as to permit the Thorpe Trust to seek a protective order with respect to the disclosure of such Materials.

9.7 In the event that the Century Insurers desire to utilize any of the Materials in any litigation, arbitration, or other adjudicatory process instituted for the purpose of obtaining reimbursement of the Settlement Amount from their reinsurers, then the Century Insurers shall:

(a) use their best efforts to obtain a protective order, or similar protection, in form and content reasonably satisfactory to the Thorpe Trust, preserving the confidentiality of the Materials, including sealing any files, information, documents, or Reports that may otherwise become a part of the public record, if any, in such proceeding; and

(b) prior to the disclosure of Materials, provide the Thorpe Trust with written notice describing its intention to utilize the Materials and provide the Thorpe Trust with a reasonable opportunity to obtain its own protective order. Notwithstanding the foregoing, in the event that the Century Insurers or the Thorpe Trust are unable to obtain a protective order, or similar protection, then the Century Insurers may use the Materials in any such litigation, arbitration, or other adjudicatory process without restriction; provided that, prior to disclosing the Materials to any person under the provisions of this section 9.7, the Century Insurers shall first advise such person that the Materials contain confidential information whose dissemination is restricted by the terms of this Agreement or applicable law.

9.8 From and after the Settlement Effective Date, any releases of Claims obtained by the Thorpe Trust from the holders of Asbestos Bodily Injury Claims shall include a provision providing for the release of the Century

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Entities, either by name or by the inclusion of a release in favor of all Settling Insurers.

10. *Representation by Counsel.*

The Parties acknowledge and agree that this Agreement was bargained for and entered into in good faith and as the result of arms-length negotiations, and that they have been represented by counsel of their own choosing concerning (a) the rights affected by, (b) the form and content of, and (c) the advisability of executing this Agreement. This Agreement has been reviewed by counsel for each of the Parties and will not be strictly construed against any Party.

11. *Remedies.*

The performance by the TPFBF Parties under this Agreement is unique. The Parties acknowledge and agree that money damages would be impossible to calculate and that money damages would be an insufficient remedy for any breach of this Agreement by any TPFBF Parties. The Parties further acknowledge and agree that any such breach would cause the Century Insurers irreparable harm. Accordingly, the Parties also agree that in the event of any breach or threatened breach of this Agreement, the Century Insurers shall be entitled to specific performance of this Agreement, without the requirement of posting a bond or other security, in addition to any other remedies they may have at law or in equity. This specific performance shall include any equitable relief necessary to require the TPFBF Parties, as applicable, to specifically perform this Agreement, without proof of actual damages.

12. *Representations and Warranties.*

12.1 The TPFBF Parties (other than the Thorpe Trust) represent and warrant that, among them, the only TPFBF Party involved in the manufacturing, installation, removal, fabrication, sale, supplying, production, design, holding, handling, distributing, marketing, or disposing of asbestos or products containing asbestos was Thorpe, except for Farwest when it became involved, starting on December 1, 2004, in an asbestos removal business.

12.2 Thorpe, Farwest, Bayshore, and each member of the Fults Family, each represents and warrants that they are not related to or in any way affiliated with any of the following: J.T. Thorpe, Inc., a California Corporation; J.T. Thorpe & Sons, Inc., a California Corporation; J.T. Thorpe Company, a Texas Corporation; Thorpe Corporation, a Delaware Corporation; Thorpe Corporation, a Texas Corporation; Thorpe Products Company, a Texas Corporation; Thorpe Insulation Services Company, a Texas Corporation; Thorpe Insulation Company, a Texas Corporation; C.R.B. Insulation, Inc., an Arizona Corporation; C.R.B Enterprises, Inc., a Nevada Corporation; or C.R.B. Contracting, Inc., an Arizona Corporation.

12.3 Intentionally Omitted.

12.4 Except as provided below, each of the TPFBF Parties represents and warrants that, as to himself, herself, or itself, other than as provided in the Plan, he, she or it has not sold assigned or conveyed, and will not sell, assign, or

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convey, to any Entity any of the Insurance Rights between the Execution Date and the date that the Settlement Effective Date. Thorpe has entered into a settlement agreement with Brayton Purcell on behalf of certain of its clients that was attached to the *Declaration of Alan R. Brayton in Support of Debtor Thorpe Insulation Company's Motion for Order Approving Term Sheet for Settlement of Pre-Petition Assignment Claims* filed in the Bankruptcy Case as Dkt. No. 2905 that was approved by the Bankruptcy Court's *Order Approving Term Sheet for Settlement of Pre-Petition Assignment Claims* [Dk.t No. 2998] (the "Brayton Settlement"). Any alleged claims as against any of the Century Insurers or under, arising out of, related to and/or in connection with the policies listed on Appendix C to this Agreement that are held by the listed clients of Brayton Purcell under, arising out of, related to and/or in connection with the alleged assignment are channeled to the Trust pursuant to the Plan and the Brayton Settlement.

12.5 Thorpe represents and warrants that, subject only to the claims and contentions of certain holders of Asbestos Bodily Injury Claims, which contentions Thorpe denies, and the terms of the Plan, Thorpe is the sole owner of the Subject Insurance Policies and that no other party has legal title to said policies.

12.6 Each of the TPFBF Parties, other than Thorpe, represents and warrants that, as to himself, herself or itself, he, she or it does not have legal title to the Subject Insurance Policies, subject only to the terms of the Plan.

12.7 The TPFBF Parties represent and warrant that, based on their independent assessments, made with the assistance and advice of counsel, of the probability of success in the Coverage Litigation, the delay in obtaining relief, and the expense of possible future litigation, they believe that:

(a) the payments and other benefits received under this Agreement by the TPFBF Parties constitute a fair and reasonable settlement of Thorpe's Claims and Insurance Rights as against the Century Insurers; and

(b) the payments and other benefits received under this Agreement by the TPFBF Parties constitute reasonably equivalent value for the benefits received by the Century Entities under this Agreement.

12.8 Each of the TPFBF Parties represents and warrants that, upon the Settlement Effective Date, he, she, or it shall not contest that (a) this Agreement is binding, including the releases set forth in section 4 of this Agreement, or (b) upon receipt of the Settlement Amount, valuable and fair consideration or reasonably equivalent value will have been received by the TPFBF Parties for this Agreement.

12.9 Each of the TPFBF Parties represents and warrants that he, she, or it shall reasonably cooperate with the Century Entities in responding to and opposing any motion, objection, Claim, assertion, or argument by any third party that this Agreement, including the releases set forth in section 4 of this

Agreement, is not binding, or should be avoided, or, subject to the receipt of the Settlement Amount, that valuable and fair consideration or reasonably equivalent value has not been received by Thorpe or the Thorpe Trust for this Agreement.

12.10 The TPFBF Parties represent and warrant that they enter into this Agreement for the specific purpose of obtaining the payment in accordance with section 2 of this Agreement, which funds shall be, based on their evaluation and determination, used in the best interest of creditors and other parties in interest, whether known or unknown, who hold or may hold Claims against them or against the Thorpe Trust; all in full compliance with all applicable state and federal laws.

12.11 Each Party represents and warrants that it has authority to execute this Agreement as its binding and legal obligation, subject to the entry of the Approval Order and, in the case of the Thorpe Trust, the Instructions Order.

12.12 Each Party represents and warrants that the persons signing this Agreement on its or their behalf are authorized by those they purport to represent to execute this Agreement and that the Parties have read this Agreement in full. Thorpe, Farwest, and Bayshore represent and warrant that all of their shareholders or members have read this Agreement, have had the opportunity to consult their attorneys, and have unanimously consented to each of Thorpe Farwest, and Bayshore executing this Agreement.

13. *Medicare, Medicaid, and SCHIP Extension Act of 2007.*

This Settlement shall not subject the Century Insurers to any reporting requirements and obligations under 42 U.S.C. § 1395y et seq., commonly referred to as the Medicare, Medicaid, and SCHIP Extension Act of 2007 (the "Act"), for any Asbestos Related Claims or Trust Claims. If the Century Insurers request, or to the extent any entity contends that any obligation under 42 U.S.C. § 1395y(b) and the rules and regulations promulgated thereunder (including 42. C.F.R. 411 et seq.) is triggered in connection with the Payment Amount, the Thorpe Trust will cooperate fully and, for each claimant who receives payment from the Trust, will provide the Century Insurers, within 10 calendar days of the date that any amounts are paid to a claimant by the Trust, with information required to be reported by Medicare, including some or all of (a) the name, (b) social security number, (c) Medicare number, (d) date of birth, (e) address, (f) date(s) of injury, (g) injury, (h) defense insurance (if known), (i) applicable ICD-9, ICD-10, or similar injury and diagnosis codes, (j) state of venue, (k) plaintiff's attorney's name and address, and (l) amounts received from the Trust. To the extent that Medicare asserts a demand for reimbursement of conditional payments made by Medicare, the parties will discuss and agree upon an appropriate response to Medicare. The Trust will comply with all laws and regulations with respect to Medicare as applied to the Trust. If a TPFBF party, or a successor in interest or assignee of Thorpe or the Trust, agrees in a subsequent settlement agreement with an insurer to an alternative means of handling such reporting requirements and obligations, then the Century Insurers shall be entitled, at their option, to have the benefit of such alternative means.

14. *Disclosure of This Agreement.*

The terms of this Agreement may be disclosed in a filing submitted to the Court to secure the Approval Order, as well as other orders and injunctions contemplated herein, and as otherwise may be necessary or convenient to effectuate the terms and conditions of this Agreement.

15. *Non-Prejudice and Construction of Agreement.*

15.1 This Agreement is subject to Federal Rule of Evidence 408 and California Evidence Code section 1152, is intended to be and is a compromise between the Parties, and shall not be construed as an admission relating to or in any way connected with any Insurance Rights.

15.2 Neither this Agreement nor any of its provisions is or should be construed as a waiver, modification, change, or retraction of the Parties' positions regarding the interpretation and application of the policies that are the subject of the Coverage Litigation. No communications or statements made during the negotiations of this Agreement shall be discoverable or admissible in any dispute between the Parties to enforce the terms of the Agreement.

15.3 This Agreement is the product of informed negotiations and involves compromises of the Parties' previously stated legal positions. Accordingly, this Agreement does not reflect the Parties' views as to their rights and obligations with respect to matters or Entities outside the scope of this Agreement. This Agreement is without prejudice to positions taken by the Century Entities with regard to other insureds or claimants, and without prejudice to positions taken by Thorpe or the TPFBF Parties with regard to other insurers.

15.4 The Parties specifically disavow any intention to create rights under or in relation to this Agreement. This Agreement is the product of multi-lateral negotiations and no provision of the Agreement shall be construed against the Century Insurers because of their status as insurance companies or their issuance of the Subject Insurance Policies to Thorpe.

16. *No Waiver.*

Any Party may specifically and expressly waive in writing any portion of this Agreement or any breach of this Agreement, but only to the extent that such provision is for the benefit of the waiving Party. No such waiver shall constitute a further or continuing waiver of any preceding or succeeding breach of the same or any other provision. The consent by one Party to any act for which such consent was required shall not be deemed to imply consent or waiver of the necessity of obtaining such consent for the same or similar acts in the future, and a Party's forbearance in seeking a remedy for noncompliance or breach by another Party shall not be construed as a waiver of any right or remedy with respect to such noncompliance or breach. No waiver of any right under this Agreement shall be valid unless in writing.

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17. ***Governing Law.***

This Agreement shall be governed by and shall be construed in accordance with the laws of California without regard to its conflict of law principles and, where necessary, in accordance with federal bankruptcy law.

18. ***Dispute Resolution.***

Notice of any dispute, controversy, or claim ("**Dispute**") that relates in any way to this Agreement shall be provided by written notice to the other Party specifying the facts underlying the Dispute, and the Party receiving the notice shall have ten (10) days to cure the Dispute.

In the event any dispute is not cured, the Parties agree to resolve that dispute through mediation, to be held at a mutually-convenient location to be agreed on by the parties, pursuant to JAMS rules as those rules may be modified by the mediator or by the mutual agreement of the Parties. The Parties agree that David Geronemus shall be the sole mediator and that, if the Parties are unable to agree, David Geronemus shall have the authority to make a mediator's proposal for resolving the Dispute (a "Mediator's Proposal").

Any uncured Dispute that is not resolved by the Parties or through mediation shall be submitted to the Bankruptcy Court for resolution. The Parties expressly consent to the exclusive jurisdiction of the Bankruptcy Court over any Dispute and to the final determination of any Dispute by the Bankruptcy Court. In connection with any such proceeding, the Parties hereby stipulate that any Party may disclose the terms of the Mediator's Proposal to the Bankruptcy Court, and that any otherwise applicable mediation or settlement privilege or right of confidentiality is waived solely to the extent necessary to permit the Parties to disclose the terms of the Mediator's Proposal. The foregoing limited waiver shall not accord any entity that is not a Party hereto any rights that it does not otherwise have at law. If the Bankruptcy Court refuses or abstains from exercising jurisdiction over a Dispute, the Parties agree that venue shall lie in any other state or federal court located within Los Angeles County, California.

19. ***Notices.***

Unless another person is designated, in writing, for receipt of notices hereunder, notices to the respective Parties shall be sent as follows:

Thorpe:	Eric W. Fults Thorpe Insulation Company 5608 Bayshore Walk Long Beach, CA 90803
With a copy to:	Charles J. Malaret, Esq. Morgan Lewis & Bockius LLP 300 South Grand Avenue, 22nd Floor Los Angeles, CA 90071 Attorneys for Thorpe

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Farwest:	Eric W. Fults Farwest Insulation Contracting Company 1375 South Acacia Avenue, Suite A Fullerton, CA 92831
With a copy to:	Lawrence Peitzman, Esq. Peitzman, Weg & Kempinsky LLP 10100 Santa Monica Boulevard Suite 1450 Los Angeles, CA 90067 Attorneys for Farwest
Thorpe Trust	Sara Beth Brown Executive Director Thorpe Insulation Company Asbestos Settlement Trust 300 East Second Street, Suite 1410 Reno, NV 89501
With a copy to:	John P Sande, III, Esq. Jones Vargas 300 East Second Street, Suite 1510 PO Box 281 Reno, NV 89504 Attorneys for Thorpe Trust
Bayshore	Robert Fults Bayshore Partners, LLC 2741 South Yates Avenue Los Angeles, CA 90040
With a copy to:	Lawrence Peitzman, Esq. Peitzman Weg LLP 10100 Santa Monica Boulevard Suite 1450 Los Angeles, CA 90067 Attorneys for Bayshore
Robert W. and Debra Fults	Robert and Debra Fults c/o Thorpe Insulation Company 5608 Bayshore Walk Long Beach, CA 90802

With a copy to:	Lawrence Peitzman, Esq. Peitzman Weg LLP 10100 Santa Monica Boulevard Suite 1450 Los Angeles, CA 90067 Attorneys for Robert W. Fults
Linda E. Fults	Linda E. Fults c/o Pacific Insulation Company 2741 South Yates Avenue Los Angeles, CA 90040
With a copy to:	Lawrence Peitzman, Esq. Peitzman Weg LLP 10100 Santa Monica Boulevard Suite 1450 Los Angeles, CA 90067
Eric W. and Vicky Fults	Eric W. and Vicky Fults c/o Farwest Insulation Contracting Company 1375 South Acacia Avenue, Suite A Fullerton, CA 92831
With a copy to:	Lawrence Peitzman, Esq. Peitzman Weg LLP 10100 Santa Monica Boulevard Suite 1450 Los Angeles, CA 90067
David A. and Stacie Fults	David A. and Stacie Fults c/o Farwest Insulation Contracting Company 1375 South Acacia Avenue, Suite A Fullerton, CA 92831
With a copy to:	Lawrence Peitzman, Esq. Peitzman Weg LLP 10100 Santa Monica Boulevard Suite 1450 Los Angeles, CA 90067
Unsecured Creditors' Committee	c/o Alan Brayton Chairman Brayton Purcell 222 Rush Landing Road Novato, California 94945

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With a copy to:	Peter J. Benvenutti (CA Bar No. 60566) JONES DAY 555 California Street, 26th Floor San Francisco, California 94104 pjbenvenutti@jonesday.com Telephone: (415) 626-3939 Facsimile: (415) 875-5700 Counsel to Thorpe Insulation Company
Futures Representative:	c/o Gary S. Fergus Fergus, a law office 595 Market Street Suite 2430 San Francisco, California 94105 (415) 537-9030 (office) (415) 537-9038 (facsimile) gfergus@ferguslegal.com
Century Insurers:	Century Indemnity Company 436 Walnut Street Philadelphia, PA 19106 Attn : Christopher Eskeland Phone: (267) 765-3794
With a copy to:	Resolute Management, Inc. United Plaza 30 South 17th Street Suite 700 Philadelphia, PA 19103 Attn: Mark Muth, Esq. Phone: (267) 765-6413 Fax: (267) 765-6414 Richard B. Goetz Tancred V. Schiavoni Michael M. Maddigan O'Melveny & Myers LLP 400 South Hope Street Los Angeles, California 90071

20. ***Integration.***

This Agreement, including its attachments, constitutes the entire Agreement between the Parties with respect to its subject matter, and it supersedes all discussions, agreements, and understandings, both written and oral, among the Parties with respect to that subject matter.

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21. ***Additional Documents.***

The Parties shall take such steps and shall execute any such other documents as may be reasonably required to obtain and make Final the Approval Order and the Confirmation Order as set forth in this Agreement, or as may reasonably be necessary to effectuate any other requirement or aspect of this Agreement.

22. ***Counterparts.***

This Agreement may be executed in several counterparts, each of which shall be deemed an original.

23. ***Facsimile.***

This Agreement may be executed by facsimile or other electronic transmission of executed copies of the signature pages delivered to counsel for the Parties. Such transmission shall be as legally effective and binding as a signed original for all purposes.

24. ***Captions and Headings.***

The captions and headings used in this Agreement are for reference purposes only and shall not be taken into account in construing or interpreting this Agreement.

25. ***Assignment.***

Except as provided herein, this Agreement may not be assigned except by written agreement of the Parties.

26. ***Strict Compliance.***

Failure of any Party to insist upon strict compliance with any terms, covenants, or conditions of this Agreement shall not be deemed a waiver of any such term, covenant, or condition. A Party's waiver or relinquishment of a right or power under this Agreement at one time or times shall not be deemed a waiver or relinquishment of such right or power at any other time or times.

27. ***Severability.***

The invalidity or unenforceability of any provision of this Agreement shall in no way affect the validity or enforceability of any other provision of this Agreement, except that if the releases provided under section 4.1 of this Agreement are declare invalid or unenforceable, then the Century Insurers shall have no obligation to make the settlement payment required by section 2.1 of this Agreement.

28. ***Survival of Representations and Warranties.***

The representations, warranties and covenants contained in this Agreement shall survive the execution, delivery, and consummation of this Agreement, and shall remain in full force and effect until a claim based on any such representation, warranty, or covenant is barred by applicable statutes of limitation.

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29. ***Binding Effect.***

This Agreement shall be binding upon and inure to the benefit of the Parties to this Agreement and their respective successors and assigns.

IN WITNESS WHEREOF, the Parties have executed this Agreement by their duly authorized representatives.

THORPE, for itself, and as successor by merger to PACIFIC INSULATION COMPANY

By: _____

Title: PRESIDENT

Date: ~~August~~ DEC 17, 2012

Approved as to Form _____

Morgan Lewis & Bockius LLP

FARWEST

By: _____

Title: PRESIDENT

Date: ~~August~~ DEC 17, 2012

Approved as to Form _____

Peitzman, Weg ~~& Kempinsky~~ LLP

THORPE TRUST

By: _____

Title: _____

Date: August ___, 2012

Approved as to Form _____

Jones Vargas LLP

BAYSHORE

By: _____

Title: PARTNER

Date: ~~August~~ DEC 17, 2012

Approved as to Form _____

Peitzman Weg LLP

ROBERT W. FULTS

By: _____

Title: _____

Date: ~~August~~ DEC 17, 2012

Approved as to Form _____

Peitzman Weg LLP

LINDA E. FULTS

By: _____

Title: _____

Date: ~~August~~ DEC 17, 2012

Approved as to Form _____

Peitzman Weg LLP

29. ***Binding Effect.***

This Agreement shall be binding upon and inure to the benefit of the Parties to this Agreement and their respective successors and assigns.

IN WITNESS WHEREOF, the Parties have executed this Agreement by their duly authorized representatives.

THORPE, for itself, and as successor by merger to PACIFIC INSULATION COMPANY

By: _____

Title: _____

Date: August ___, 2012

Approved as to Form _____

Morgan Lewis & Bockius LLP

FARWEST

By: _____

Title: _____

Date: August ___, 2012

Approved as to Form _____

Peitzman, Weg & Kempinsky LLP

THORPE TRUST

By: _____

Title: EXECUTIVE DIRECTOR

Date: August ___, 2012

Approved as to Form _____

Jones Vargas LLP

BAYSHORE

By: _____

Title: _____

Date: August ___, 2012

Approved as to Form _____

Peitzman Weg LLP

ROBERT W. FULTS

By: _____

Title: _____

Date: August ___, 2012

Approved as to Form _____

Peitzman Weg LLP

LINDA E. FULTS

By: _____

Title: _____

Date: August ___, 2012

Approved as to Form _____

Peitzman Weg LLP

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VICKY FULTS

By: Vicky J. Fults

Title: _____

Date: ~~August~~ Dec 17, 2012

Approved as to Form Laurence Peitzman

Peitzman Weg LLP

DEBRA FULTS

By: Debra Fults

Title: _____

Date: ~~August~~ Dec 17, 2012

Approved as to Form Laurence Peitzman

Peitzman Weg LLP

ERIC W. FULTS

By: EWF

Title: _____

Date: ~~August~~ Dec 17, 2012

Approved as to Form Laurence Peitzman

Peitzman Weg LLP

STACIE FULTS

By: Stacie Fults

Title: _____

Date: ~~August~~ Dec 17, 2012

Approved as to Form Laurence Peitzman

Peitzman Weg LLP

DAVID A. FULTS

By: DAF

Title: _____

Date: ~~August~~ Dec. 17, 2012

Approved as to Form Laurence Peitzman

Peitzman Weg LLP

MOTOR VEHICLE CASUALTY COMPANY

By: Allen L Mathis

Title: ~~Attorney in Fact~~

Date: ~~August~~ December 14, 2012

Approved as to Form _____

O'Melveny & Myers, LLP

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VICKY FULTS

By: _____

Title: _____

Date: August ___, 2012

Approved as to Form _____

Peitzman Weg LLP

DEBRA FULTS

By: _____

Title: _____

Date: August ___, 2012

Approved as to Form _____

Peitzman Weg LLP

ERIC W. FULTS

By: _____

Title: _____

Date: August ___, 2012

Approved as to Form _____

Peitzman Weg LLP

STACIE FULTS

By: _____

Title: _____

Date: August ___, 2012

Approved as to Form _____

Peitzman Weg LLP

DAVID A. FULTS

By: _____

Title: _____

Date: August ___, 2012

Approved as to Form _____

Peitzman Weg LLP

MOTOR VEHICLE CASUALTY COMPANY

By: Alicia L Mallon

Title: ~~Attorney in Fact~~ December

Date: ~~August~~ 14, 2012

Approved as to Form _____

O'Melveny & Myers, LLP

CENTRAL NATIONAL INSURANCE COMPANY

By: Shirley L. Mattis

Title: Attorney-in-Fact

Date: ~~August~~ December 14, 2012

Approved as to Form

O'Melveny & Myers, LLP

CENTURY INDEMNITY COMPANY

By: Shirley L. Mattis

Title: Senior Vice President

Date: ~~August~~ December 14, 2012

Approved as to Form

O'Melveny & Myers, LLP

The following Persons are executing this Agreement below solely to evidence their consent to (1) the TPFBF Parties' entry into this Agreement, and (2) the designation of the Century Insurers as Settling Asbestos Insurers:

FOR THE FUTURE CLAIMANTS' REPRESENTATIVE

By: Charles B Renfrew

Name: Charles B. Renfrew

Title: Future Claimants' Representative

Dated: Dec. 17, 2012

Approved as to Form: Daniel Feigus Jr.

Fergus, A Law Office
Attorney for the Future Claimants' Representative

FOR THE UNSECURED CREDITORS' COMMITTEE

By: _____

Name: _____

Title: _____

Dated: _____

Approved as to Form: _____

Jones Day
Attorneys for the Unsecured Creditors' Committee

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The following Persons are executing this Agreement below solely to evidence their consent to (1) the TPFBF Parties' entry into this Agreement, and (2) the designation of the Century Insurers as Settling Asbestos Insurers:

FOR THE FUTURE CLAIMANTS' REPRESENTATIVE

By: _____

Name: Charles B. Renfrew

Title: Future Claimants' Representative

Dated: _____

Approved as to Form: _____

Fergus, A Law Office
Attorney for the Future Claimants' Representative

FOR THE UNSECURED CREDITORS' COMMITTEE

By: Alan R. Brayton

Name: ALAN R. BRAYTON

Title: CHAIR

Dated: 12/18/2012

Approved as to Form: _____

Jones Day
Attorneys for the Unsecured Creditors' Committee

Appendix A

PROPOSED PLAN MODIFICATIONS

1. New/Amended Definitions

Asbestos Insurer Settlement.

Each agreement between the Debtors and the Asbestos Insurers listed on Exhibit D to the Plan, including any ancillary agreements to such agreements, as such Exhibit may be amended from time to time up to and including, but not after, the conclusion of the Confirmation Remand Proceedings before the Bankruptcy Court.

Confirmation Remand Effective Date.

The date selected by the Proponents that is not less than thirty (30) days following entry the Confirmation Remand Order; provided that the Confirmation Remand Order is not then stayed, is not then subject to a request for its revocation, and is a Final Order.

Confirmation Remand Order.

The order of the District Court confirming the Plan as modified following the Confirmation Remand Proceedings or affirming the Bankruptcy Court's order confirming the Plan as modified following Confirmation Remand Proceedings.

Confirmation Remand Proceedings.

The proceedings on remand in the Bankruptcy Court and/or the District Court with respect to the Plan following the decision of the United States Court of Appeals for the Ninth Circuit in *In re Thorpe Insulation Co.,* 677 F.3d 869 (9th Cir. 2012), including confirmation of the Plan as modified under Sections 1127 and 1128 of the Bankruptcy Code.

Century Settlement.

The compromise, release and sale/buy-back of insurance rights by and between the TPFBF Parties and the Century Insurers, each as defined in and as reflected in the Century Settlement Agreement.

Century Settlement Agreement.

That certain Settlement Agreement, Buy Back of Insurance Policies and Rights, and Release of Claims and Covenant Not to Sue dated as of September __, 2012 and attached hereto as Exhibit "__".

Settling Asbestos Insurer.

The Asbestos Insurers listed in **Exhibit D** to the Plan, as such exhibit may be amended from time to time up to and including, but not after, the conclusion of the Confirmation Remand Proceedings before the Bankruptcy Court.

2. New Plan Provisions

5.13. Century Settlement.

5.13.1 Approval.

Pursuant to Sections 1123(a)(5)(D) and 1123(b)(3) of the Bankruptcy Code, the provisions of the Century Settlement constitute a compromise of claims between the TPFBF Parties (as defined therein) and the Century Insurers (as defined therein) as well as a sale to and buy-back by the Century Insurers of certain insurance rights and policies free and clear of any and all liens, claims and interests, all as set forth in the Century Settlement Agreement. The Proponents request that the Bankruptcy Court approve the Century Settlement and Century Settlement Agreement in connection with the Confirmation Remand Proceedings. The Confirmation Remand Order shall constitute a determination that (i) the Century Settlement and Century Settlement Agreement are approved; (ii) that the buy-back of the Subject Insurance Policies (as defined in the Century Settlement Agreement) free and clear of all liens, claims and interests is authorized and shall be fully effective on the Confirmation Remand Effective Date; (iii) Section 363(m) applies to the buy-back of the Subject Insurance Policies and the Century Insurers are “good faith” purchasers of the Subject Insurance Policies within the meaning of Section 363(m).

5.13.2 Implementation.

Upon the Confirmation Remand Effective Date, the TPFBF Parties shall be authorized and directed to consummate the Century Settlement in accordance with the terms of the Century Settlement Agreement without further order of any court.

7.6 Occurrence of Confirmation Remand Effective Date.

On the Confirmation Remand Effective Date, the Proponents shall be free to perform any act, execute and deliver any document or instrument, and consummate any transfer or other transaction that is conditioned upon the occurrence of the Effective Date or the Confirmation Remand Effective Date. Further, as to any act performed in reliance on the occurrence of the Effective Date, the occurrence of the Confirmation Remand Effective Date shall satisfy any condition precedent that the Effective Date shall have occurred, as of the date of the Effective Date.

The condition precedent that the Confirmation Remand Order be a Final Order is subject to waiver by agreement of the Proponents at any time without notice, order of any court, or any further action or requirement.

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3. Amendment to **Exhibit D**

Add to the end of Exhibit D:

Century Insurers, as defined in the Century Settlement Agreement; provided that, the Century Insurers shall not continue to be designated as a Settling Asbestos Insurer under the Plan if (a) the Settlement Effective Date (as defined in the Century Settlement Agreement) does not occur; or (b) the Thorpe Trust shall not have received the Settlement Amount within ten (10) days following the provision of a written notice to the Century Insurers that the payment of the Settlement Amount was due and not timely made.

Appendix B

LIST REFERENCED IN SECTION 1.10

ACE American Insurance Company (formerly known as CIGNA Insurance Company, formerly known as INA Underwriters Insurance Company, formerly known as Allied Insurance Company, formerly known as Allied Compensation Insurance Company)

ACE Employers Insurance Company (formerly known as CIGNA Employers Insurance Company, formerly known as INA Employers Insurance Company, formerly known as INA Farmers Insurance Company)

ACE Fire Underwriters Insurance Company (formerly known as CIGNA Fire Underwriters Insurance Company, formerly known as Aetna Fire Underwriters Insurance Company)

ACE Indemnity Insurance Company (formerly known as CIGNA Indemnity Insurance Company, formerly known as Alaska Pacific Assurance Company, formerly known as North State Insurance Company)

ACE Lloyds Insurance Company (formerly known as CIGNA Lloyds Insurance Company, formerly known as American Lloyds Insurance Company)

ACE Property & Casualty Insurance Company (formerly known as CIGNA Property & Casualty Insurance Company, formerly known as Aetna Insurance Company)

Allied Insurance Company (formerly known as California Food Industry Insurance Company)

ACE Insurance Company of Illinois (formerly known as CIGNA Insurance Company of Illinois, formerly known as INA Insurance Company of Illinois)

ACE Insurance Company of Ohio (formerly known as CIGNA Insurance Company of Ohio, formerly known as INA Insurance Company of Ohio)

ACE Insurance Company of Texas (formerly known as CIGNA Insurance Company of Texas, formerly known as INA of Texas, formerly known as Pacific Employers Indemnity Company)

ACE Insurance Company of the Midwest (formerly known as CIGNA Insurance Company of the Midwest, formerly known as Aetna Insurance Company of the Midwest)

Atlantic Employers Insurance Company

Bankers Standard Fire and Marine Company (formerly known as Commercial Standard Fire and Marine Company)

Bankers Standard Insurance Company (formerly known as All Risk Insurance Company)

Century Indemnity Company in its own capacity and in its capacity as: (1) successor to CIGNA Specialty Insurance Company (formerly known as California Union Insurance Company); (2) successor to CCI Insurance Company as successor to Insurance Company of North America; and (3) successor to CCI Insurance Company as successor to Insurance Company of North America as successor to Indemnity Insurance Company of North America

Central National Insurance Company of Omaha (only to the extent policies issued by Cravens, Dargan & Company, Pacific Coast and its subsidiaries)

Horace Mann Insurance Companies (but only with respect to policies issued before August 1998)

Illinois Union Insurance Company (formerly known as GATX Insurance Company)

Imperial Casualty Company (only to the extent policies were issued by GATX Underwriters, Inc.)

INA Surplus Insurance Company (formerly known as Delaware Reinsurance Company)

Indemnity Insurance Company of North America, in its own capacity and as successor in interest to INA Insurance Company, Connecticut General Fire & Casualty Insurance Company, Indemnity Insurance Company of North America (New York) and Stuyvesant Insurance Company

Industrial Underwriters Insurance Company

Insurance Company of North America (formerly known as The President and Directors of the Insurance Company of North America)

Motor Vehicle Casualty Company (only to the extent policies issued by Cravens, Dargan & Company, Pacific Coast and its subsidiaries)

Pacific Employers Insurance Company

Service Fire Insurance Company (only to the extent policies issued by Cravens, Dargan & Company, Pacific Coast and its subsidiaries)

U.S. Fire Insurance Company, North River Insurance Company, International Insurance Company, International Surplus Lines Insurance Company, Mount Airy Insurance Company, Viking Insurance Company, Industrial Indemnity Insurance Company, Industrial Indemnity of Alaska Insurance Company and Industrial Underwriters Insurance Company of Dallas, but only to the extent of policies they issued to the Congoleum Entities that were novated to or assumed prior to December 31, 1994 by one of the companies listed in other parts of this Appendix B

Westchester Fire Insurance Company

Westchester Surplus Lines Insurance Company (formerly known as Industrial Insurance Company of Hawaii, Ltd.)

Appendix C

Subject Insurance Policies

Carrier	Policy Number	Policy Period +
Motor Vehicle Casualty Company	MU 04-04-95	October 1, 1977 to February 1, 1978
Central National Insurance Company of Omaha	CNU 12-59-29	October 1, 1976 to October 1, 1977
Century Indemnity Company, as successor to CIGNA Specialty Insurance Company (formerly California Union Insurance Company	CCG 02-00-69	October 1, 1979 to October 1, 1980

+ The "Policy Period" legend is not binding and is provided only for purposes of generally assisting in identifying the policies and is not intended as a full statement of the Parties' position.

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EXHIBIT O

CONTINENTAL SETTLEMENT AGREEMENT

SETTLEMENT AGREEMENT, BUY BACK OF INSURANCE POLICIES AND RIGHTS, FULL AND MUTUAL RELEASE OF CLAIMS, AND COVENANT NOT TO SUE

This Settlement Agreement, Buy Back of Insurance Policies And Rights, Full And Mutual Release of Claims, and Covenant Not to Sue ("**Agreement,**" as defined below) is made this 13th day of February, 2013, by and between:

Thorpe Insulation Company ("**Thorpe,**" for itself and as successor by merger to Pacific Insulation Company ("**Pacific Insulation**"), as Reorganized Debtor and a/k/a RTI Company (as defined in the Plan described below)), Thorpe Insulation Company Asbestos Settlement Trust ("**Thorpe Trust**"), Farwest Insulation Contracting ("**Farwest**"), Bayshore Partners, LLC ("**Bayshore**"), Robert W. and Debra Fults, Linda E. Fults, Eric W. and Vicky Fults, and David A. and Stacie Fults (collectively the "**Fults Family**") (hereinafter, collectively, the "**TPFBF Parties**"), on the one hand;

and

National Fire Insurance Company of Hartford, as successor-by-merger to Transcontinental Insurance Company, and The Continental Insurance Company, as successor to certain liabilities of Harbor Insurance Company ("**Continental**") (hereinafter, collectively, the "**Continental Insurers**"), on the other hand.

The Parties to this Agreement are referred to collectively as the "**Parties**" or individually as a "**Party.**"

RECITALS

Insurance Policies And Claims

WHEREAS, the Continental Insurers are alleged to have issued certain insurance policies to Thorpe (the "**Subject Insurance Policies,**" as defined below);

WHEREAS, the TPFBF Parties contend that the Subject Insurance Policies obligate Continental Insurers to defend, reimburse defense costs, and indemnify certain of the TPFBF Parties for certain asbestos bodily injury claims and demands ("**Asbestos Bodily Injury Claims,**" as defined below) and have sought defense of and indemnification for such liabilities against the Continental Insurers and "**Certain Insurers**," as defined below;

WHEREAS, the Continental Insurers have reserved their rights under the Subject Insurance Policies;

WHEREAS, in an effort to obtain an adjudication of their rights and obligations under the Subject Insurance Policies (the "**Insurance Claims**"), Thorpe and some of the Certain Insurers initiated actions in California captioned: *Thorpe Insulation Company v. Allstate Insurance Company, et al.*, No. CGC-05-446 682 (California Superior Court, County of San Francisco), *Chicago Insurance Company, et al. v. Allstate Insurance Company, et al.*, No. BC343014 (California Superior Court, County of Los Angeles), *Chicago Insurance Company v. Pacific Insulation Company, et al.*, No. BC346667 (California Superior Court, County of Los

Angeles), which were coordinated before the California Superior Court, County of Los Angeles, in *In Re Thorpe Asbestos Coverage Cases*, Judicial Council Coordinated Proceeding No. 4458 (collectively, "**Declaratory Judgment Actions**");

WHEREAS, Thorpe and Continental are parties to the Agreement Concerning Asbestos-Related Claims, also known as the Wellington Agreement, and following a Wellington arbitration award in Continental's favor by Judge Abraham Sofaer consented to a judgment by the Los Angeles Superior Court and further entered into a settlement agreement, dated April 17, 2003, to finally resolve disputes with respect to alleged obligations under the policies of insurance issued by Continental for the payment of alleged "non-products" Asbestos-Related Liability Claims, which arbitration Continental sought to reconvene on October 2, 2007 to enforce the terms of the April 17, 2003 settlement agreement ("**the Wellington Arbitration**"); and

WHEREAS, the Continental Insurers have denied, and continue to deny, all substantive allegations and Insurance Claims asserted against them in the Declaratory Judgment Actions and the Wellington Arbitration.

The Bankruptcy Case

WHEREAS, Thorpe and Pacific Insulation filed the **Bankruptcy Case** (as defined below) in order to confirm a plan of reorganization that (a) provides protections pursuant to sections 524(g) and 105(a) of the Bankruptcy Code, among others, against the assertion of Asbestos Bodily Injury Claims and Contribution Claims (as defined below) for certain protected parties, and (b) establishes the Thorpe Trust;

WHEREAS, on October 25, 2007, the United States Trustee for the Central District of California appointed in the Bankruptcy Case an Official Committee of Unsecured Creditors (the "**UCC,**" as defined below), which is comprised of representatives of present "**Claimants**" (as defined below), including those who have asserted Asbestos Bodily Injury Claims;

WHEREAS, on December 20, 2007, the Bankruptcy Court appointed Charles B. Renfrew as the legal representative of persons who may assert Asbestos Bodily Injury Claims in the future (the "**Future Claimants' Representative**" or "**FCR,**" as defined below, and collectively with Thorpe and the UCC "**Plan Proponents**");

WHEREAS, on December 28, 2009, Plan Proponents filed the Fifth Amended Joint Plan of Reorganization of Thorpe Insulation Company and Pacific Insulation Company [Dkt. No. 2539] (the "**Plan**") in the Bankruptcy Case;

WHEREAS, on February 1, 2010, the Bankruptcy Court entered its Order Confirming Fifth Amended Joint Plan of Reorganization of Thorpe Insulation Company and Pacific Insulation Company [Dkt. No. 2611] (the "**Confirmation Order,**" as defined below) in the Bankruptcy Case;

WHEREAS, on September 21, 2010, the District Court entered its Order and Opinion Affirming Plan Confirmation and § 524(g) Injunction [Dkt. No. 86] (the "**Affirmance Order**");

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WHEREAS, Thorpe contends that, on October 22, 2010, the Plan Effective Date occurred, and among other things, the Thorpe Trust was established, the § 524(g) Injunctions provided for in the Plan became effective, Pacific Insulation merged into Thorpe, and the property of the bankruptcy estates was vested in the Thorpe Trust and Thorpe respectively;

WHEREAS, on January 24, 2012, the United States Court of Appeals for the Ninth Circuit entered its opinion and judgment in Certain Insurers' appeal from the Confirmation Order and the Affirmance Order Case No. 10-56543 (Dkt. No. 73-1) (as subsequently modified on rehearing, the "**Ninth Circuit Ruling**"); and

WHEREAS, the Parties disagree about the import and effect of the Ninth Circuit Ruling, including its effect on the current status of the Plan, but agree that the result of the Ninth Circuit Ruling is currently-pending proceedings on remand in the Bankruptcy Court in respect of the Plan, which remains subject to modification in accordance with the terms of the Ninth Circuit Ruling.

This Agreement

WHEREAS, representatives of the FCR, UCC, the TPFBF Parties, and the Continental Insurers have met in an effort to resolve all disputes with respect to coverage for Asbestos Bodily Injury Claims under the Subject Insurance Policies;

WHEREAS, the UCC and FCR specifically have negotiated (a) a resolution of the dispute over coverage for Asbestos Bodily Injury Claims and (b) the payment provisions in section 2 of this Agreement with the Continental Insurers and have determined that those payment provisions provide reasonably equivalent value to the TPFBF Parties for the consideration provided to the Continental Insurers;

WHEREAS, the UCC, FCR, TPFBF Parties, and Continental Insurers have been advised of all negotiations leading up to this Agreement, have sought legal advice from their attorneys, believe this Agreement is in their respective best interests, and fully and freely consent to this Agreement;

WHEREAS, Thorpe and the Thorpe Trust, in the exercise of their best business judgment, believe that this Agreement is in the best interests of Thorpe and the Thorpe Trust, respectively;

WHEREAS, by this Agreement, the Parties intend to adopt a full and final settlement that compromises, releases, and terminates all rights of all of the TPFBF Parties and all liabilities and obligations of the Continental Insurers arising from or relating to the Subject Insurance Policies, including but not limited to all rights, obligations, and liabilities arising from or relating to any Asbestos Bodily Injury Claims, without further adjudication or trial of any issues of fact or law, except as expressly provided herein;

WHEREAS, the Parties agree that this Agreement shall not: (i) prejudice or waive any of their respective positions in matters with unrelated parties or constitute or be construed as an admission of any fact or liability in the Bankruptcy Case or otherwise; (ii) constitute or be construed as an admission by the Continental Insurers of any liability, obligation, or responsibility under the Subject Insurance Policies ("**Insurance Rights**," as defined below); or

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(iii) prejudice or waive the Parties' respective positions about the meaning of words or terms in the Subject Insurance Policies, or on any other issues in the Declaratory Judgment Actions or any other action, except as provided herein; and

WHEREAS, this Agreement is entered into by the Parties in good faith and as the result of arms-length negotiations between the Parties.

AGREEMENTS

NOW, THEREFORE, in full consideration of the foregoing and of the mutual agreements contained in this Agreement, and intending to be legally bound, the Parties agree as follows:

1. *Definitions.*

As used in this Agreement, the following terms shall have the following meanings:

1.1 "**Affiliate**" means an Entity that is an affiliate of, or an Entity that is affiliated with, another specified Entity because it directly or indirectly, through one or more intermediaries, owns a majority interest in, or controls, or is controlled by, or is under common control with, the other specified Entity.

1.2 "**Agreement**" means this Settlement Agreement, Buy Back of Insurance Policies and Rights, Full and Mutual Release of Claims, and Covenant Not to Sue, as it may be amended or modified from time to time in accordance with its provisions.

1.3 "**Approval Order**" means an order of the "**Bankruptcy Court**," as defined below, (a) approving this Agreement; (b) effectuating the buyback of the Subject Insurance Policies and all rights under those Policies pursuant to this Agreement, free and clear of any and all liens, claims, and interests pursuant to 11 U.S.C. §§ 363 and 1123; and (c) imposing, and requiring as a condition to the occurrence of the Settlement Effective Date that the Confirmation Order impose, a "**Permanent Injunction**" (as defined below) in favor of the Continental Entities consistent in all respects with this Agreement together with supporting findings of fact and conclusions of law required under section 524(g)(4)(B)(ii) of the Bankruptcy Code with respect to the Continental Entities and identifying the Continental Entities by name, or as part of an identifiable group, as Entities to be protected by the Permanent Injunction; (d) requiring that from and after the Settlement Effective Date (and provided that the Settlement Amount has been paid), all Holders of Asbestos Bodily Injury Claims receiving payments from the Thorpe Trust shall provide a release in favor of the Continental Entities; (e) causing this Agreement to be binding on the Parties and to inure to their benefit; (f) containing a provision providing that the Court shall have and retain jurisdiction over any proceeding to enforce the provisions of the Approval Order or the Agreement to the fullest extent permitted by applicable law; and (g) making (or, if separately entered by the Court, incorporating by

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reference) findings of fact and conclusions of law under sections 105(a), 1123(a) and 363(f) and (m), 524(g), and 1129(a) — and, if applicable, under section 1129(b) — of the Bankruptcy Code. At Thorpe's option, some or all of the provisions of the Approval Order may be in a separate order or made a part of the Confirmation Order.

1.4 "**Asbestos Bodily Injury Claims**" means those "**Asbestos-Related Liability Claims**," as defined below,

(a) brought or maintained, or

(b) to be brought or maintained in the future

against one or more of the TPFBF Parties on account of bodily injury, personal injury, or death, including but not limited to:

(1) any such bodily injury, personal injury, or death Claims alleging (a) loss of consortium, medical monitoring, wrongful death, or survivorship, and/or (b) proximate, consequential, special, or punitive damages; and

(2) Claims (a) for contribution, reimbursement, indemnity, or subrogation, and (b) under any other legal or equitable theory, based on, arising under, or attributable to the payment of all or any part of any Asbestos-Related Liability Claim.

1.5 "**Asbestos-Related Liability Claims**" means any "**Claim**," as defined below, relating in whole or in part, in fact or by allegation, to asbestos or asbestos-containing products that were or were alleged to have been manufactured, installed, removed, fabricated, sold, supplied, produced, designed, disturbed, released, or in any way at any time held, handled, distributed, marketed, or disposed of by any TPFBF Party, or that had or were alleged to have had anything to do with any TPFBF Party.

1.6 "**Bankruptcy Case**" means cases commenced by the voluntary petitions for relief filed under Chapter 11 of the Bankruptcy Code by Thorpe (as Case No. 07-19271-BB, on October 15, 2007) and Pacific Insulation (as Case No. 07-20016-BB, on October 31, 2007), which were ordered to be jointly administered with all pleadings filed under Case No. 07-19271-BB.

1.7 "**Bankruptcy Court**" means the United States Bankruptcy Court for the Central District of California, Los Angeles Division or any other court presiding over the Bankruptcy Case.

1.8 "**Bayshore**" means Bayshore Partners, LLC, formerly known as Bayshore Group, which was formerly known as Fults Development Co. and (a) each of their parents, (b) each of their past or present Subsidiaries and Affiliates, (c) each of their interests in any joint venture in which they participated, and (d) each of their respective officers, directors, employees, agents,

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representatives, shareholders, and attorneys, or the successors of any of them, solely in their capacity as such.

1.9 "**Business Day**" means any day other than a Saturday, Sunday, or day upon which national banks in the city of Los Angeles, California are authorized to be closed.

1.10 "**Certain Insurers**" means the following insurers and their successors: Pacific Indemnity Company (Chubb), Fireman's Fund Insurance Company (Allianz), Chicago Insurance Company (Allianz), Century Indemnity Company, Motor Vehicle Casualty Company, California Union Insurance Company, Central National Insurance Company of Omaha, Cigna Specialty Insurance Company, Middlesex Mutual Insurance Company/Middlesex Insurance Company (Sentry), Transport Insurance Company, Maine Bonding and Casualty Company, Allstate Insurance Company, Great American, American Centennial, General Insurance Company, National Union Fire Insurance Company of Pittsburgh and Granite State Insurance Company (AIG), Associated International Insurance Company, Argonaut Insurance Company, Westport Insurance Company (Swiss Re), Employers Reinsurance Company (Swiss Re), and any other insurer, excluding the Continental Entities, alleged or found to be an insurer of any TPFBF Party.

1.11 **"Channeling Injunction**" means the Section 524(g) Injunction provided for by the Plan or any other Section 524(g) Injunction that is at least as broad and inclusive as to the Continental Entities as the Section 524(g) Injunction provided to "Settling Insurance Entities" in the Plan.

1.12 "**Claim**" means:

(a) a claim as that term is defined in section 101(5) of the Bankruptcy Code;

(b) a Demand, as that term is defined below and in section 524(g)(5) of the Bankruptcy Code; or

(c) any claim, assertion of right, complaint, cross-complaint, counterclaim, liability, right, request, allegation, arbitration, mediation, lawsuit, direct action, administrative proceeding, cause of action, suit, action, lien, debt, bill, indemnity, equitable indemnity, right of subrogation, equitable subrogation, injunctive relief, controversy, contribution, exoneration, covenant, agreement, promise, act, omission, trespass, variance, damages, judgment, compensation, set-off, reimbursement, restitution, cost, expense, loss, exposure, execution, attorneys' fee, obligation, order, affirmative defense, writ, demand, inquiry, request, directive, obligation, proof of claim in a bankruptcy proceeding or submitted to a trust established pursuant to section 524(g) of the Bankruptcy Code, government claim or action, settlement, and/or any liability whatsoever,

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whether past, present or future, known or unknown, asserted or unasserted, foreseen or unforeseen, fixed or contingent, matured or unmatured, liquidated or unliquidated, direct or indirect, or otherwise consequential,

whether in law, equity, admiralty, or otherwise,

whether compromised, settled, or reduced to a consent judgment,

that exists or may exist now or hereinafter for property damages, compensatory damages, consequential damages, special damages, or punitive damages,

including but not limited to claims for loss of consortium, medical monitoring, wrongful death, survivorship, public and private claims, any other right to relief, whether sounding in tort, contract, strict liability, equity, nuisance, trespass, a statutory violation, wrongful entry, eviction, or other invasion of the right of private occupancy of any nature whatsoever.

For avoidance of doubt, Claim includes but is not limited to: (a) any Asbestos Bodily Injury Claim; (b) any Trust Claim, as defined below; (c) any Tort Claim, as defined below; (d) any claim for unfunded defense costs, settlement(s), or judgment(s) that arose prior to the Petition Date; (e) any Direct Action Claim, as defined below; and (f) any Contribution Claim, as defined below.

1.13 "**Claimant**" means the past, present, or future holder of any Claim against any TPFBF Party

1.14 **"Confirmation Order**" means that certain Order Confirming Fifth Amended Joint Plan of Reorganization of Thorpe Insulation Company and Pacific Insulation Company [Dkt. No. 2611] entered February 1, 2010 in the Bankruptcy Case, together with all supporting findings of fact and conclusions of law, as modified by the Approval Order, and as it may be subsequently amended, modified, and affirmed until it becomes a Final Order.

1.15 "**Continental Entities**" means, subject to the provisions of section 1.15(u) below:

(a) The Continental Insurance Company, as it exists on the Execution Date;

(b) each of The Continental Insurance Company's predecessors, including without limitation Harbor Insurance Company;

(c) The Continental Insurance Company's Subsidiaries and Affiliates, as they exist on the Execution Date;

(d) the Subsidiaries and Affiliates of The Continental Insurance Company's parents, as they exist on the Execution Date;

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(e) any joint venture in which The Continental Insurance Company has participated as of the Execution Date;

(f) National Fire Insurance Company of Hartford, as it exists on the Execution Date;

(g) each of National Fire Insurance Company of Hartford's predecessors, including without limitation Transcontinental Insurance Company;

(h) National Fire Insurance Company of Hartford's Subsidiaries and Affiliates, as they exist on the Execution Date;

(i) the Subsidiaries and Affiliates of National Fire Insurance Company's parents, as they exist on the Execution Date;

(j) any joint venture in which National Fire Insurance Company has participated as of the Execution Date;

(k) Continental Casualty Company, as it exists on the Execution Date;

(l) each of Continental Casualty Company's predecessors;

(m) Continental Casualty Company's Subsidiaries and Affiliates, as they exist on the Execution Date;

(n) the Subsidiaries and Affiliates of Continental Casualty Company's parents, as they exist on the Execution Date;

(o) any joint venture in which Continental Casualty Company has participated as of the Execution Date;

(p) each of the successors-in-interest to the policies issued by Transcontinental Insurance Company, Harbor Insurance Company, and Continental Casualty Company when acting in its capacity as such;

(q) each of the Entities listed on Appendix B;

(r) the respective past, present, and future direct and indirect parents, Subsidiaries, and Affiliates of the Entities identified in Section 1.15 (a)-(q) when acting in their capacity as such;

(s) all of the officers, directors, employees, agents, representatives, members, shareholders, and attorneys (including each of their respective successors, assigns, heirs, administrators, or executors) of any of the Entities identified in subsections 1.15 (a)-(q), when acting in their capacity as such;

(t) any Entity that acquired or acquires a Continental Entity within the scope of subsections 1.15 (a)-(q) above, or becomes a successor in interest to such a Continental Entity through assignment, merger, or otherwise, but only to the extent that such successor succeeds to that Continental Entity's rights and

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obligations, as they existed on the Execution Date, with respect to the TPFBF Parties; and

(u) In the event that any of the Entities described in subsections 1.15 (a)-(t) above has any rights or obligations that are independent of and not derivative of such Entity's rights and obligations as they existed on the Execution Date, then such Entity shall not be included within the definition of "Continental Entities" for purposes of this Agreement with respect to such independent and non-derivative rights and obligations. Further, "Continental Entities" shall not mean or include any other insurer identified as one of the "Certain Insurers" in Section 1.10 herein.

1.16 "**Contribution Claim**" means any Claim by any insurer of any of the TPFBF Parties against any or all of the Continental Entities seeking contribution, equitable contribution, indemnity, equitable indemnity, subrogation, equitable subrogation, or relief pursuant to any other legal or equitable theory, arising out of or relating to the payment or defense of all or any part of any Asbestos Bodily Injury Claim that is asserted against one or more of the TPFBF Parties.

1.17 "**Court**" means the Bankruptcy Court or the District Court, as applicable, and as may be necessary to meet the requirements of section 524(g) of the Bankruptcy Code.

1.18 "**Coverage Litigation**" means the Declaratory Judgment Actions and any subsequent litigation, including any adversary proceeding in the Bankruptcy Case, which relates to the availability of insurance coverage for Asbestos Bodily Injury Claims brought against any of the TPFBF Parties or their current or former insurers.

1.19 "**Demand**" means a "demand" as that term is defined in section 524(g)(5) of the Bankruptcy Code.

1.20 "**Direct Action Claim**" means any Claim by any Entity (other than a TPFBF Party) against one or more of the Continental Entities based on or arising out of any Claim against one or more of the TPFBF Parties, whether arising by contract, in tort, or under the laws of any jurisdiction, including any statute or case law that gives or is alleged to give a third party a direct cause of action against an insurer. Direct Action Claims include, without limitation, *Abel v. Ambassador*, No. CGC-07-467576 (Cal. Super., San Francisco Cty.), *Alonge v. Ambassador*, No. CGC-07-467583 (Cal. Super., San Francisco Cty.), *Clemmer v. Ambassador*, No. CGC-07-467578 (Cal. Super., San Francisco Cty.), *Fontes v. Ambassador*, No. CGC-07-467577 (Cal. Super., San Francisco Cty.).

1.21 "**District Court**" means the United States District Court for the Central District of California.

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1.22 "**Entity**" means any person, individual, corporation, partnership, association, limited liability company, joint stock company, joint venture, estate, trust, unincorporated organization, government (including any federal, state, local, or foreign government), any governmental or quasi-governmental body, or any political subdivision, agency, department, board, or instrumentality of any federal, state, local, or foreign government.

1.23 "**Execution Date**" means the earliest date on which this Agreement is signed by all of the Parties and persons contemplated to sign this Agreement.

1.24 "**Farwest**" means Farwest Insulation Contracting, formerly known as Far West Insulation Contracting, and also formerly known as Tico Group, Inc., and (a) each of their parents, (b) each of their past or present Subsidiaries and Affiliates, (c) each of their interests in any joint venture in which they participated, and (d) each of all of their respective officers, directors, employees, agents, representatives, shareholders, and attorneys, or the successors of any of them, solely in their capacity as such.

1.25 "**FCR**" or "**Future Claimants' Representative**" means Charles B. Renfrew in his capacity as a person appointed by the Court in the Bankruptcy Case pursuant to section 524(g)(4)(B)(i) of the Bankruptcy Code and any successor.

1.26 "**Final Order**" means an order

(a) as from which the time to appeal, petition for certiorari or review, or request re-argument and/or rehearing has expired; and

(b)(1) as from which no appeal, petition for certiorari or review, or request for re-argument or rehearing is pending, or as to which any right to appeal, petition for certiorari or review, or request for re-argument or rehearing shall have been waived in writing in form and substance satisfactory to Thorpe, the Thorpe Trust, the Continental Entities and each of their respective counsel; or

(2) in the event that an appeal, petition for certiorari or review, or request for re-argument or rehearing has been sought, then (a) such order shall have been affirmed by the highest court to which it was appealed, (b) certiorari or review shall have been denied, (c) re-argument or rehearing shall have been denied, and (d) the time for any further appeal, petition for certiorari or review, and request for re-argument or rehearing shall have expired;

provided, however, that the possibility that a motion under Rule 60 of the Federal Rules of Civil Procedure or any analogous rule under the Federal Rules of Bankruptcy Procedure (the "**Bankruptcy Rules**") may be, but has not been, filed with respect to such order shall not cause such order not to be a "Final Order."

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1.27 **"Instructions Order"** means an order of a court of competent jurisdiction authorizing the Thorpe Trust to enter into this Agreement, which may be the Approval Order.

1.28 "**Insurance Rights**" means: (a) the Subject Insurance Policies; (b) any right to or interest in insurance coverage or proceeds relating to the Subject Insurance Policies; and (c) any Claims relating to the Subject Insurance Policies that would arise under any theory of law, admiralty, or equity, or under any statutory or other theory.

1.29 "**Pacific Insulation**" means the former Pacific Insulation Company, a California corporation, and (a) each of its parents, (b) each of its past or present Subsidiaries and Affiliates, (c) each of its interests in any joint venture in which it participated, and (d) each of its respective officers, directors, employees, agents, representatives, shareholders, and attorneys, or the successors of any of them, solely in their capacity as such.

1.30 "**Permanent Injunction**" means the injunction set forth in the Plan, to be modified to include the Continental Entities, pursuant to section 524(g) and, if applicable, section 105(a) of the Bankruptcy Code, which enjoins any Entity from taking legal action against certain protected parties, including, without limitation, the Continental Entities, for the purpose of directly or indirectly collecting, recovering, or receiving payment or recovery with respect to: (i) any Claim (including Asbestos Bodily Injury Claims) that, under the Plan, is to be paid in whole or in part, or otherwise resolved, by the Thorpe Trust; (ii) any Direct Action Claims; and (iii) any Contribution Claims. Thorpe will use its best efforts to add the Continental Entities as a Settling Asbestos Insurer, as defined in the Plan, and to otherwise obtain the benefit of the Channeling Injunction for the Continental Entities. Such reasonable best efforts shall include with respect to any Plan, the inclusion of such Channeling Injunction in such Plan and the Confirmation Order.

1.31 "**Petition Date**" means October 15, 2007.

1.32 "**Plan**" or "**Plan of Reorganization**" means the Fifth Amended Joint Plan of Reorganization of Thorpe Insulation Company and Pacific Insulation Company [Dkt. No. 2539] filed in the Bankruptcy Case on December 28, 2009, and any amendments or modifications to that plan.

1.33 "**Plan Effective Date**" means October 22, 2010.

1.34 "**Settlement Amount**" means the monies to be paid by the Continental Insurers under section 2 of this Agreement.

1.35 "**Settlement Effective Date**" means the first Business Day upon which the Approval Order, the Instructions Order, and the Confirmation Order become Final Orders; provided, however, that the entry or finality of the Instructions Order may be waived by the Thorpe Trust in its sole discretion.

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1.36 "**Settling Insurers**" means the Continental Entities and any other "Settling Asbestos Insurer" as defined in the Plan.

1.37 "**Subject Insurance Policies**" means:

(a) all insurance policies listed in Appendix C to this Agreement;

(b) any and all known and unknown insurance policies, including any and all wrap-up policies and property policies, whether liability or other, ever issued by the Continental Entities as they may exist on the Execution Date to any TPFBF Party; and

(c) any and all known and unknown insurance policies, including any and all wrap-up policies and property policies, whether liability or other, ever issued by the Continental Entities as they may exist on the Execution Date that potentially or actually provide coverage to any TPFBF Party for any Asbestos Bodily Injury Claim or other Trust Claim.

1.38 "**Subsidiary**" of an Entity means: (a) a corporation as to which the Entity possesses shares of common stock and exercises control through the voting power of said stock, (b) a limited liability company as to which the Entity exercises control under the terms of the limited liability company's operating agreement, or (c) a partnership as to which the Entity exercises control under the terms of the partnership's partnership agreement.

1.39 "**TPFBF Party**" means Thorpe for itself and as successor by merger to Pacific Insulation, the Thorpe Trust, Farwest, Bayshore, or any member of the Fults Family. **"TPFBF Parties**" refers to Thorpe, for itself and as successor by merger to Pacific Insulation, the Thorpe Trust, Bayshore, Farwest, and the Fults Family members collectively.

1.40 "**Thorpe**" means:

(a) Thorpe Insulation Company, as merged with Pacific Insulation, including but not limited to:

(1) Thorpe Insulation Company, a California corporation, formerly known as Plant Insulation Company and sometimes doing business as C.R.B. Supply Co., Inc., in Arizona, a subsidiary;

(2) Thorpe Insulation Company dba: Thorpe Products Company;

(3) Industrial Insulation Company, a dissolved Arizona corporation, and a subsidiary;

(4) Thorpe Insulation Company of San Diego, a dissolved California corporation, and a subsidiary; and

(5) Thorpe Environmental Services, Inc., formerly known as Western Removal Services, Inc., also a dissolved California corporation and a subsidiary;

(b) its parents, including but not limited to the parents of each and every Entity identified in (a)(1)-(5);

(c) its past or present Subsidiaries and Affiliates, including but not limited to the Subsidiaries and Affiliates of each and every Entity identified in (a)(1)-(5);

(d) its interests in any joint venture in which it participated, including but not limited to the interests of each and every Entity identified in (a)(1)-(5); and

(e) its officers, directors, employees, agents, representatives, shareholders, and attorneys, or the successors of any of them, solely in their capacity as such, including but not limited to the officers, directors, employees, agents, representatives, shareholders, and attorneys (and successors) of each and every Entity identified in (a)(1)-(5).

1.41 "**Thorpe Trust**" means the trust established by the Plan on the Plan Effective Date to assume liability for, and pay, Trust Claims pursuant to section 524(g), and if applicable section 105, of the Bankruptcy Code and the Plan.

1.42 "**Tort Claim**" means any Claim, other than an Asbestos Bodily Injury Claim, that: (a) arises out of allegations of personal injury, wrongful death, property damage, products liability or similar legal theories of recovery; or (b) arises under any federal, state, or local statute, rule, regulation, or ordinance governing, regulating, or relating to health, safety, hazardous substances, or the environment.

1.43 "**Trust Claim**" means (a) any Asbestos Bodily Injury Claim and (b) any other Claim against any of the TPFBF Parties or any of the Settling Insurers to the extent that liability for such Claim is transferred to and is assumed by the Thorpe Trust. Nothing in this definition or Agreement requires the TPFBF Parties to transfer liability for Claims other than Asbestos Bodily Injury Claims to the Thorpe Trust.

1.44 "**UCC**" or the "**Unsecured Creditors' Committee**" means the Entity that is also known as the Official Committee of Unsecured Creditors and was appointed by the United States Trustee to represent Thorpe's and Pacific Insulation's unsecured creditors in the Bankruptcy Case, including the present Claimants, which include holders of Asbestos Bodily Injury Claims.

To the extent that a term is not defined in this Agreement and is defined in Title 11 of the United States Code, sections 101 *et seq.* (the "**Bankruptcy Code**"), or in the Plan, that term shall have the meaning set forth in the Bankruptcy Code or the Plan, respectively. Each defined term stated in a singular form shall include the plural form. Each defined term stated in plural form shall include the singular

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form. Each defined term stated in the masculine form or in the feminine form shall include the other. The word "including" means "including but not limited to." The phrase "relating to" means "relating to, with regard to, by reason of, based on, or arising out of." (These words and phrases generally are not capitalized in this Agreement or in any of the attachments to this Agreement.)

2. *Settlement Payment.*

2.1 In consideration of the mutual covenants stated in this Agreement, the Continental Insurers shall pay Forty-Five Million dollars ($45,000,000) to the Thorpe Trust.

2.2 The Continental Insurers' payment shall be due on the first Business Day that is not less than thirty (30) days after the Settlement Effective Date.

3. *Cessation of Litigation, Claims, and Dismissals.*

3.1 Upon the Execution Date, (i) the Parties shall cease all litigation activities against each other in the Coverage Litigation and the Wellington Arbitration, (ii) the Continental Insurers shall stay, suspend or adjourn their objections to the Plan and cease all other litigation activity inconsistent with this Agreement in the Bankruptcy Case (including, without limitation, in any matters in the District Court, the Ninth Circuit Court of Appeals or the United States Supreme Court arising out of the Bankruptcy Case), (iii) the Trust shall suspend until the Approval Order the alternative claims handling procedures authorized under the Trust Distribution Procedures authorizing Claimants to file a civil action pursuant to Section 5.1.6 of the Plan, and (iv) after entry of the Approval Order, the Trust shall require any Claimants who elect to proceed pursuant to the alternative claims handling procedures authorized under the Trust Distribution Procedures authorizing Claimants to file a civil action pursuant to Section 5.1.6 of the Plan to sign an agreement pursuant to which the Claimant (a) covenants not to sue the Continental Entities in a California Code of Civil Procedure section 11580 direct action claim or otherwise with respect to any Asbestos Bodily Injury Claim against RTI Company and (b) agrees to waive any claims or rights the Claimant may have that the Continental Entities are bound or in any way affected by the lawsuit pursued pursuant to Section 5.1.6 of the Plan and agrees not to use such lawsuit against the Continental Entities in any manner.

3.2 Within two (2) Business Days after the Execution Date, the Parties shall dismiss, without prejudice, all Claims against each other in the Coverage Litigation and shall withdraw the Wellington Arbitration without prejudice.

3.3 Upon each Party's filing of the dismissal without prejudice described in section 3.2, that Party's claims shall be tolled, without prejudice, as of the date the dismissal is filed, until either: (a) the Parties have dismissed their claims against each other with prejudice (including as provided by section 3.4 of this Agreement); or (b) the settlement between the Parties terminates and the claims may be reinstituted in the Coverage Litigation.

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3.4 Upon the Continental Insurers' payment of the full Settlement Amount, the Parties' dismissals and withdrawals will be converted to dismissals and withdrawals with prejudice without any further action of the Parties.

3.5 The Parties agree to use their best efforts to ensure that no ruling, proceeding, or other matter in connection with the Plan or the Chapter 11 Case will impair, affect, or modify the Parties' rights or obligations under this Agreement. The Continental Insurers reserve the right to object to any Plan and/or to any order confirming any Plan, or any modifications to either of the foregoing, to the extent that any of them are not consistent with the terms of this Agreement. The TPFBF Parties cannot, however, guarantee that there never will be changes to the Plan, Confirmation Order, and/or Settlement Approval Order that would impose obligations, requirements, and/or conditions that would be inconsistent with this Agreement. All Parties likewise recognize that certain types of changes to the Plan, Confirmation Order, and/or Settlement Approval Order that would impose obligations, requirements and/or conditions that would be inconsistent with this Agreement could potentially lead to termination of this Agreement.

3.6 Notwithstanding anything else in this Agreement, the Parties agree that the Continental Insurers may challenge or object to confirmation of the Plan if the Plan is altered, modified, or revised, if any such alteration, modification, or revision (a) is inconsistent with the terms of this Agreement, (b) materially and adversely affects the interests of the Continental Insurers under this Agreement, or (c) does not include the Permanent Injunction.

3.7 Notwithstanding anything else in this Agreement, the Parties reserve their rights to be heard in the Bankruptcy Case if any Entity takes any action inconsistent with this Agreement that materially and adversely affects the Parties' respective rights or interests under this Agreement.

3.8 For the avoidance of doubt, nothing in this Section 3 shall prevent:

(a) the Parties from taking whatever steps they deem necessary to defend their interests in the Coverage Litigation until the Parties dismiss their claims in the Coverage Litigation and withdraw the Wellington Arbitration without prejudice as provided in section 3.2;

(b) Thorpe, the UCC, the FCR and the Thorpe Trust from:

(1) seeking confirmation of the Plan or approval of modifications or amendments to the Plan and prosecuting and defending appeals arising from the Bankruptcy Case;

(2) consummating the Plan or modifications or amendments to the Plan;

(3) seeking and obtaining an injunction preventing prosecution of the Coverage Litigation;

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(4) entering into settlement agreements with insurers other than the Continental Insurers that issued one or more insurance policies to Thorpe; and

(5) prosecuting the Coverage Litigation with respect to insurers other than the Continental Insurers.

3.9 Any TPFBF Party that becomes a party to the Coverage Litigation agrees to use best efforts to obtain, upon the Continental Insurers' request:

(a) the dismissal, with or without prejudice, of any complaints and cross-complaints against the Continental Insurers by any of the Certain Insurers; and

(b) the tolling, severance, or stay of any Claims by any of the Certain Insurers against the Continental Insurers in the Coverage Litigation, in any litigation concerning Contribution Claims, and in the Bankruptcy Case,

provided that the Continental Insurers are not then in default of their obligations pursuant to Section 2 of this Agreement and that this Agreement has not been terminated as provided in Section 3.11.

3.10 The TPFBF Parties agree that the Continental Entities shall have no obligation to pay, handle, object, or otherwise respond to any Claim, from and after the Execution Date, unless and until this Agreement is terminated for any reason.

3.11 Notwithstanding anything in this Agreement, if the Confirmation Order does not become a Final Order, then the Continental Insurers may, in their sole and absolute discretion, either (a) elect to continue this Agreement in full force and effect, or (b) terminate this Agreement.

The Continental Insurers shall inform the TPFBF Parties of their choice in writing within the later of thirty (30) days after the Continental Insurers' receipt of a written notice from Thorpe that Thorpe has determined that the Confirmation Order will not become a Final Order; provided that Thorpe may not provide such notice prior to the time that the United States Court of Appeals for the Ninth Circuit rules on any appeal from the Confirmation Order and any separate order that may be entered imposing the Permanent Injunction (if the Permanent Injunction is entered in an order separate from the Confirmation Order).

In the absence of such a written notice from the Continental Insurers, this Agreement shall continue in full force and effect.

3.12 If the Continental Insurers elect to terminate this Agreement pursuant to section 3.11, then:

(a) the releases and buy backs of the Subject Insurance Policies provided for in this Agreement shall be of no further force or effect;

(b) the payment obligation of Section 2.1 of this Agreement shall be of no force or effect;

(c) the Parties shall have no further obligations pursuant to Sections 3.1-3.2, and 6-9 of this Agreement;

(d) the Continental Insurers shall thereafter be obliged to pay, handle, object, or otherwise respond to any Claim to the same extent as they are so obligated as of the Execution Date (which obligations the Continental Insurers contest); and

(e) The Continental Insurers may renew any and all objections to the Plan and any and all positions regarding the Subject Insurance Policies in the Coverage Litigation, the Wellington Arbitration, or any other action, which shall be deemed preserved in the interim.

3.13 The Parties shall bear, as to each other only, their own costs, expenses, and counsel fees in the Coverage Litigation, the Bankruptcy Case, and in connection with or relating to this Agreement.

4. *Full and Mutual Releases and Insurance Rights Buy Back.*

Except for the obligations created by this Agreement, the TPFBF Parties and the Continental Insurers enter into the following agreements and full and mutual releases:

4.1 By the TPFBF Parties:

4.1.1 Upon the Settlement Effective Date, and conditioned upon the receipt by the Thorpe Trust of the Settlement Amount provided for in section 2.1 of this Agreement, other than as to their rights under this Agreement, the TPFBF Parties (collectively, the "**TPFBF Releasors**") do hereby settle, remit, release, covenant not to sue, and forever discharge the Continental Entities from and against any and all past, present, and future Claims that the TPFBF Releasors ever had, now have, or hereafter may have relating to the Insurance Rights, including all:

(a) Claims for insurance coverage, including both defense costs and indemnification of Claims;

(b) Claims for or relating to or in connection with any act, omission, representation, or conduct of any sort relating to the Insurance Rights;

(c) Tort Claims;

(d) Trust Claims;

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(e) Asbestos Bodily Injury Claims;

(f) Claims filed directly or indirectly against the Continental Entities relating to either the Insurance Rights or the Trust Claims;

(g) Claims for any form of extra-contractual liability relating to the Insurance Rights, including Claims for punitive damages, attorneys' fees, antitrust or unfair competition, breach of duty of good faith and fair dealing, breach of statutory duties, and breach of common law duties, such as, but not limited to, negligent undertaking, breach of fiduciary duty or any other theory of extra-contractual liability;

(h) Claims that are the subject of the Coverage Litigation and the Wellington Arbitration; and

(i) Claims for attorneys' fees in the Bankruptcy Case, including claims asserted in appellate proceedings arising from the Bankruptcy Case, including but not limited to fees awarded to Thorpe Insulation Company pursuant to the United States Court of Appeals for the Ninth Circuit's July 3, 2012 order.

Notwithstanding any other provision of this Agreement, and for the avoidance of doubt, the TPFBF Releasors do **not** settle, remit, release, covenant not to sue, or otherwise discharge their rights to bring a claim for enforcement or breach of this Agreement.

4.1.2 Thorpe and the Thorpe Trust acknowledge that the foregoing release includes a release of any and all claims for extra-contractual liability arising from the Insurance Rights, including but not limited to the Claims set forth in section 4.1.1, any and all claims for business loss that Thorpe may have incurred, and any right to punitive or exemplary damages or attorneys' fees that Thorpe may have possessed.

4.1.3 Upon the Settlement Effective Date, and conditioned upon the receipt by the Thorpe Trust of the Settlement Amount provided for at Section 2.1 of this Agreement, the Continental Insurers shall have bought back the Insurance Rights, pursuant to the Plan and the Confirmation Order as modified by the Approval Order, free and clear of any and all Claims, and the rights, title, or interests of any Entity pursuant to the applicable provisions of the Bankruptcy Code with a scope equivalent to that under 11 U.S.C. § 363, and the Continental Insurers shall be deemed credited with the return of all premiums received. As a result, the Subject Insurance Polices shall no longer remain in effect. The TPFBF Releasors intend to reserve no rights or benefits whatsoever relating to the Insurance Rights and intend to assure the Continental Entities peace and freedom from all Claims and from all assertions of rights in connection with such Claims, including Trust Claims.

4.1.4 Upon the Settlement Effective Date, and conditioned upon the receipt by the Thorpe Trust of the Settlement Amount provided for at Section 2.1 of this Agreement, any and all rights, duties, responsibilities, and obligations of the Continental Entities created by the Subject Insurance Policies or relating to the Insurance Rights shall be deemed to have terminated and to have been extinguished.

4.1.5 The TPFBF Releasors expressly assume the risk that Claims, acts, omissions, matters, causes, or things arising out of or relating to the Insurance Rights may have occurred that the TPFBF Releasors do not know or do not suspect to exist. The TPFBF Releasors hereby waive with respect to Claims released in section 4.1.1 of this Agreement the terms and provisions of any statute, rule, or doctrine of common law that either: (a) narrowly construes releases purporting by their terms to release Claims in whole or in part based upon, arising from, or relating to such acts, omissions, matters, causes, or things; or (b) restricts or prohibits the releasing of such Claims.

4.1.6 **THE TPFBF RELEASORS ACKNOWLEDGE THAT THEY HAVE BEEN ADVISED BY THEIR ATTORNEYS CONCERNING, AND ARE FAMILIAR WITH, CALIFORNIA CIVIL CODE SECTION 1542, WHICH PROVIDES THAT:**

"A RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR."

THE TPFBF RELEASORS ACKNOWLEDGE THAT THEY EXPRESSLY WAIVE ANY AND ALL RIGHTS UNDER BOTH CALIFORNIA CIVIL CODE SECTION 1542 AND UNDER ANY OTHER FEDERAL OR STATE STATUTE OR LAW OF SIMILAR EFFECT.

4.2 By the Continental Insurers:

4.2.1 In consideration of the promises and covenants contained in this Agreement, from and after the Settlement Effective Date, other than their rights under this Agreement, the Continental Insurers hereby settle, remit, release, covenant not to sue, and forever discharge the TPFBF Releasors and their respective officers, directors, employees, agents, representatives, members, trustees and attorneys in their capacities as such in connection with the Bankruptcy Case, the Wellington Arbitration, and Coverage Litigation (including in each case their respective successors, assigns, heirs, administrators, or executors) from any and all past, present, and future Claims relating to the Insurance Rights, including Claims for bad faith and other

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misconduct or alleged wrongdoing relating to the Insurance Rights or the Trust Claims. Notwithstanding any other provision of this Agreement, and for the avoidance of doubt, the Continental Insurers do **not** settle, remit, release, covenant not to sue, or otherwise discharge their rights to bring a claim for enforcement or breach of this Agreement.

4.2.2 From and after the Settlement Effective Date, the Continental Insurers intend to reserve no Claims, rights, or benefits against the TPFBF Releasors and their respective officers, directors, employees, agents, representatives, members, trustees and attorneys in their capacities as such in connection with the Bankruptcy Case, the Wellington Arbitration, and Coverage Litigation (including in each case their respective successors, assigns, heirs, administrators, or executors) relating to the Insurance Rights.

4.2.3 Subject in each case to the provisions of Sections 3.9 and 3.10, from and after the Settlement Effective Date and provided the Continental Insurers have paid the Settlement Amount, (i) any and all rights, duties, responsibilities, and obligations of the TPFBF Parties relating to or in connection with the Insurance Rights are hereby terminated and (ii) the TPFBF Parties shall have no Insurance Rights with respect to the Subject Policies. The releases contained in this Agreement are intended to operate as though the Continental Insurers had never issued the Subject Insurance Policies.

4.2.4 Nothing in this Agreement shall affect the Continental Insurers' right to seek reimbursement from their reinsurers or retrocessionaires in their capacities as such.

4.2.5 The Continental Insurers expressly assume the risk that Claims, acts, omissions, matters, causes, or things relating to the Insurance Rights may have occurred that it does not know or does not suspect to exist. The Continental Insurers hereby waive, with respect to the claims released in section 4.2.1 of this Agreement, the terms and provisions of any statute, rule, or doctrine of common law that either: (a) narrowly construes releases purporting by their terms to release Claims in whole or in part based upon, arising from, or relating to such acts, omissions, matters, causes, or things; or (b) restricts or prohibits the releasing of such Claims.

4.2.6 **THE CONTINENTAL INSURERS ACKNOWLEDGE THAT THEY HAVE BEEN ADVISED BY THEIR ATTORNEYS CONCERNING, AND ARE FAMILIAR WITH, CALIFORNIA CIVIL CODE SECTION 1542 , WHICH PROVIDES THAT:**

"A RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE

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RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR."

THE CONTINENTAL INSURERS ACKNOWLEDGE AND EXPRESSLY WAIVE ANY AND ALL RIGHTS UNDER CALIFORNIA CIVIL CODE SECTION 1542 AND ANY OTHER FEDERAL OR STATE STATUTE OR LAW OF SIMILAR EFFECT.

4.3 The Parties intend that this Agreement shall be complete and shall not be subject to any claims of accident, unilateral mistake, mutual mistake, mistake of fact, rescission, or reformation and that they intend by this Agreement to resolve all present and future disputes relating to or in connection with the nature and extent of past, present, and future insurance coverage relating to the Insurance Rights.

4.4 Upon Payment by the Continental Insurers of all of the Settlement Amount referenced in Section 2.1 of this Agreement, the Continental Insurers shall have no further obligation to pay any Claim.

4.5 This Agreement constitutes a full and final resolution of all Claims and defenses in the Coverage Litigation, the Wellington Arbitration, and the Bankruptcy Case between the Parties.

5. *Obligations in Bankruptcy Court.*

5.1 Thorpe will use its best efforts to obtain the Permanent Injunction in favor of the Continental Entities. The Continental Insurers acknowledge that the terms of the injunctions provided for in the Plan and this Agreement, if made applicable to the Continental Entities by a Final Order, will satisfy this obligation.

5.2 The TPFBF Parties shall use their best efforts to:

(a) obtain the entry of the Approval Order, the Confirmation Order and the Instructions Order;

(b) prevent the entry of a stay of the Approval Order or the Instructions Order, other than the stay provided for in Bankruptcy Rule 3020; and

(c) cause the Approval Order, the Instructions Order and the Confirmation Order to become Final Orders, in the event of any appeal(s).

The Continental Insurers shall cooperate with the TPFBF Parties in relation to each of the foregoing matters.

5.3 The TPFBF Parties agree, together with, or as part of, their request seeking entry of the Approval Order, to file a motion to modify the Plan to designate

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the Continental Entities as a "Settling Asbestos Insurer," as defined in the Plan, and otherwise in accordance with the proposed plan modifications attached hereto as Appendix A. The amendment shall set forth as conditions subsequent to such designation that (a) the Settlement Effective Date shall have taken place, and (b) the Thorpe Trust shall have received the Settlement Amount no later than ten (10) days following the provision of a written notice to the Continental Insurers that payment of the Settlement Amount was due and not timely made. The TPFBF Parties further agree that the proposed Approval Order submitted to the Court shall be in a form and substance as required by this Agreement, including that it satisfies Sections 1.3(a) through (g) of this Agreement, and that Thorpe will provide to the Continental Insurers a form of the proposed Approval Order not less than two (2) Business Days prior to its filing to permit the Continental Insurers to comment and make suggestions to the Plan Proponents before its submission.

5.4 If the Court requires or permits written findings of fact and conclusions of law supporting the Approval Order, Thorpe will provide to the Continental Insurers proposed findings of fact and conclusions of law to permit the Continental Insurers to comment and make suggestions to the Plan Proponents before submission of such findings and conclusions to the Court.

5.5 The request to obtain the Approval Order shall be prepared and served by the Plan Proponents at their expense in accordance with applicable Bankruptcy Rules and applicable local rules. With respect to the Confirmation Order, in the event that the Continental Insurers so request in writing, the Plan Proponents shall move the Court, at their expense, for an order (i) authorizing publication of notice of the confirmation hearing and the protections provided to the Continental Insurers and, at the Continental Insurers' option, notice of the protections provided to Century Indemnity Company, successor to Cigna Specialty Insurance Company f/k/a California Union Insurance Company, Central National Insurance Company of Omaha, and Motor Vehicle Casualty Company in the USA TODAY or such other publications as the Continental Insurers may reasonably select for such periods as the Continental Insurers shall reasonably designate in such request, and (ii) determining that notice in accordance with the terms of the order is adequate for purposes of due process to bind all present and future claimants, including third party claimants. In the event that the Court grants such motion, the Continental Insurers promptly shall reimburse the Thorpe Trust for the cost of publishing the notice prior to the earlier of: (a) two (2) Business Days prior to the date upon which payment is due to the entities publishing notice, or (b) ten (10) Business Days after being provided with copies of the invoices from the party or parties publishing such notice. The proposed form of notice shall be submitted to the Continental Insurers for its approval no later than ten (10) days prior to the actual service of notice and publication, and the Continental Insurers will not unreasonably withhold their approval.

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5.6 In the event that any Entity attempts to prosecute any Claim against the Continental Entities relating to the Subject Insurance Policies, including, but not limited to, Direct Action Claims and Contribution Claims, following the Execution Date and prior to the Settlement Effective Date, promptly following notice from the Continental Insurers to do so, Thorpe will use its best efforts to obtain an order from the Court, pursuant to Bankruptcy Code sections 105(a), 1123(a) and 363, or 524(g), as applicable, protecting the Continental Entities from any such Claims until entry of the Permanent Injunction. As used in this paragraph, "best efforts" means a motion, other necessary papers, and argument acceptable to the Continental Insurers, in their reasonable discretion, to obtain the relief referred to above.

5.7 The Continental Insurers shall cooperate with the TPFBF Parties in relation to their efforts to obtain the Approval Order and the Confirmation Order (insofar as it is to be amended or modified) and ensure that they become Final Orders; provided, however, that the Continental Insurers reserve the right to object to the Plan, the Approval Order, the Confirmation Order, and the Permanent Injunction to the extent one or more of them are not consistent with the requirements of this Agreement.

5.8 The Continental Insurers and the TPFBF Parties hereby consent, as of the Settlement Effective Date, to the required assignment of the rights of the TPFBF Parties (other than the Thorpe Trust) under this Agreement to the Thorpe Trust pursuant to the Plan.

5.9 The Parties agree to use their best efforts to ensure that no ruling, proceeding, or other matter in connection with the Plan or the Bankruptcy Case will impair, affect or modify the Parties' rights or obligations under this Agreement.

5.10 It is a condition precedent to the Parties' obligations under this Agreement that the UCC and the FCR indicate in writing by their signatures below that they consent to (i) Thorpe's entry into this Agreement, and (ii) the terms and conditions of this Agreement.

6. *Contribution, Subrogation, and Similar Rights Against Certain Insurers and Others.*

6.1 Upon the Settlement Effective Date, the Continental Insurers hereby transfer and assign to the Thorpe Trust all rights, title and interest in and to contribution, indemnity, subrogation or similar common law or statutory relief they may have, with respect to any and all of the Certain Insurers (hereafter, the portion of these assigned rights as to the Certain Insurers shall be referred to as the "Contribution Rights Against Certain Insurers") and third parties with respect to indemnity payment of Asbestos Bodily Injury Claims against Thorpe and related defense costs, except that: (a) the Continental Insurers shall retain all contribution rights as to defense costs only against another insurer that makes a Contribution Claim for defense costs against it or if the Continental Insurers are sued by such insurer for defense costs; (b) upon the Settlement Effective Date, the Continental

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Insurers shall retain in shared ownership with the Thorpe Trust so much of the Contribution Rights Against Certain Insurers as necessary to respond to Claims, if any, of insurers or third parties against it that are not barred or enjoined by the Confirmation Order or, if reflected in a separate order, the Permanent Injunction. In the event any claim for contribution, indemnity, subrogation, or similar common law or statutory relief is asserted or brought against any of the Continental Entities by any Entity, the Continental Insurers shall have the right, at their own expense, to pursue their Contribution Rights against such Entity in response, based on their payment of the Settlement Amount, including claims against any Affiliate or Subsidiary of the insurer or third party; provided, however, that the Continental Insurers shall not otherwise assert such Contribution Rights against Certain Insurers under insurance policies issued to Thorpe.

7. *No Insurer Reimbursement.*

7.1 The Continental Insurers agree that they will not seek reimbursement of amounts paid under this Agreement from any other insurer (or such other insurers' Affiliates or Subsidiaries) that enters into a settlement with Thorpe with regard to Asbestos Bodily Injury Claims or Trust Claims in which such insurer:

(a) agrees not to seek any defense costs or indemnity payments from or assert a Contribution Claim against the Continental Entities; and

(b) releases or dismisses with prejudice any claims against the Continental Entities described in section 6 above.

Nothing in this section, however, shall affect any rights that the Continental Entities may have with respect to their reinsurers or other third parties pursuant to reinsurance agreements, contracts, treaties, or other reinsurance relationships.

7.2 Thorpe agrees that, in the event it hereafter enters into any settlement agreement(s) with one or more of the Certain Insurers against which it has asserted or may assert Claims, Thorpe or the Thorpe Trust shall use its best efforts to obtain a provision substantially identical to section 7.1 of this Agreement in such settlement agreement.

8. *Judgment Reduction Clause.*

8.1 The provisions of this Section 8 apply only in the event that the Continental Insurers exercise the election provided for in Section 3.11(a).

8.2 In any proceeding, suit, or action, including the Coverage Litigation, involving one or more of the TPFBF Parties, or any insurer with respect to Claims, where any insurer has asserted, asserts, or could assert any contribution, indemnity, subrogation, equitable subrogation, or "other insurance clauses" rights, or any similar Claim or Contribution Claim against

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the Continental Entities relating to the Claims released by the TPFBF Releasors as stated in section 4 of this Agreement, any judgment obtained by the TPFBF Parties against such other insurer shall be automatically reduced by the amount, if any, that the Continental Entities would have been liable to pay such other insurer as a result of that insurer's Contribution Claim so that the Claim by such other insurer against the Continental Entities is thereby satisfied and extinguished. In order to effectuate this clause in any action against another insurer where none of the Continental Entities are parties, such TPFBF Party shall either:

(a) obtain a finding from that court of what amount the Continental Insurers would be required to pay such other insurer under its contribution, indemnity, subrogation, equitable subrogation, or "other insurance" rights, or similar Claim or Contribution Claim, before entry of judgment against such other insurer; or

(b) segregate and hold monies received from such other insurer until such rights are adjudicated in a proceeding involving the Continental Entities where this judgment reduction clause can be applied.

9. *Cooperation.*

9.1 So long as the Continental Insurers are not in default of their obligations pursuant to Section 2.1 of this Agreement, Thorpe and the Thorpe Trust will undertake all reasonable actions and cooperate with the Continental Insurers to obtain the dismissal of any Direct Action Claims or other Claims or actions asserting Asbestos Bodily Injury Claims for which Thorpe is or was allegedly responsible pending against the Continental Insurers, or of any actions brought by insurers against the Continental Insurers with respect to Asbestos Bodily Injury Claims for which Thorpe is or was allegedly responsible, or to obtain additional orders from the Court enjoining such actions, should any further orders become necessary as set forth in further detail in sections 3 and 5 herein.

9.2 The TPFBF Parties will, at all times during which the Continental Insurers are in compliance with its obligations under Section 2.1 of this Agreement, undertake all reasonable actions and cooperate with the Continental Insurers in connection with any claims that they may assert against their reinsurers, including responding to reasonable requests for information and meeting with representatives of reinsurers as set forth below.

9.2.1 Following the receipt by the Thorpe Trust of the Settlement Amount, the Thorpe Trust shall cause the Continental Insurers to have the right (upon reasonable notice and in a manner convenient to the Thorpe Trust) to review and obtain from the Thorpe Trust, relevant files, information, and documents: (a) concerning Claims subject to payment or potential payment with the proceeds of this Agreement, and (b) required of or necessary to the Continental Insurers in connection with any Claims, arbitrations, or litigation for reinsurance for the Settlement

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Amount or in connection with this Agreement. The Continental Insurers will accept the documents in the form provided to the Thorpe Trust (e.g., electronic, paper, etc.) or in the form easiest for the Thorpe Trust to provide. The Thorpe Trust shall not be required to modify or change the form or format of any such information. The Continental Insurers shall pay reasonable copying charges of documents obtained under this section.

9.2.2 For the avoidance of doubt, the relevant files, information and documents referenced in section 9.2.1 above shall include:

(a) information from any database maintained by the Thorpe Trust, any information that the Thorpe Trust collects pursuant to any trust distribution procedures, and any information included on any claim form used by the Thorpe Trust with respect to Trust Claims, and

(b) for each Trust Claim resolved:

(i) the Claimant's name;

(ii) a claim number if the Thorpe Trust uses such a number to identify claims;

(iii) the Claim's status (open or closed);

(iv) the date of first exposure if the Thorpe Trust collects such information;

(v) the alleged disease and date of diagnosis if the Thorpe Trust collects such information; and

(vi) the amount at which such claim was allowed.

9.2.3 Following the receipt by the Thorpe Trust of the Settlement Amount, the Thorpe Trust shall reasonably cooperate in obtaining and providing the files, information and documents referred to in sections 9.2.1 and 9.2.2 above at the Continental Insurers' reasonable request and expense (provided that the Continental Insurers shall have no obligation to pay, other than reasonable copying costs, any internal costs of the Thorpe Trust, including costs associated with time or expenses of the Thorpe Trust's employees). For the avoidance of doubt, and without limitation of the foregoing, provided that the Continental Insurers are not then in default of their obligations pursuant to Section 2.1 of this Agreement, the Thorpe Trust shall undertake all reasonable actions to cooperate with the Continental Insurers in connection with any obligation that the Continental Insurers may have to provide information to their reinsurers, including responding to reasonable requests for information and meeting with

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representatives of the Continental Insurers' reinsurers, upon reasonable notice, at the Continental Insurers' expense (such as reasonable copying costs) other than internal costs of the Thorpe Trust, including costs associated with time and expense of the Thorpe Trust's employees, and in a manner convenient to the Thorpe Trust as applicable. Such cooperation shall include providing the Continental Insurers' representative(s) access to all files relating to (a) Trust Claims, including all product exposure, medical, claim status, and payment records contained in such files, and (b) Thorpe's historical operations. For the avoidance of doubt, this section 9, and any results of such a review:

(a) shall not affect the Continental Insurers' payment obligations under this Agreement;

(b) shall not obligate the Thorpe Trust to collect any information from any Claimant that it is not otherwise obligated to collect; and

(c) shall not give the Continental Insurers any right to challenge the allowance or payment of any Claim by the Thorpe Trust.

9.3 At the Thorpe Trust's sole discretion, the Thorpe Trust may satisfy its obligations under section 9.2 above by providing the Continental Insurers (or their representatives) with a report concerning Trust Claims activity with respect to the time period that is the subject of the Continental Insurers' requests for relevant files, information, and documents (the "**Report**"). If the Thorpe Trust collects the following information, such Reports shall include:

(a) with respect to Thorpe Trust, the number of total claims filed, pending, settled, dismissed or that went to judgment, the total indemnity paid, and total expense paid; and

(b) with respect to each claim resolved during the relevant period:

(i) the Claimant's name and social security number;

(ii) the claim number;

(iii) jurisdiction, if any;

(iv) status (open or closed);

(v) the date of first exposure as set forth in the complaint or as reflected by information reasonably available to the Thorpe Trust (as applicable);

(vi) the site for which Thorpe is responsible to which the Claimant alleges exposure;

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(vii) the alleged disease and the date of diagnosis;

(viii) whether there is a medical diagnosis of the alleged disease;

(ix) date of death, if applicable; and

(x) the amount of indemnity paid.

9.4 If the Thorpe Trust exercises its discretion to provide Reports to the Continental Insurers pursuant to section 9.3 above, the Thorpe Trust shall still be obligated, at the request of the Continental Insurers (upon reasonable notice, at the Continental Insurers' sole expense, and in a manner convenient to the Thorpe Trust) to make available to the Continental Insurers files, information, and documents described in this section 9 relating to Trust Claims that are the subject of the Report.

9.5 Notwithstanding anything in this Section 9 to the contrary:

9.5.1 The Thorpe Trust shall not be required to provide any files, information, documents, or Reports (hereafter defined) that would be protected from disclosure by the attorney-client privilege, the work product doctrine or the settlement discussion privilege.

9.5.2 The Continental Insurers shall not make any use of the Reports, results, files, information, or documents obtained by the Continental Insurers pursuant to this Section (the "**Materials**") other than for the following purposes (collectively, the "**Permitted Uses**") and no others:

(a) to use the Materials in any proceeding or process to collect reinsurance with respect to the Settlement Amount or this Agreement;

(b) to comply with any applicable law, governmental regulations, or insurance regulations;

(c) in connection with any internal or external audit of the Continental Insurers; and

(d) to respond to any process, order, or other procedure of any court or other adjudicative body compelling the production of such Materials, after providing reasonable notice to the Thorpe Trust, that such Materials are being requested.

9.5.3 The Continental Insurers shall restrict access to the Materials to their employees, administrators, attorneys, accountants, actuaries, auditors, regulators, rehabilitators, liquidators, reinsurers, retrocessionaires, and rating agencies who require access to the Materials for Permitted Uses.

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9.6 In the event that the Continental Insurers desire to disclose any of the Materials to any third party other than those permitted pursuant to subsection 9.5.3, the Continental Insurers shall:

(a) use their best efforts to obtain from such third party an agreement to restrict such third party's use of the Materials to the Permitted Uses and to refrain from disclosing any of the Materials other than as permitted under the terms of this Agreement, which agreement shall identify the Thorpe Trust as an intended third party beneficiary;

(b) provide the Thorpe Trust with written notice describing their intention to so disclose the Materials and provide the Thorpe Trust with a reasonable opportunity to obtain its own confidentiality agreement or a protective order;

(c) in the event that the Continental Insurers are unable to obtain such an agreement from such third party, then, prior to the disclosure of the Materials to such third party, the Continental Insurers shall advise such third party that the Materials contain confidential information whose dissemination is restricted by the terms of this Agreement and/or applicable law; and

(d) in the event that the Continental Insurers are requested to provide any third party with Materials pursuant to court process, then the Continental Insurers shall promptly provide notice of such request to the Thorpe Trust, which notice shall include a copy of the relevant request, so as to permit the Thorpe Trust to seek a protective order with respect to the disclosure of such Materials.

9.7 In the event that the Continental Insurers desire to utilize any of the Materials in any litigation, arbitration, or other adjudicatory process instituted for the purpose of obtaining reimbursement of the Settlement Amount from their reinsurers, then the Continental Insurers shall:

(a) use their best efforts to obtain a protective order, or similar protection, in form and content reasonably satisfactory to the Thorpe Trust, preserving the confidentiality of the Materials, including sealing any files, information, documents, or Reports that may otherwise become a part of the public record, if any, in such proceeding; and

(b) prior to the disclosure of Materials, provide the Thorpe Trust with written notice describing their intention to utilize the Materials and provide the Thorpe Trust with a reasonable opportunity to obtain its own protective order. Notwithstanding the foregoing, in the event that the Continental Insurers or the Thorpe Trust are unable to obtain a protective order, or similar protection, then the Continental Insurers may use the Materials in any such litigation, arbitration, or other adjudicatory process without restriction; provided that, prior to disclosing the Materials to any person under the provisions of this section 9.7, the Continental Insurers shall first advise such person that the Materials contain confidential information whose dissemination is restricted by the terms of this Agreement or applicable law.

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9.8 From and after the Settlement Effective Date, all releases of Claims obtained by the Thorpe Trust from the holders of Asbestos Bodily Injury Claims shall include a provision providing for the release of the Continental Entities, either by name or by the inclusion of a release in favor of all Settling Insurers.

10. *Representation by Counsel.*

The Parties acknowledge and agree that this Agreement was bargained for and entered into in good faith and as the result of arms-length negotiations, and that they have been represented by counsel of their own choosing concerning (a) the rights affected by, (b) the form and content of, and (c) the advisability of executing this Agreement. This Agreement has been reviewed by counsel for each of the Parties and will not be strictly construed against any Party.

11. *Remedies.*

The performance by the TPFBF Parties under this Agreement is unique. The Parties acknowledge and agree that money damages would be impossible to calculate and that money damages would be an insufficient remedy for any breach of this Agreement by any TPFBF Parties. The Parties further acknowledge and agree that any such breach would cause the Continental Insurers irreparable harm. Accordingly, the Parties also agree that in the event of any breach or threatened breach of this Agreement, the Continental Insurers shall be entitled to specific performance of this Agreement, without the requirement of posting a bond or other security, in addition to any other remedies they may have at law or in equity. This specific performance shall include any equitable relief necessary to require the TPFBF Parties, as applicable, to specifically perform this Agreement, without proof of actual damages.

12. *Representations and Warranties.*

12.1 The TPFBF Parties (other than the Thorpe Trust) represent and warrant that, among them, the only TPFBF Party involved in the manufacturing, installation, removal, fabrication, sale, supplying, production, design, holding, handling, distributing, marketing, or disposing of asbestos or products containing asbestos was Thorpe, except for Farwest when it became involved, starting on December 1, 2004, in an asbestos removal business.

12.2 Thorpe, Farwest, Bayshore, and each member of the Fults Family, each represents and warrants that they are not related to or in any way affiliated with any of the following: J.T. Thorpe, Inc., a California Corporation; J.T. Thorpe & Sons, Inc., a California Corporation; J.T. Thorpe Company, a Texas Corporation; Thorpe Corporation, a Delaware Corporation; Thorpe Corporation, a Texas Corporation; Thorpe Products Company, a Texas Corporation; Thorpe Insulation Services Company, a Texas Corporation; Thorpe Insulation Company, a Texas Corporation; C.R.B. Insulation, Inc., an Arizona Corporation; C.R.B Enterprises, Inc., a Nevada Corporation; or C.R.B. Contracting, Inc., an Arizona Corporation.

12.3 Except as provided below, each of the TPFBF Parties represents and warrants that, as to himself, herself, or itself, other than as provided in the Plan, he,

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she or it has not sold, assigned, or conveyed, and will not sell, assign, or convey, to any Entity any of the Insurance Rights between the Execution Date and the Settlement Effective Date. Thorpe has entered into a settlement agreement with Brayton Purcell on behalf of certain of its clients that was attached to the *Declaration of Alan R. Brayton in Support of Debtor Thorpe Insulation Company's Motion for Order Approving Term Sheet for Settlement of Pre-Petition Assignment Claims* filed in the Bankruptcy Case as Dkt. No. 2905, which was approved by the Bankruptcy Court's *Order Approving Term Sheet for Settlement of Pre-Petition Assignment Claims* [Dk.t No. 2998] (the "**Brayton Settlement**"). Any alleged claims as against any of the Continental Insurers or under, arising out of, related to and/or in connection with the policies listed on Appendix C to this Agreement that are held by the listed clients of Brayton Purcell under, arising out of, related to and/or in connection with the alleged assignment are channeled to the Trust pursuant to the Plan and the Brayton Settlement.

12.4 Thorpe represents and warrants that, subject only to the claims and contentions of certain holders of Asbestos Bodily Injury Claims, which contentions Thorpe denies, and the terms of the Plan, Thorpe is the sole owner of the Subject Insurance Policies and that no other party has legal title to said policies.

12.5 Each of the TPFBF Parties, other than Thorpe, represents and warrants that, as to himself, herself or itself, he, she or it does not have legal title to the Subject Insurance Policies, subject only to the terms of the Plan.

12.6 The TPFBF Parties represent and warrant that, based on their independent assessments, made with the assistance and advice of counsel, of the probability of success in the Coverage Litigation, the delay in obtaining relief, and the expense of possible future litigation, they believe that:

(a) the payments and other benefits received under this Agreement by the TPFBF Parties constitute a fair and reasonable settlement of Thorpe's Claims and Insurance Rights as against the Continental Insurers; and

(b) the payments and other benefits received under this Agreement by the TPFBF Parties constitute reasonably equivalent value for the benefits received by the Continental Entities under this Agreement.

12.7 Each of the TPFBF Parties represents and warrants that, upon the Settlement Effective Date, he, she, or it shall not contest that (a) this Agreement is binding, including the releases set forth in section 4 of this Agreement, or (b) upon receipt of the Settlement Amount, valuable and fair consideration or reasonably equivalent value will have been received by the TPFBF Parties for this Agreement.

12.8 Each of the TPFBF Parties represents and warrants that he, she, or it shall reasonably cooperate with the Continental Entities in responding to and opposing any motion, objection, Claim, assertion, or argument by any third

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party that this Agreement, including the releases set forth in section 4 of this Agreement, is not binding, or should be avoided, or, subject to the receipt of the Settlement Amount, that valuable and fair consideration or reasonably equivalent value has not been received by Thorpe or the Thorpe Trust for this Agreement.

12.9 The TPFBF Parties represent and warrant that they enter into this Agreement for the specific purpose of obtaining the payment in accordance with section 2 of this Agreement, which funds shall be, based on their evaluation and determination, used in the best interest of creditors and other parties in interest, whether known or unknown, who hold or may hold Claims against them or against the Thorpe Trust; all in full compliance with all applicable state and federal laws.

12.10 Each Party represents and warrants that it has authority to execute this Agreement as its binding and legal obligation, subject to the entry of the Approval Order and, in the case of the Thorpe Trust, the Instructions Order.

12.11 Each Party represents and warrants that the persons signing this Agreement on its or their behalf are authorized by those they purport to represent to execute this Agreement and that the Parties have read this Agreement in full. Thorpe, Farwest, and Bayshore represent and warrant that all of their shareholders or members have read this Agreement, have had the opportunity to consult their attorneys, and have unanimously consented to each of Thorpe, Farwest, and Bayshore executing this Agreement.

13. *Medicare, Medicaid, and SCHIP Extension Act of 2007.*

This Settlement shall not subject the Continental Insurers to any reporting requirements and obligations under 42 U.S.C. § 1395y et seq., commonly referred to as the Medicare, Medicaid, and SCHIP Extension Act of 2007 (the "Act"), for any Asbestos Related Claims or Trust Claims. If the Continental Insurers request, or to the extent any entity contends that any obligation under 42 U.S.C. § 1395y(b) and the rules and regulations promulgated thereunder (including 42. C.F.R. 411 et seq.) is triggered in connection with the Payment Amount, the Thorpe Trust will cooperate fully and, for each claimant who receives payment from the Thorpe Trust, will provide the Continental Insurers, within 10 calendar days of the date that any amounts are paid to a claimant by the Thorpe Trust, with information required to be reported by Medicare, including some or all of (a) the name, (b) social security number, (c) Medicare number, (d) date of birth, (e) address, (f) date(s) of injury, (g) injury, (h) defense insurance (if known), (i) applicable ICD-9, ICD-10, or similar injury and diagnosis codes, (j) state of venue, (k) plaintiff's attorney's name and address, and (l) amounts received from the Thorpe Trust. To the extent that an agency responsible for administering Medicare asserts a demand for reimbursement of conditional payments made pursuant to Medicare, the parties will discuss and agree upon an appropriate response to said agency. The Thorpe Trust will comply with all laws and regulations with respect to Medicare as applied to the Thorpe Trust. If a party, or a successor in interest or assignee of Thorpe or the Thorpe Trust, agrees in a subsequent settlement agreement with an insurer to an alternative means of handling such reporting requirements and

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obligations, then the Continental Insurers shall be entitled, at their option, to have the benefit of such alternative means.

14. *Disclosure of This Agreement.*

The terms of this Agreement may be disclosed in a filing submitted to the Court to secure the Approval Order, as well as other orders and injunctions contemplated herein, and as otherwise may be necessary or convenient to effectuate the terms and conditions of this Agreement.

15. *Non-Prejudice and Construction of Agreement.*

15.1 This Agreement is subject to Federal Rule of Evidence 408 and California Evidence Code section 1152, is intended to be and is a compromise between the Parties, and shall not be construed as an admission relating to or in any way connected with any Insurance Rights.

15.2 Except as otherwise provided herein, neither this Agreement nor any of its provisions is or should be construed as a waiver, modification, change, or retraction of the Parties' positions regarding the interpretation and application of the policies that are the subject of the Coverage Litigation or the Wellington Arbitration or in the Bankruptcy Case. No communications or statements made during the negotiations of this Agreement shall be discoverable or admissible in any dispute between the Parties to enforce the terms of the Agreement.

15.3 This Agreement is the product of informed negotiations and involves compromises of the Parties' previously stated legal positions. Accordingly, this Agreement does not reflect the Parties' views as to their rights and obligations with respect to matters or Entities outside the scope of this Agreement. This Agreement is without prejudice to positions taken by the Continental Entities with regard to other insureds or claimants, and without prejudice to positions taken by Thorpe or the TPFBF Parties with regard to other insurers.

15.4 The Parties specifically disavow any intention to create rights in any party not a party to this Agreement under or in relation to this Agreement. This Agreement is the product of multi-lateral negotiations and no provision of the Agreement shall be construed against the Continental Insurers because of their status as insurance companies or their issuance of the Subject Insurance Policies to Thorpe.

16. *No Waiver.*

Any Party may specifically and expressly waive in writing any portion of this Agreement or any breach of this Agreement, but only to the extent that such provision is for the benefit of the waiving Party. No such waiver shall constitute a further or continuing waiver of any preceding or succeeding breach of the same or any other provision. The consent by one Party to any act for which such consent was required shall not be deemed to imply consent or waiver of

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the necessity of obtaining such consent for the same or similar acts in the future, and a Party's forbearance in seeking a remedy for noncompliance or breach by another Party shall not be construed as a waiver of any right or remedy with respect to such noncompliance or breach. No waiver of any right under this Agreement shall be valid unless in writing.

17. *Governing Law.*

This Agreement shall be governed by and shall be construed in accordance with the law of the state of California without regard to its conflict of law principles and, where necessary, in accordance with federal bankruptcy law.

18. *Dispute Resolution.*

Notice of any dispute, controversy, or claim ("**Dispute**") that relates in any way to this Agreement shall be provided by written notice to the other Party specifying the facts underlying the Dispute, and the Party receiving the notice shall have ten (10) days to cure the Dispute.

In the event any Dispute is not cured, the Parties agree to resolve that Dispute through mediation, to be held at a mutually-convenient location to be agreed on by the parties, pursuant to JAMS rules as those rules may be modified by the mediator or by the mutual agreement of the Parties. The Parties agree that Justice Edward Panelli shall be the sole mediator and that, if the Parties are unable to agree, Justice Edward Panelli shall have the authority to make a mediator's proposal for resolving the Dispute (a "**Mediator's Proposal**").

Any uncured Dispute that is not resolved by the Parties or through mediation shall be submitted to the Bankruptcy Court for resolution. The Parties expressly consent to the exclusive jurisdiction of the Bankruptcy Court over any Dispute and to the final determination of any Dispute by the Bankruptcy Court. In connection with any such proceeding, the Parties hereby stipulate that any Party may disclose the terms of the Mediator's Proposal to the Bankruptcy Court, and that any otherwise applicable mediation or settlement privilege or right of confidentiality is waived solely to the extent necessary to permit the Parties to disclose the terms of the Mediator's Proposal. The foregoing limited waiver shall not accord any entity that is not a Party hereto any rights that it does not otherwise have at law. If the Bankruptcy Court refuses or abstains from exercising jurisdiction over a Dispute, the Parties agree that venue shall lie in any other state or federal court located within Los Angeles County, California.

19. *Notices.*

Unless another person is designated, in writing, for receipt of notices hereunder, notices to the respective Parties shall be sent as follows:

Thorpe: Eric W. Fults
Thorpe Insulation Company
5608 Bayshore Walk
Long Beach, CA 90803

With a copy to:	Charles J. Malaret, Esq. Morgan Lewis & Bockius LLP 300 South Grand Avenue, 22nd Floor Los Angeles, CA 90071 Attorneys for Thorpe
Farwest:	Eric W. Fults Farwest Insulation Contracting Company 1375 South Acacia Avenue, Suite A Fullerton, CA 92831
With a copy to:	Lawrence Peitzman, Esq. Peitzman, Weg & Kempinsky LLP 10100 Santa Monica Boulevard Suite 1450 Los Angeles, CA 90067 Attorneys for Farwest
Thorpe Trust	Sara Beth Brown Executive Director Thorpe Insulation Company Asbestos Settlement Trust 300 East Second Street, Suite 1410 Reno, NV 89501
With a copy to:	John P Sande, III, Esq. Jones Vargas 300 East Second Street, Suite 1510 PO Box 281 Reno, NV 89504 Attorneys for Thorpe Trust
Bayshore	Robert Fults Bayshore Partners, LLC 2741 South Yates Avenue Los Angeles, CA 90040
With a copy to:	Lawrence Peitzman, Esq. Peitzman Weg LLP 10100 Santa Monica Boulevard Suite 1450 Los Angeles, CA 90067 Attorneys for Bayshore

Robert W. and Debra Fults	Robert and Debra Fults c/o Thorpe Insulation Company 5608 Bayshore Walk Long Beach, CA 90802
With a copy to:	Lawrence Peitzman, Esq. Peitzman Weg LLP 10100 Santa Monica Boulevard Suite 1450 Los Angeles, CA 90067 Attorneys for Robert W. Fults
Linda E. Fults	Linda E. Fults c/o Pacific Insulation Company 2741 South Yates Avenue Los Angeles, CA 90040
With a copy to:	Lawrence Peitzman, Esq. Peitzman Weg LLP 10100 Santa Monica Boulevard Suite 1450 Los Angeles, CA 90067
Eric W. and Vicky Fults	Eric W. and Vicky Fults c/o Farwest Insulation Contracting Company 1375 South Acacia Avenue, Suite A Fullerton, CA 92831
With a copy to:	Lawrence Peitzman, Esq. Peitzman Weg LLP 10100 Santa Monica Boulevard Suite 1450 Los Angeles, CA 90067
David A. and Stacie Fults	David A. and Stacie Fults c/o Farwest Insulation Contracting Company 1375 South Acacia Avenue, Suite A Fullerton, CA 92831
With a copy to:	Lawrence Peitzman, Esq. Peitzman Weg LLP 10100 Santa Monica Boulevard Suite 1450 Los Angeles, CA 90067

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Unsecured Creditors' Committee	c/o Alan Brayton Chairman Brayton Purcell 222 Rush Landing Road Novato, California 94945
With a copy to:	Peter J. Benvenutti (CA Bar No. 60566) JONES DAY 555 California Street, 26th Floor San Francisco, California 94104 pjbenvenutti@jonesday.com Telephone: (415) 626-3939 Facsimile: (415) 875-5700
Futures Representative:	c/o Gary S. Fergus Fergus, a law office 595 Market Street Suite 2430 San Francisco, California 94105 (415) 537-9030 (office) (415) 537-9038 (facsimile) gfergus@ferguslegal.com
Continental Insurers:	Director, Asbestos Claims Resolute Management Inc., Midwest Division 79 W. Monroe St., 7th Floor Chicago, Illinois 60603
With a copy to:	Todd C. Jacobs Grippo & Elden LLC 111 S. Wacker Dr., Ste. 5100 Chicago, Illinois 60606 and David C. Christian, II Seyfarth Shaw LLP 131 S. Dearborn St., Ste. 2400 Chicago, Illinois 60603 and Rodney L. Eshelman Carroll, Burdick & McDonough 44 Montgomery St., Ste. 400 San Francisco, California 94104

20. ***Integration.***

This Agreement, including its attachments, constitutes the entire Agreement between the Parties with respect to its subject matter, and it supersedes all discussions, agreements, and understandings, both written and oral, among the Parties with respect to that subject matter.

21. ***Additional Documents.***

The Parties shall take such steps and shall execute any such other documents as may be reasonably required to obtain and make Final the Approval Order and the Confirmation Order as set forth in this Agreement, or as may reasonably be necessary to effectuate any other requirement or aspect of this Agreement.

22. ***Counterparts.***

This Agreement may be executed in several counterparts, each of which shall be deemed an original.

23. ***Facsimile.***

This Agreement may be executed by facsimile or other electronic transmission of executed copies of the signature pages delivered to counsel for the Parties. Such transmission shall be as legally effective and binding as a signed original for all purposes.

24. ***Captions and Headings.***

The captions and headings used in this Agreement are for reference purposes only and shall not be taken into account in construing or interpreting this Agreement.

25. ***Assignment.***

Except as provided herein, this Agreement may not be assigned except by written agreement of the Parties.

26. ***Strict Compliance.***

Failure of any Party to insist upon strict compliance with any terms, covenants, or conditions of this Agreement shall not be deemed a waiver of any such term, covenant, or condition. A Party's waiver or relinquishment of a right or power under this Agreement at one time or times shall not be deemed a waiver or relinquishment of such right or power at any other time or times.

27. ***Severability.***

The invalidity or unenforceability of any provision of this Agreement shall in no way affect the validity or enforceability of any other provision of this Agreement, except that if the releases provided under section 4.1 of this Agreement are declared invalid or unenforceable or materially narrowed in scope, then the Continental Insurers shall have no obligation to make the settlement payment required by section 2.1 of this Agreement.

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28. ***Survival of Representations and Warranties.***

The representations, warranties and covenants contained in this Agreement shall survive the execution, delivery, and consummation of this Agreement, and shall remain in full force and effect until a claim based on any such representation, warranty, or covenant is barred by applicable statutes of limitation.

29. ***Binding Effect.***

This Agreement shall be binding upon and inure to the benefit of the Parties to this Agreement and their respective successors and assigns.

IN WITNESS WHEREOF, the Parties have executed this Agreement by their duly authorized representatives.

THORPE, for itself, and as successor by merger to PACIFIC INSULATION COMPANY

By: _____

Title: _____

Date: February ___, 2013

FARWEST

By: _____

Title: _____

Date: February ___, 2013

THORPE TRUST

By: _____

Title: Managing Trustee

Date: February 12, 2013

BAYSHORE

By: _____

Title: _____

Date: February ___, 2013

ROBERT W. FULTS

By: _____

Title: _____

Date: February ___, 2013

LINDA E. FULTS

By: _____

Title: _____

Date: February ___, 2013

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28. ***Survival of Representations and Warranties.***

The representations, warranties and covenants contained in this Agreement shall survive the execution, delivery, and consummation of this Agreement, and shall remain in full force and effect until a claim based on any such representation, warranty, or covenant is barred by applicable statutes of limitation.

29. ***Binding Effect.***

This Agreement shall be binding upon and inure to the benefit of the Parties to this Agreement and their respective successors and assigns.

IN WITNESS WHEREOF, the Parties have executed this Agreement by their duly authorized representatives.

THORPE, for itself, and as successor by merger to PACIFIC INSULATION COMPANY

By: _____

Title: _____

Date: February 11, 2013

FARWEST

By: _____

Title: _____

Date: February ___, 2013

THORPE TRUST

By: _____

Title: _____

Date: February ___, 2013

BAYSHORE

By: _____

Title: _____

Date: February 11, 2013

ROBERT W. FULTS

By: _____

Title: _____

Date: February 11, 2013

LINDA E. FULTS

By: _____

Title: _____

Date: February ___, 2013

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28. ***Survival of Representations and Warranties.***

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29. ***Binding Effect.***

This Agreement shall be binding upon and inure to the benefit of the Parties to this Agreement and their respective successors and assigns.

IN WITNESS WHEREOF, the Parties have executed this Agreement by their duly authorized representatives.

THORPE, for itself, and as successor by merger to PACIFIC INSULATION COMPANY

By: _____

Title: _____

Date: February ___, 2013

FARWEST

By: EA

Title: PRESIDENT

Date: February 12, 2013

THORPE TRUST

By: _____

Title: _____

Date: February ___, 2013

BAYSHORE

By: _____

Title: _____

Date: February ___, 2013

ROBERT W. FULTS

By: _____

Title: _____

Date: February ___, 2013

LINDA E. FULTS

By: Linda E. Fults

Title: _____

Date: February 12, 2013

VICKY FULTS

By: _____

Title: _____

Date: February ___, 2013

DEBRA FULTS

By: Debra Fults

Title: _____

Date: February 12, 2013

ERIC W. FULTS

By: _____

Title: _____

Date: February ___, 2013

STACIE FULTS

By: _____

Title: _____

Date: February ___, 2013

DAVID A. FULTS

By: _____

Title: _____

Date: February ___, 2013

NATIONAL FIRE INSURANCE COMPANY OF HARTFORD
(as successor-by-merger to Transcontinental Insurance Company)

By: _____

Title: _____

Date: February ___, 2013

THE CONTINENTAL INSURANCE COMPANY
(as successor to certain liabilities of Harbor Insurance Company)

By: _____

Title: _____

Date: February ___, 2013

VICKY FULTS

By: _____

Title: _____

Date: February 12, 2013

DEBRA FULTS

By: _____

Title: _____

Date: February ___, 2013

ERIC W. FULTS

By: _____

Title: _____

Date: February 12, 2013

STACIE FULTS

By: _____

Title: _____

Date: February 12, 2013

DAVID A. FULTS

By: _____

Title: _____

Date: February 12, 2013

NATIONAL FIRE INSURANCE COMPANY OF HARTFORD
(as successor-by-merger to Transcontinental Insurance Company)

By: _____

Title: _____

Date: February ___, 2013

THE CONTINENTAL INSURANCE COMPANY
(as successor to certain liabilities of Harbor Insurance Company)

By: _____

Title: _____

Date: February ___, 2013

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VICKY FULTS

By: _____

Title: _____

Date: February ___, 2013

DEBRA FULTS

By: _____

Title: _____

Date: February ___, 2013

ERIC W. FULTS

By: _____

Title: _____

Date: February ___, 2013

STACIE FULTS

By: _____

Title: _____

Date: February ___, 2013

DAVID A. FULTS

By: _____

Title: _____

Date: February ___, 2013

NATIONAL FIRE INSURANCE COMPANY OF HARTFORD
(as successor-by-merger to Transcontinental Insurance Company)

By: Michael J Sehr

Title: President, Resolute Midwest

Date: February 11, 2013

THE CONTINENTAL INSURANCE COMPANY
(as successor to certain liabilities of Harbor Insurance Company)

By: Michael J Sehr

Title: President, Resolute Midwest

Date: February 11, 2013

The following Persons are executing this Agreement below solely to evidence their consent to (1) the TPFBF Parties' entry into this Agreement, and (2) the designation of the Continental Insurers as Settling Asbestos Insurers:

FOR THE FUTURE CLAIMANTS' REPRESENTATIVE

By: Charles B. Renfrew

Name: Charles B. Renfrew

Title: Future Claimants' Representative

Dated: Feb 10, 2013

FOR THE UNSECURED CREDITORS' COMMITTEE

By: _____

Name: _____

Title: _____

Dated: _____

The following Persons are executing this Agreement below solely to evidence their consent to (1) the TPFBF Parties' entry into this Agreement, and (2) the designation of the Continental Insurers as Settling Asbestos Insurers:

FOR THE FUTURE CLAIMANTS' REPRESENTATIVE

By: _____

Name:Charles B. Renfrew

Title:Future Claimants' Representative

Dated: _____

FOR THE UNSECURED CREDITORS' COMMITTEE

By: D.M. McC

Name: DAVID McCLAIN

Title: Co-Chair

Dated: 2/6/2013

PAGE 2/2 * RCVD AT 2/6/2013 5:57:01 PM [Pacific Standard Time] * SVR:SFFX01MS/3 * DNIS:36887 * CSID:7603403516 * DURATION (mm-ss):00-50

Appendix A

PROPOSED PLAN MODIFICATIONS

1. New/Amended Definitions

Asbestos Insurer Settlement.

Each agreement between the Debtors and the Asbestos Insurers listed on Exhibit D to the Plan, including any ancillary agreements to such agreements, as such Exhibit may be amended from time to time up to and including, but not after, the conclusion of the Confirmation Remand Proceedings before the Bankruptcy Court.

Confirmation Remand Effective Date.

The date selected by the Proponents that is not less than thirty (30) days following entry of the Confirmation Remand Order; provided that the Confirmation Remand Order is not then stayed, is not then subject to a request for its revocation, and is a Final Order.

Confirmation Remand Order.

The order of the District Court confirming the Plan as modified following the Confirmation Remand Proceedings or affirming the Bankruptcy Court's order confirming the Plan as modified following Confirmation Remand Proceedings.

Confirmation Remand Proceedings.

The proceedings on remand in the Bankruptcy Court and/or the District Court with respect to the Plan following the decision of the United States Court of Appeals for the Ninth Circuit in *In re Thorpe Insulation Co.,* 677 F.3d 869 (9th Cir. 2012), including confirmation of the Plan as modified under Sections 1127 and 1128 of the Bankruptcy Code.

Continental Settlement.

The compromise, release and sale/buy-back of insurance rights by and between the TPFBF Parties and the Continental Insurers, each as defined in and as reflected in the Continental Settlement Agreement.

Continental Settlement Agreement.

That certain Settlement Agreement, Buy Back of Insurance Policies and Rights, and Release of Claims and Covenant Not to Sue dated as of February __, 2013 and attached hereto as Exhibit "__".

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Settling Asbestos Insurer.

The Asbestos Insurers listed in **Exhibit D** to the Plan, as such exhibit may be amended from time to time up to and including, but not after, the conclusion of the Confirmation Remand Proceedings before the Bankruptcy Court.

2. New Plan Provisions

5.13. Continental Settlement.

5.13.1 Approval.

Pursuant to Sections 1123(a)(5)(D), 363(f) and 1123(b)(3) of the Bankruptcy Code, the provisions of the Continental Settlement constitute a compromise of claims between the TPFBF Parties (as defined in the Continental Settlement Agreement) and the Continental Insurers (as defined in the Continental Settlement Agreement) as well as a sale to and buy-back by the Continental Insurers of certain insurance rights and policies free and clear of any and all liens, claims and interests, all as set forth in the Continental Settlement Agreement. The Proponents request that the Bankruptcy Court approve the Continental Settlement and Continental Settlement Agreement in connection with the Confirmation Remand Proceedings. The Confirmation Remand Order shall constitute a determination that (i) the Continental Settlement and Continental Settlement Agreement are approved; (ii) that the buy-back of the Subject Insurance Policies (as defined in the Continental Settlement Agreement) free and clear of all liens, claims and interests is authorized and shall be fully effective on the Confirmation Remand Effective Date; (iii) Section 363(m) applies to the buy-back of the Subject Insurance Policies and the Continental Insurers are “good faith” purchasers of the Subject Insurance Policies within the meaning of Section 363(m).

5.13.2 Implementation.

Upon the Confirmation Remand Effective Date, the TPFBF Parties shall be authorized and directed to consummate the Continental Settlement in accordance with the terms of the Continental Settlement Agreement without further order of any court.

7.6 Occurrence of Confirmation Remand Effective Date.

On the Confirmation Remand Effective Date, the Proponents shall be free to perform any act, execute and deliver any document or instrument, and consummate any transfer or other transaction that is conditioned upon the occurrence of the Effective Date or the Confirmation Remand Effective Date. Further, as to any act performed in reliance on the occurrence of the Effective Date, the occurrence of the Confirmation Remand Effective Date shall satisfy any condition precedent that the Effective Date shall have occurred, as of the date of the Effective Date.

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The condition precedent that the Confirmation Remand Order be a Final Order is subject to waiver by agreement of the Proponents at any time without notice, order of any court, or any further action or requirement.

3. Amendment to **Exhibit D**

Add to the end of Exhibit D:

Continental Insurers, as defined in the Continental Settlement Agreement; provided that, the Continental Insurers shall not continue to be designated as a Settling Asbestos Insurer under the Plan if (a) the Settlement Effective Date (as defined in the Continental Settlement Agreement) does not occur; or (b) the Thorpe Trust shall not have received the Settlement Amount within ten (10) days following the provision of a written notice to the Continental Insurers that the payment of the Settlement Amount was due and not timely made.

Appendix B

LIST REFERENCED IN SECTION 1.15

American Casualty Company of Reading, Pennsylvania
American International Insurance Company
American Loyalty Insurance Company
American Title Insurance Company
Asia Insurance Company, Ltd.
Associated Aviation Underwriters, Inc.
Bankers and Shippers Insurance Company of New York
Bayside Reinsurance Company, Ltd.
Boston Indemnity Insurance Company
Boston Marine Insurance Company
The Continental Insurance Company, successor by merger to Boston Old Colony Insurance Company
Buffalo Reinsurance Company
C & W Title Insurance Company (CA)
Casualty Insurance Company
CNA Assurance Company
CNA Assurance Company of Connecticut
Continental Casualty Company, successor by merger to CNA Casualty Company of California
CNA Casualty of Illinois
CNA Casualty of Puerto Rico
CNA Casualty Company of South Carolina
CNA Casualty of Texas
CNA Chile Compania de Seguros de Vida, S.A.
CNA Group Life Assurance Company
CNA International Life Company, SPC Limited
CNA Insurance Company Limited (formerly Maritime Insurance Company)
CNA Insurance Company (Europe) Ltd.
CNA Lakeview Insurance Company
CNA Life Insurance Company of Canada
Continental Casualty Company, successor by merger to CNA Lloyds of Texas
CNA Aseguradora de Riesgo de Trabajo SA
CNA Reinsurance Company
CNA Reinsurance Company Limited
Century Insurance Company of Canada
Columbia Casualty Company
The Continental Insurance Company, successor by merger to Commercial Insurance Company of Newark, New Jersey
Commercial Life Insurance Company
Connaught Insurance Company, Ltd. (HK)
Continental Assurance Company
Continental Casualty Company
Continental Insurance Company of Puerto Rico *fka* Puerto Rican-American Insurance Company
Continental Insurance Management Ltd.

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Continental International Insurance, Limited (PR)
Continental Life Insurance Company Limited, *fka* Continental Life Insurance Public Limited Company
Continental Life (International), Ltd.
The Continental Insurance Company, successor by merger to Continental Lloyd's Insurance Company
Continental Management Services, Limited
Continental National Indemnity Company
Continental Pacific Insurance Company (Australia), Limited
Continental Reinsurance Company
The Continental Insurance Company, successor by merger to Continental Reinsurance Corporation
Continental Reinsurance Corporation (Bermuda)
Continental Reinsurance Corporation International, Ltd.
Continental Reinsurance Corporation (U.K.), Ltd.
Continental Reinsurance Management Holding Company Limited *fka* Two Hundred and Eighty Ninth Shelf Trading Company Ltd.
Cornerstone Insurance Company
De Montfort Insurance Company PLC
Deutsche Continental Reinsurance AG
East River Indemnity Company (Barbados), Ltd.
East River Insurance Company Ltd. (Barbados)
East River Insurance Company (Bermuda), Ltd.
Elizabethan Insurance Co. Ltd., fka The Elizabethan Marine & General Insurance Company Limited
Encompass Home and Auto Insurance Company
Encompass Independent Insurance Company
Encompass Insurance Company of Massachusetts
Equitable Fire Insurance Company
The Continental Insurance Company, successor by merger to The Fidelity and Casualty Company of New York
Fireman's Insurance Company of New York
The Continental Insurance Company, successor by merger to Firemen's Insurance Company of Newark, New Jersey
First Commercial Life Insurance Company
First Fire and Casualty Insurance of Hawaii, Inc.
First Indemnity Insurance of Hawaii, Inc.
First Insurance Company of Hawaii, Ltd.
First Risk Management Services, Inc.
First Security Insurance of Hawaii, Inc.
Galway Insurance Company
General Financial Insurance Corporation
Hallmark Insurance Company
Hanson Klein Insurance Management A/S
Harbor Insurance Company
Intergroup
Jersey Insurance Company of New York
The Continental Insurance Company, successor by merger to Kansas City Fire and Marine Insurance Company

Lombard General Insurance Limited
Lombard General Insurance United
Lombard Insurance Company, Limited
Lombard Insurance Services Limited
London Guarantee & Accident of New York
Loyalty Life Insurance Company
Marine Office of America Corporation
Maritime Insurance Company Limited
Malayan Insurance Company
Mid-States Insurance Company
MUI Continental Insurance Sdn. Bhd.
National Benefit Life Insurance Company
The Continental Insurance Company, successor by merger to National-Ben Franklin Insurance Company of Illinois
National-Ben Franklin Life Insurance Company
National Fire Insurance Company of Hartford
New Jersey Joint Underwriting Association
The Continental Insurance Company, successor by merger to Niagara Fire Insurance Company
North Rock Insurance Company, Limited
Omega Aseguradora de Riesgo de Trabajo
The Continental Insurance Company, successor by merger to Pacific Insurance Company
Pacific Insurance Company of New York
Phoenix Assurance Company Limited
Phoenix Assurance Company of Canada
Phoenix Assurance Company of New York
Preferred Risk Insurance Company (PR)
Puerto Rican-American Insurance Company
R.V.I. America Insurance Company
R.V.I. Guaranty Company Ltd.
Saudi Continental Insurance Company, EC
Seaboard Fire & Marine Insurance Company
Security National Life Insurance Company
Surety Bonding Company of America
The Continental Insurance Company, successor by merger to The Buckeye Union Insurance Company
The Century Insurance Company of Canada
The Continental Insurance Company
The Continental Insurance Company of New Jersey
The Continental Insurance Company of Puerto Rico
The Continental Insurance Holdings (Europe) Limited *fka* CIC (Europe) Ltd. and Phoenix Continental Management Ltd.
The Dominion Insurance Company
The Continental Insurance Company, successor by merger to The Glen Falls Insurance Company
The Hong Kong Fire Insurance Company, Ltd.
The Ivanhoe Reinsurance Company Limited
The Manhattan Fire & Marine Insurance Company
The Continental Insurance Company, successor by merger to The Mayflower Insurance Company, Ltd.

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The Security Reinsurance Corporation Limited, *fka* Niagara Insurance Company (Bermuda) Limited and Niagara Insurance Company (Bermuda)
Tokio Marine & Fire Insurance Group
National Fire Insurance Company of Hartford successor by merger to Transcontinental Insurance Company
Transportation Insurance Company
Troy Fain Insurance, Inc
Unionamerica Insurance Company
United National Indemnity Company
United States Branch of Chiyoda Fire & Marine
United States Life Insurance Company (NY)
Universal Surety of America
Upper Canada Insurance Company
Valley Forge Insurance Company
Valley Forge Life Insurance Company
Washington General Insurance Corporation
Western Surety Company
William Penn Life Assurance Company
William Penn Life Insurance Company of New York
Workers' Compensation and Indemnity Company of California
Yorkshire Insurance Company of New York
Zurich Insurance (Taiwan) LTD.

Appendix C

Subject Insurance Policies

Carrier	Policy Number	Policy Period+
Transcontinental Ins. Co.	RDX9991487	October 1, 1959 to October 1, 1960
Transcontinental Ins. Co.	RDX9997485	October 1, 1960 to October 1, 1963
Harbor Ins. Co.	110256	February 1, 1971 to February 1, 1974
Harbor Ins. Co.	116239	February 1, 1974 to February 1, 1977
Harbor Ins. Co.	122720	February 1, 1977 to February 1, 1978
Harbor Ins. Co.	133921	February 1, 1978 to February 1, 1979
Transcontinental Ins. Co.	RDX1773041	October 1, 1979 to October 1, 1980
Transcontinental Ins. Co.	RDX2820299	October 1, 1980 to October 1, 1981

+ The "Policy Period" legend is not binding and is provided only for purposes of generally assisting in identifying the policies and is not intended as a full statement of the Parties' position.

EXHIBIT P

MIDDLESEX/SENTRY SETTLEMENT AGREEMENT

SETTLEMENT AGREEMENT, BUY BACK OF INSURANCE POLICY AND RIGHTS, RELEASE OF CLAIMS, AND COVENANT NOT TO SUE

This Settlement Agreement, Buy Back of Insurance Policy And Rights, Full And Mutual Releases of Claims, and Covenant Not to Sue ("**Agreement,**" as defined below) is made this 13th day of February, 2013, by and between:

Thorpe Insulation Company ("**Thorpe,**" for itself and as successor by merger to Pacific Insulation Company ("**Pacific Insulation**"), as Reorganized Debtor and a/k/a RTI Company (as defined in the plan described below)), Thorpe Insulation Company Asbestos Settlement Trust ("**Thorpe Trust**"), Farwest Insulation Contracting ("**Farwest**"), Bayshore Partners, LLC ("**Bayshore**"), Robert W. and Debra Fults, Linda E. Fults, Eric W. and Vicky Fults, and David A. and Stacie Fults (collectively the "**Fults Family**") (collectively the "**TPFBF Parties**"), on the one hand;

and

Middlesex Insurance Company, a subsidiary of Sentry Insurance a Mutual Company (**"Middlesex/Sentry"**) on the other hand.

The Parties to this Agreement are referred to collectively as the "**Parties**" or individually as a "**Party.**"

RECITALS

Insurance Policy And Claims

WHEREAS, Middlesex/Sentry is alleged to have issued the Subject Policy to Thorpe;

WHEREAS, the TPFBF Parties contend that the Subject Policy obligates Middlesex/Sentry to defend, reimburse defense costs, and indemnify certain of the TPFBF Parties for certain asbestos bodily injury claims and demands ("**Asbestos Bodily Injury Claims,**" as defined below) and have sought defense of and indemnification for such liabilities against Middlesex/Sentry and "**Certain Insurers**," as defined below;

WHEREAS, Middlesex/Sentry has reserved its rights under the Subject Policy;

WHEREAS, in an effort to obtain an adjudication of their rights and obligations under the Subject Policy (the "**Insurance Claims**"), Thorpe and some of Certain Insurers initiated actions in California captioned: *Thorpe Insulation Company v. Allstate Insurance Company, et al.*, No. CGC-05-446 682 (California Superior Court, County of San Francisco), *Chicago Insurance Company, et al. v. Allstate Insurance Company, et al.*, No. BC343014 (California Superior Court, County of Los Angeles), *Chicago Insurance Company v. Pacific Insulation Company, et al.*, No. BC346667 (California Superior Court, County of Los Angeles), which were coordinated before the California Superior Court, County of Los Angeles, in *In Re Thorpe Asbestos Coverage Cases*, Judicial Council Coordinated Proceeding No. 4458 (collectively, "**Declaratory Judgment Actions**"); and

WHEREAS, Middlesex/Sentry has denied and continues to deny all substantive allegations and Insurance Claims asserted against it in the Declaratory Judgment Actions.

The Bankruptcy Case

WHEREAS, Thorpe and Pacific Insulation filed the **Bankruptcy Case** (as defined below) in order to confirm a plan of reorganization that (a) provides protections pursuant to sections 524(g) and 105(a) of the Bankruptcy Code, among others, against the assertion of Asbestos Bodily Injury Claims and Contribution Claims (as defined below) for certain protected parties, and (b) establishes the Thorpe Trust;

WHEREAS, on October 25, 2007, the United States Trustee for the Central District of California appointed in the Bankruptcy Case an Official Committee of Unsecured Creditors (the "**UCC,**" as defined below), which is comprised of representatives of present "**Claimants**" (as defined below), including those who have asserted Asbestos Bodily Injury Claims;

WHEREAS, on December 20, 2007, the Bankruptcy Court appointed Charles B. Renfrew as the legal representative of persons who may assert Asbestos Bodily Injury Claims in the future (the "**Future Claimants' Representative**" or "**FCR,**" as defined below, and collectively with Thorpe and the UCC, "**Plan Proponents**");

WHEREAS, on December 28, 2009, Plan Proponents filed the Fifth Amended Joint Plan of Reorganization of Thorpe Insulation Company and Pacific Insulation Company [Dkt. No. 2539] (the "**Plan**") in the Bankruptcy Case;

WHEREAS, on February 1, 2010, the Bankruptcy Court entered its Order Confirming Fifth Amended Joint Plan of Reorganization of Thorpe Insulation Company and Pacific Insulation Company [Dkt. No. 2611] (the "**Confirmation Order,**" as defined below) in the Bankruptcy Case;

WHEREAS, on September 21, 2010, the District Court entered its Order and Opinion Affirming Plan Confirmation and § 524(g) Injunction [Dkt. No. 86] (the "**Affirmance Order**");

WHEREAS, Thorpe contends that, on October 22, 2010, the Plan Effective Date occurred, and among other things, the Thorpe Trust was established, the § 524(g) Injunctions provided for in the Plan became effective, Pacific Insulation merged into Thorpe, and the property of the bankruptcy estates was vested in the Thorpe Trust and Thorpe respectively;

WHEREAS, on January 24, 2012, the United States Court of Appeals for the Ninth Circuit entered its opinion and judgment in Certain Insurers' appeal from the Confirmation Order and the Affirmance Order Case No. 10-56543 (Dkt. No. 73-1) (as subsequently modified on rehearing, the "**Ninth Circuit Ruling**"); and

WHEREAS, the Parties disagree about the import and effect of the Ninth Circuit Ruling, including its effect on the current status of the Plan, but agree that the result of the Ninth Circuit Ruling is the currently-pending proceedings on remand in the Bankruptcy Court in respect of the Plan, which remains subject to modification in accordance with the terms of the Ninth Circuit Ruling.

This Agreement

WHEREAS, representatives of the FCR, UCC, the TPFBF Parties, and Middlesex/Sentry have met in an effort to resolve all disputes with respect to coverage for Asbestos Bodily Injury Claims under the Subject Policy;

WHEREAS, the UCC and FCR specifically have negotiated (a) resolution of the dispute over coverage for Asbestos Bodily Injury Claims and (b) the payment provisions in section 2 of this Agreement with Middlesex/Sentry and have determined that those payment provisions provide reasonably equivalent value to the TPFBF Parties for the consideration provided to Middlesex/Sentry;

WHEREAS, the UCC, FCR, TPFBF Parties, and Middlesex/Sentry have been advised of all negotiations leading up to this Agreement, have sought legal advice from their attorneys, believe this Agreement is in their respective best interests, and fully and freely consent to this Agreement;

WHEREAS, Thorpe and the Thorpe Trust, in the exercise of their best business judgment, believe that this Agreement is in the best interests of Thorpe and the Thorpe Trust, respectively;

WHEREAS, by this Agreement, the Parties intend to adopt a full and final settlement that compromises, releases, and terminates all rights of all of the TPFBF Parties and all liabilities and obligations of Middlesex/Sentry arising from or relating to the Subject Policy, including but not limited to all rights, obligations, and liabilities arising from or relating to any Asbestos Bodily Injury Claims, without further adjudication or trial of any issues of fact or law, except as expressly provided herein;

WHEREAS, the Parties agree that this Agreement shall not: (i) prejudice or waive any of their respective positions in matters with unrelated parties or constitute or be construed as an admission of any fact or liability in the Bankruptcy Case or otherwise; (ii) constitute or be construed as an admission by Middlesex/Sentry of any liability, obligation, or responsibility under the Subject Policy ("**Insurance Rights**," as defined below); or (iii) prejudice or waive the Parties' respective positions about the meaning of words or terms in the Subject Policy, or on any other issues in the Declaratory Judgment Actions or any other action, except as provided herein; and

WHEREAS, this Agreement is entered into by the Parties in good faith and as the result of arms-length negotiations between the Parties.

AGREEMENTS

NOW, THEREFORE, in full consideration of the foregoing and of the mutual agreements contained in this Agreement, and intending to be legally bound, the Parties agree as follows:

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1. *Definitions.*

As used in this Agreement, the following terms shall have the following meanings:

1.1 "**Affiliate**" means an Entity that is an affiliate of, or an Entity that is affiliated with, another specified Entity because it directly or indirectly, through one or more intermediaries, owns a majority interest in, or controls, or is owned or controlled by, or is under common control with, the other specified Entity.

1.2 "**Agreement**" means this Settlement Agreement, Buy Back of Insurance Policies and Rights, Release of Claims, and Covenant Not to Sue, as it may be amended or modified from time to time in accordance with its provisions.

1.3 "**Approval Order**" means an order of the "**Bankruptcy Court**," as defined below (a) approving this Agreement (b) effectuating the buyback of the Subject Policy and all rights under the Subject Policy pursuant to this Agreement, free and clear of any and all liens, claims, and interests pursuant to 11 U.S.C. §§ 363 and 1123; (c) imposing, and requiring as a condition to the occurrence of the Settlement Effective Date that the Confirmation Order impose, a "**Permanent Injunction**" (as defined below) in favor of Middlesex/Sentry consistent in all respects with this Agreement together with supporting findings of fact and conclusions of law required under section 524(g)(4)(B)(ii) of the Bankruptcy Code with respect to Middlesex/Sentry and identifying Middlesex/Sentry by name, or as part of an identifiable group, as Entities to be protected by the Permanent Injunction; (d) requiring that from and after the Settlement Effective Date (and provided that the Settlement Amount has been paid), all Holders of Asbestos Bodily Injury Claims receiving payments from the Thorpe Trust shall provide a release in favor of Middlesex/Sentry; (e) causing this Agreement to be binding on the Parties and to inure to their benefit; (f) containing a provision providing that the Court shall have and retain jurisdiction over any proceeding to enforce the provisions of the Approval Order or the Agreement to the fullest extent permitted by applicable law; and (g) making (or if separately entered by the Court, incorporating by reference) findings of fact and conclusions of law required under sections 524(g) and 1129(a) — and, if applicable, under sections 105(a), 1123(a) and 363(f) and (m), 524(g) and 1129(b) — of the Bankruptcy Code. At Thorpe's option, some or all of the provisions of the Approval Order may be in a separate order or made a part of the Confirmation Order.

1.4 "**Asbestos Bodily Injury Claims**" means those "**Asbestos-Related Liability Claims**," as defined below,

(a) brought or maintained, or

(b) to be brought or maintained in the future

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against one or more of the TPFBF Parties on account of bodily injury, personal injury, or death, including but not limited to:

(1) any such bodily injury, personal injury, or death Claims alleging (a) loss of consortium, wrongful death, or survivorship, and/or (b) proximate, consequential, special, or punitive damages; and

(2) Claims (a) for contribution, reimbursement, indemnity, or subrogation, and (b) under any other legal or equitable theory, based on, arising under, or attributable to the payment of all or any part of any Asbestos-Related Liability Claim.

1.5 "**Asbestos-Related Liability Claims**" means any "**Claim**," as defined below, relating in whole or in part, in fact or by allegation, to asbestos or asbestos-containing products that were or were alleged to have been manufactured, installed, removed, fabricated, sold, supplied, produced, designed, disturbed, released, or in any way at any time held, handled, distributed, marketed, or disposed of by any TPFBF Party, or that had or were alleged to have had anything to do with any TPFBF Party.

1.6 "**Bankruptcy Case**" means cases commenced by the voluntary petitions for relief filed under Chapter 11 of the Bankruptcy Code by Thorpe (as Case No. 07-19271-BB, on October 15, 2007) and Pacific Insulation (as Case No. 07-20016-BB, on October 31, 2007), which were ordered to be jointly administered with all pleadings filed under Case No. 07-19271-BB.

1.7 "**Bankruptcy Court**" means the United States Bankruptcy Court for the Central District of California, Los Angeles Division (Honorable Sheri Bluebond presiding), which is the court where the Bankruptcy Case is pending, or such other court presiding over the Bankruptcy Case.

1.8 "**Bayshore**" means Bayshore Partners, LLC, formerly known as Bayshore Group, which was formerly known as Fults Development Co. and (a) each of their parents, (b) each of their past or present Subsidiaries and Affiliates, (c) each of their interests in any joint venture in which they participated, and (d) each of their respective officers, directors, employees, agents, representatives, shareholders, and attorneys, or the successors of any of them, solely in their capacity as such.

1.9 "**Business Day**" means any day other than a Saturday, Sunday, or day upon which national banks in the city of Los Angeles, California are authorized to be closed.

1.10 "**Certain Insurers**" means the following insurers and their successors: Pacific Indemnity Company (Chubb), Fireman's Fund Insurance Company (Allianz), Chicago Insurance Company (Allianz), Century Indemnity Company, Motor Vehicle Casualty Company, California Union Insurance Company, Central National Insurance Company of Omaha, Cigna Specialty Insurance Company, Transport Insurance Company, Maine Bonding and

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Casualty Company, Allstate Insurance Company, Great American, American Centennial, General Insurance Company, National Union Fire Insurance Company of Pittsburgh and Granite State Insurance Company (AIG), Associated International Insurance Company, Argonaut Insurance Company, Westport Insurance Company (Swiss Re), Employers Reinsurance Company (Swiss Re), National Fire Insurance Company of Hartford, Transcontinental Insurance Company, The Continental Insurance Company, and Harbor Insurance Company (CNA), and any other insurer, excluding the Middlesex Entities, alleged or found to be an insurer of any TPFBF Party.

1.11 **"Channeling Injunction**" means the Section 524(g) Injunction provided for by the Plan or any other Section 524(g) Injunction that is at least as broad and inclusive as to the Middlesex Entities as the Section 524(g) Injunction provided to "Settling Insurance Entities" in the Plan.

1.12 "**Claim**" means:

(a) a claim as that term is defined in section 101(5) of the Bankruptcy Code;

(b) Demand, as that term is defined below and in section 524(g)(5) of the Bankruptcy Code; or

(c) any claim, assertion of right, complaint, cross-complaint, counterclaim, liability, right, request, allegation, arbitration, mediation, lawsuit, direct action, administrative proceeding, cause of action, suit, action, lien, debt, bill, indemnity, equitable indemnity, right of subrogation, equitable subrogation, injunctive relief, controversy, contribution, exoneration, covenant, agreement, promise, act, omission, trespass, variance, damages, judgment, compensation, set-off, reimbursement, restitution, cost, expense, loss, exposure, execution, attorneys' fee, obligation, order, affirmative defense, writ, demand, inquiry, request, directive, obligation, proof of claim in a bankruptcy proceeding or submitted to a trust established pursuant to section 524(g) of the Bankruptcy Code, government claim or action, settlement, and/or any liability whatsoever,

whether past, present or future, known or unknown, asserted or unasserted, foreseen or unforeseen, fixed or contingent, matured or unmatured, liquidated or unliquidated, direct or indirect, or otherwise consequential,

whether in law, equity, admiralty, or otherwise,

whether compromised, settled, or reduced to a consent judgment,

that exists or may exist now or hereinafter for property damages, compensatory damages, consequential damages, special damages, or punitive damages,

including but not limited to Asbestos Bodily Injury Claims, claims for loss of consortium, wrongful death, survivorship, public and private claims, any

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other right to relief, whether sounding in tort, contract, strict liability, equity, nuisance, trespass, a statutory violation, wrongful entry, eviction, or other invasion of the right of private occupancy of any nature whatsoever.

For avoidance of doubt, Claim includes but is not limited to: (a) any Asbestos Bodily Injury Claim; (b) any Trust Claim, as defined below; (c) any Tort Claim, as defined below; (d) any claim for unfunded defense costs, settlement(s), or judgment(s) that arose prior to the Petition Date; (e) any Direct Action Claim, as defined below; and (f) any Contribution Claim, as defined below.

1.13 "**Claimant**" means the past, present, or future holder of any Claim against any TPFBF Party

1.14 **"Confirmation Order**" means that certain Order Confirming Fifth Amended Joint Plan of Reorganization of Thorpe Insulation Company and Pacific Insulation Company [Dkt. No. 2611] entered February 1, 2010 in the Bankruptcy Case, together with all supporting findings of fact and conclusions of law, as modified by the Approval Order, and as it may be subsequently amended, modified, and affirmed until it becomes a Final Order.

1.15 "**Contribution Claim**" means any Claim by any insurer of any of the TPFBF Parties against any or all of the Middlesex Entities seeking contribution, equitable contribution, indemnity, equitable indemnity, subrogation, equitable subrogation, or relief pursuant to any other legal or equitable theory, arising out of or relating to the payment or defense of all or any part of any Asbestos Bodily Injury Claim that is asserted against one or more of the TPFBF Parties.

1.16 "**Court**" means the Bankruptcy Court or the District Court, as applicable, and as may be necessary to meet the requirements of section 524(g) of the Bankruptcy Code.

1.17 "**Coverage Litigation**" means the Declaratory Judgment Actions and any subsequent litigation, including any adversary proceeding in the Bankruptcy Case, which relates to the availability of insurance coverage for Asbestos Bodily Injury Claims brought against any of the TPFBF Parties or their current or former insurers.

1.18 "**Demand**" means a "demand" as that term is defined in section 524(g)(5) of the Bankruptcy Code.

1.19 "**Direct Action Claim**" means any Claim by any Entity (other than a TPFBF Party) against one or more of the Middlesex Entities based on or arising out of any Claim against one or more of the TPFBF Parties, whether arising by contract, in tort, or under the laws of any jurisdiction, including any statute or case law that gives or is alleged to give a third party a direct cause of action against an insurer.

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1.20 "**District Court**" means the United States District Court for the Central District of California.

1.21 "**Entity**" means any person, individual, corporation, partnership, association, limited liability company, joint stock company, joint venture, estate, trust, unincorporated organization, government (including any federal, state, local, or foreign government), any governmental or quasi-governmental body, or any political subdivision, agency, department, board, or instrumentality of any federal, state, local, or foreign government.

1.22 "**Execution Date**" means the earliest date on which this Agreement is signed by all of the Parties and persons contemplated to sign this Agreement.

1.23 "**Farwest**" means Farwest Insulation Contracting, formerly known as Far West Insulation Contracting, and also formerly known as Tico Group, Inc., and (a) each of their parents, (b) each of their past or present Subsidiaries and Affiliates, (c) each of their interests in any joint venture in which they participated, and (d) each of all of their respective officers, directors, employees, agents, representatives, shareholders, and attorneys, or the successors of any of them, solely in their capacity as such.

1.24 "**FCR**" or "**Future Claimants' Representative**" means Charles B. Renfrew in his capacity as a person appointed by the Court in the Bankruptcy Case pursuant to section 524(g)(4)(B)(i) of the Bankruptcy Code and any successor.

1.25 "**Final Order**" means an order

(a) as from which the time to appeal, petition for certiorari or review, or request re-argument and/or rehearing has expired; and

(b)(1) as from which no appeal, petition for certiorari or review, or request for re-argument or rehearing is pending, or as to which any right to appeal, petition for certiorari or review, or request for re-argument or rehearing shall have been waived in writing in form and substance satisfactory to Thorpe, the Thorpe Trust, the Middlesex Entities and each of their respective counsel; or

(2) in the event that an appeal, petition for certiorari or review, or request for re-argument or rehearing has been sought, then (a) such order shall have been affirmed by the highest court to which it was appealed, (b) certiorari or review shall have been denied, (c) re-argument or rehearing shall have been denied, (d) the time for any further appeal, petition for certiorari or review, and request for re-argument or rehearing shall have expired, and (e) any issues identified for resolution, or further proceedings required, by any ruling on any appeal, petition for certiorari or review, or request for re-argument or rehearing -- including the Ninth Circuit Ruling-- shall be resolved in a Final Order that leaves in place, or results in the issuance of, a Channeling Injunction in favor of the Middlesex Entities;

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provided, however, that the possibility that a motion under Rule 60 of the Federal Rules of Civil Procedure or any analogous rule under the Federal Rules of Bankruptcy Procedure (the "**Bankruptcy Rules**") may be, but has not been, filed with respect to such order shall not cause such order not to be a "Final Order."

1.26 **"Instructions Order"** means an order of a court of competent jurisdiction authorizing the Thorpe Trust to enter into this Agreement, which may be the Approval Order.

1.27 "**Insurance Rights**" means: (a) the Subject Policy; (b) any right to or interest in insurance coverage or proceeds relating to the Subject Policy; and (c) any Claims relating to the Subject Policy that would arise under any theory of law, admiralty, or equity, or under any statutory or other theory.

1.28 "**Middlesex Entities**" means, subject to the provisions of section 1.28(h) below:

(a) Middlesex Insurance Company, as it exists on the Execution Date;

(b) each of Middlesex Insurance Company's predecessors;

(c) Middlesex Insurance Company Subsidiaries and Affiliates, as they exist on the Execution Date;

(d) the Subsidiaries and Affiliates of Middlesex Insurance Company's parents, as they exist on the Execution Date;

(e) any joint venture in which Middlesex Insurance Company has participated as of the Execution Date;

(f) all of the officers, directors, employees, agents, representatives, members, and attorneys (including each of their respective successors, assigns, heirs, administrators, or executors) of any of the Entities identified in subsections 1.28 (a)-(e), when acting in their capacity as such; and

(g) any Entity that acquired or acquires Middlesex/Sentry within the scope of subsections 1.28(a) - (e) above, or becomes a successor in interest to Middlesex/Sentry through assignment, merger, or otherwise, but only to the extent that such successor succeeds to Middlesex/Sentry's rights and obligations, as they existed on the Execution Date, with respect to the TPFBF Parties.

(h) In the event that any of the Entities described in subsections 1.28(a) – (g) above has any rights or obligations that are independent of and not derivative of such Entity's rights and obligations as they existed on the Execution Date, then such Entity shall not be included within the definition of "Middlesex/Sentry" for purposes of this Agreement with respect to such independent and non-derivative rights and obligations. Further,

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"Middlesex/Sentry" shall not mean or include any other insurer identified as one of the "Certain Insurers" in Section 1.10 herein.

1.29 "**Pacific Insulation**" means the former Pacific Insulation Company, a California corporation, and (a) each of its parents, (b) each of its past or present Subsidiaries and Affiliates, (c) each of its interests in any joint venture in which it participated, and (d) each of its respective officers, directors, employees, agents, representatives, shareholders, and attorneys, or the successors of any of them, solely in their capacity as such.

1.30 "**Permanent Injunction**" means the injunction set forth in the Plan, pursuant to section 524(g) and, if applicable, section 105(a) of the Bankruptcy Code, to be modified to include the Middlesex Entities, which enjoins any Entity from taking legal action against certain protected parties, including, without limitation, the Middlesex Entities, for the purpose of directly or indirectly collecting, recovering, or receiving payment or recovery with respect to: (i) any Claim (including Asbestos Bodily Injury Claims) that, under the Plan, is to be paid in whole or in part, or otherwise resolved, by the Thorpe Trust; (ii) any Direct Action Claims; and (iii) any Contribution Claims.

1.31 "**Petition Date**" means October 15, 2007.

1.32 "**Plan**" or "**Plan of Reorganization**" means the Fifth Amended Joint Plan of Reorganization of Thorpe Insulation Company and Pacific Insulation Company [Dkt. No. 2539] filed in the Bankruptcy Case on December 28, 2009, and any amendments or modifications to that plan.

1.33 "**Plan Effective Date**" means October 22, 2010.

1.34 "**Settlement Amount**" means the monies to be paid by Middlesex/Sentry under section 2 of this Agreement.

1.35 "**Settlement Effective Date**" means the first Business Day upon which the Approval Order, the Instructions Order, and the Confirmation Order become Final Orders; provided, however, that the entry or finality of the Instructions Order may be waived by the Thorpe Trust in its sole discretion.

1.36 "**Settling Insurers**" means Middlesex/Sentry and any other "Settling Asbestos Insurer" as defined in the Plan.

1.37 "**Subject Policy**" means all insurance policies listed in Appendix C to this Agreement.

1.38 "**Subsidiary**" of an Entity means: (a) a corporation as to which the Entity possesses shares of common stock and exercises control through the voting power of said stock, (b) a limited liability company as to which the Entity exercises control under the terms of the limited liability company's operating agreement or (c) a partnership as to which the Entity exercises control under the terms of the partnership's partnership agreement.

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1.39 "**TPFBF Party**" means Thorpe for itself and as successor by merger to Pacific Insulation, the Thorpe Trust, Farwest, Bayshore, or any member of the Fults Family. **"TPFBF Parties**" refers to Thorpe, for itself and as successor by merger to Pacific Insulation, the Thorpe Trust, Bayshore, Farwest, and the Fults Family members collectively.

1.40 "**Thorpe**" means:

(a) Thorpe Insulation Company, as merged with Pacific Insulation including but not limited to:

(1) Thorpe Insulation Company, a California corporation, formerly known as Plant Insulation Company and sometimes doing business as C.R.B. Supply Co., Inc., in Arizona, a subsidiary;

(2) Thorpe Insulation Company dba: Thorpe Products Company;

(3) Industrial Insulation Company, a dissolved Arizona corporation, and a subsidiary;

(4) Thorpe Insulation Company of San Diego, a dissolved California corporation, and a subsidiary; and

(5) Thorpe Environmental Services, Inc., formerly known as Western Removal Services, Inc., also a dissolved California corporation and a subsidiary;

(b) its parents, including but not limited to the parents of each and every Entity identified in (a)(1)-(5);

(c) its past or present Subsidiaries and Affiliates, including but not limited to the Subsidiaries and Affiliates of each and every Entity identified in (a)(1)-(5);

(d) its interests in any joint venture in which it participated, including but not limited to the interests of each and every Entity identified in (a)(1)-(5); and

(e) its officers, directors, employees, agents, representatives, shareholders, and attorneys, or the successors of any of them, solely in their capacity as such, including but not limited to the officers, directors, employees, agents, representatives, shareholders, and attorneys (and successors) of each and every Entity identified in (a)(1)-(5).

1.41 "**Thorpe Trust**" means the trust established by the Plan on the Plan Effective Date to assume liability for, and pay, Trust Claims pursuant to section 524(g), and if applicable section 105, of the Bankruptcy Code and the Plan.

1.42 "**Tort Claim**" means any Claim, other than an Asbestos Bodily Injury Claim, that: (a) arises out of allegations of personal injury, wrongful death, property

damage, products liability or similar legal theories of recovery; or (b) arises under any federal, state, or local statute, rule, regulation, or ordinance governing, regulating, or relating to health, safety, hazardous substances, or the environment.

1.43 "**Trust Claim**" means (a) any Asbestos Bodily Injury Claim and (b) any other Claim against any of the TPFBF Parties or any of the Settling Insurers to the extent that liability for such Claim is transferred to and is assumed by the Thorpe Trust. Nothing in this definition or Agreement requires the TPFBF Parties to transfer liability for Claims other than Asbestos Bodily Injury Claims to the Thorpe Trust.

1.44 "**UCC**" or the "**Unsecured Creditors' Committee**" means the Entity that is also known as the Official Committee of Unsecured Creditors and was appointed by the United States Trustee to represent Thorpe's and Pacific Insulation's unsecured creditors in the Bankruptcy Case, including the present Claimants, which include holders of Asbestos Bodily Injury Claims.

To the extent that a term is not defined in this Agreement and is defined in Title 11 of the United States Code, sections 101 *et seq.* (the "**Bankruptcy Code**"), or in the Plan, that term shall have the meaning set forth in the Bankruptcy Code of the Plan, respectively. Each defined term stated in a singular form shall include the plural form. Each defined term stated in plural form shall include the singular form. Each defined term stated in the masculine form or in the feminine form shall include the other. The word "including" means "including but not limited to." The phrase "relating to" means "relating to, with regard to, by reason of, based on, or arising out of." (These words and phrases generally are not capitalized in this Agreement or in any of the attachments to this Agreement.)

2. *Settlement Payment.*

2.1 In consideration of the mutual covenants stated in this Agreement, Middlesex/Sentry shall pay Twelve Million dollars ($12,000,000) to the Thorpe Trust.

2.2 Middlesex/Sentry's payment shall be due on the first Business Day that is at least fifteen (15) days after the Settlement Effective Date.

3. *Cessation of Litigation, Claims, and Dismissals.*

3.1 Upon the Execution Date, the Parties (i) shall cease all litigation activities against each other in the Coverage Litigation and (ii) Middlesex/Sentry shall stay, suspend or adjourn its objections to the Plan and cease any other litigation activity in the Bankruptcy Case (including, without limitation, in any matters in the District Court, the Ninth Circuit Court of Appeals or the United States Supreme Court arising out of the Bankruptcy Case).

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3.2 Within two (2) Business Days after the Execution Date, the Parties shall jointly request a stay of all Claims against each other in the Coverage Litigation.

3.3 Upon each Party's filing of the request for stay described in section 3.2, that Party's claims shall be tolled, without prejudice, as of the date the request for stay is filed, until either: (a) the Parties have dismissed their claims against each other with prejudice (including as provided by section 3.4 of this Agreement); or (b) the settlement between the Parties terminates and the claims may be reinstituted in the Coverage Litigation.

3.4 Upon Middlesex/Sentry's payment of the full Settlement Amount, the Parties will file dismissals with prejudice of all Claims against each other in the Coverage Litigation.

3.5 The Parties agree to use their best efforts to ensure that no ruling, proceeding, or other matter in connection with the Plan or the Chapter 11 Case will impair, affect, or modify the Parties' rights or obligations under this Agreement. Middlesex/Sentry reserves the right to object to any Plan and/or to any order confirming any Plan, or any modifications to either of the foregoing, to the extent any of them are not consistent with the terms of this Agreement. The TPFBF Parties cannot, however, guarantee that there never will be changes to the Plan, Confirmation Order, and/or Settlement Approval Order that would impose obligations, requirements, and/or conditions that would be inconsistent with this Agreement. All Parties likewise recognize that certain types of changes to the Plan, Confirmation Order, and/or Settlement Approval Order that would impose obligations, requirements and/or conditions that would be inconsistent with this Agreement could potentially lead to termination of this Agreement. The TPFBF Parties acknowledge that 11 U.S.C. § 524(g)(3)(A)(i) has the effect of preventing any modification or revocation of the Permanent Injunction except through appeal of the Approval Order.

3.6 Notwithstanding anything else in this Agreement, the Parties agree that Middlesex/Sentry may challenge or object to confirmation of the Plan if the Plan is altered, modified, or revised, if any such alteration, modification, or revision (a) is inconsistent with the terms of this Agreement, (b) materially and adversely affects the interests of Middlesex/Sentry under this Agreement, or (c) does not include the Permanent Injunction.

3.7 Notwithstanding anything else in this Agreement, the Parties reserve their rights to be heard in the Bankruptcy Case if any Entity takes any action inconsistent with this Agreement that materially and adversely affects the Parties' respective rights or interests under this Agreement.

3.8 For the avoidance of doubt, nothing in this Section 3 shall prevent:

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(a) the Parties from taking whatever steps they deem necessary to defend their interests in the Coverage Litigation until the Parties stay their claims in the Coverage Litigation without prejudice as provided in section 3.2 and 3.3;

(b) Thorpe, the UCC, the FCR and the Thorpe Trust from:

(1) seeking confirmation of the Plan or approval of modifications or amendments to the Plan and prosecuting and defending appeals arising from the Bankruptcy Case; or

(2) consummating the Plan or modifications or amendments to the Plan.

3.9 The TPFBF Parties agree that Middlesex/Sentry shall have no obligation to pay, handle, object, or otherwise respond to any Claim, from and after the Execution Date unless and until this Agreement is terminated for any reason.

3.10 Notwithstanding anything in this Agreement, if the Confirmation Order does not become a Final Order, then Middlesex/Sentry may, in its sole and absolute discretion, either (a) elect to continue this Agreement in full force and effect, or (b) terminate this Agreement.

Middlesex/Sentry shall inform the TPFBF Parties of its choice in writing within the later of thirty (30) days after Middlesex/Sentry's receipt of a written notice from Thorpe that Thorpe has determined that the Confirmation Order will not become a Final Order; provided that Thorpe may not provide such notice prior to the time that the United States Court of Appeals for the Ninth Circuit rules on any appeal from the Confirmation Order and any separate order that may be entered imposing the Permanent Injunction (if the Permanent Injunction is entered in an order separate from the Confirmation Order).

In the absence of such a written notice from Middlesex/Sentry, this Agreement shall continue in full force and effect.

3.11 If Middlesex/Sentry elects to terminate this Agreement pursuant to section 3.10, then:

(a) the releases and buy backs of the Subject Policy provided for in this Agreement shall be of no further force or effect;

(b) the parties shall have no further obligations pursuant to Sections 2, 3.1-3.2, and 3.6-3.9 of this Agreement; and

(c) Middlesex/Sentry shall thereafter be obliged to pay, handle, object, or otherwise respond to any Claim to the same extent as they are so obligated as of the Execution Date (which obligations Middlesex/Sentry contests).

3.12 The Parties shall bear, as to each other only, their own costs, expenses, and counsel fees in the Coverage Litigation, the Bankruptcy Case, and in connection with or relating to this Agreement.

4. *Full and Mutual Releases and Insurance Rights Buy Back.*

Except for the obligations created by this Agreement, the TPFBF Parties and Middlesex/Sentry enter into the following agreements and full and mutual releases:

4.1 By the TPFBF Parties:

4.1.1 Upon the Settlement Effective Date, and conditioned upon the receipt by the Thorpe Trust of the Settlement Amount provided for in section 2.1 of this Agreement, other than as to their rights under this Agreement, the TPFBF Parties (collectively, the "TPFBF Releasors") do hereby settle, remit, release, covenant not to sue, and forever discharge the Middlesex Entities, from and against any and all past, present, and future Claims that the TPFBF Releasors ever had, now have, or hereafter may have relating to the Insurance Rights, including all:

(a) Claims for insurance coverage, including both defense costs and indemnification of Claims;

(b) Claims for or relating to or in connection with any act, omission, representation, or conduct of any sort relating to the Insurance Rights;

(c) Tort Claims;

(d) Trust Claims;

(e) Asbestos Bodily Injury Claims;

(f) Claims filed directly or indirectly against Middlesex/Sentry relating to either the Insurance Rights or the Trust Claims;

(g) Claims for any form of extra-contractual liability relating to the Insurance Rights, including Claims for punitive damages, attorneys' fees, antitrust or unfair competition, breach of duty of good faith and fair dealing, breach of statutory duties, and breach of common law duties, such as, but not limited to, negligent undertaking, breach of fiduciary duty or any other theory of extra-contractual liability;

(h) Claims that are the subject of the Coverage Litigation; and

(i) Claims for attorneys' fees in the Bankruptcy Case, including claims asserted in appellate proceedings arising in the Bankruptcy Case.

Notwithstanding any other provision of this Agreement, and for the avoidance of doubt, the TPFBF Releasors do **not** settle, remit, release,

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covenant not to sue, or otherwise discharge their rights to bring a claim for enforcement or breach of this Agreement.

4.1.2 The TPFBF Parties acknowledge that the foregoing release includes a release of any and all claims for extra-contractual liability arising from the Insurance Rights, including but not limited to the Claims set forth in section 4.1.1, any and all claims for business loss that Thorpe may have incurred, and any right to punitive or exemplary damages or attorneys' fees that Thorpe may have possessed.

4.1.3 Upon the Settlement Effective Date, and conditioned upon the receipt by the Thorpe Trust of the Settlement Amount provided for at Section 2.1 of this Agreement, Middlesex/Sentry shall have bought back the Insurance Rights, pursuant to the Plan and the Confirmation Order as modified by the Approval Order, free and clear of any and all Claims, and the rights, title, or interests of any Entity pursuant to the applicable provisions of the Bankruptcy Code with a scope equivalent to that under 11 U.S.C. § 363, and Middlesex/Sentry shall be deemed credited with the return of all premiums received. As a result, the Subject Policy shall no longer remain in effect. The TPFBF Releasors intend to reserve no rights or benefits whatsoever relating to the Insurance Rights and intend to assure Middlesex/Sentry peace and freedom from all Claims and from all assertions of rights in connection with such Claims, including Trust Claims.

4.1.4 Upon the Settlement Effective Date, and conditioned upon the receipt by the Thorpe Trust of the Settlement Amount provided for at Section 2.1 of this Agreement, any and all rights, duties, responsibilities, and obligations of Middlesex/Sentry (i) created by (x) the Subject Policy and/or (y) any unknown liability policy issued by one or more of the Middlesex Entities to Thorpe that provides coverage for Asbestos Bodily Injury Claims against Thorpe or Trust Claims, or (ii) relating to the Insurance Rights, shall be deemed to have terminated and to have been extinguished.

4.1.5 The TPFBF Releasors expressly assume the risk that Claims, acts, omissions, matters, causes, or things arising out of or relating to the Insurance Rights may have occurred that the TPFBF Releasors do not know or do not suspect to exist. The TPFBF Releasors hereby waive with respect to Claims released in section 4.1.1 of this Agreement the terms and provisions of any statute, rule, or doctrine of common law that either: (a) narrowly construes releases purporting by their terms to release Claims in whole or in part based upon, arising from, or relating to such acts, omissions, matters, causes, or things; or (b) restricts or prohibits the releasing of such Claims.

4.1.6 **THE TPFBF RELEASORS ACKNOWLEDGE THAT THEY HAVE BEEN ADVISED BY THEIR ATTORNEYS**

CONCERNING, AND ARE FAMILIAR WITH, CALIFORNIA CIVIL CODE SECTION 1542, WHICH PROVIDES THAT:

"A RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR."

THE TPFBF RELEASORS ACKNOWLEDGE THAT THEY EXPRESSLY WAIVE ANY AND ALL RIGHTS UNDER BOTH CALIFORNIA CIVIL CODE SECTION 1542 AND UNDER ANY OTHER FEDERAL OR STATE STATUTE OR LAW OF SIMILAR EFFECT.

4.2 By Middlesex/Sentry:

4.2.1 In consideration of the promises and covenants contained in this Agreement, from and after the Settlement Effective Date, other than its rights under this Agreement, Middlesex/Sentry hereby settles, remits, releases, covenants not to sue, and forever discharges the TPFBF Releasors and their respective officers, directors, employees, agents, representatives, members, trustees and attorneys (including in each case their respective successors, assigns, heirs, administrators, or executors) from any and all past, present, and future Claims relating to the Insurance Rights, including Claims for bad faith and other misconduct or alleged wrongdoing relating to the Insurance Rights or the Trust Claims. Notwithstanding any other provision of this Agreement, and for the avoidance of doubt, Middlesex/Sentry does **not** settle, remit, release, covenant not to sue, or otherwise discharge its rights (i) to bring a claim for enforcement or breach of this Agreement, or (ii) to pursue rights or claims not released by this Agreement.

4.2.2 From and after the Settlement Effective Date, Middlesex/Sentry intends to retain no Claims, rights, or benefits against the TPFBF Releasors and their respective officers, directors, employees, agents, representatives, members, trustees and attorneys (including in each case their respective successors, assigns, heirs, administrators, or executors) relating to the Insurance Rights.

4.2.3 Subject in each case to the provisions of Sections 3.9 and 3.10, from and after the Settlement Effective Date and provided Middlesex/Sentry has paid the Settlement Amount, (i) any and all rights, duties, responsibilities, and obligations of the TPFBF Parties relating to or in connection with the Insurance Rights are hereby terminated and (ii) the TPFBF Parties shall have no Insurance Rights with respect to the Subject Policies. The releases contained in this Agreement are

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intended to operate as though Middlesex/Sentry had never issued the Subject Policy.

4.2.4 Nothing in this Agreement shall affect Middlesex/Sentry's right to seek reimbursement from its reinsurers or retrocessionaires in their capacities as such.

4.2.5 Middlesex/Sentry expressly assumes the risk that Claims, acts, omissions, matters, causes, or things relating to the Insurance Rights may have occurred that it does not know or does not suspect to exist. Middlesex/Sentry hereby waives, with respect to the claims released in section 4.2.1 of this Agreement, the terms and provisions of any statute, rule, or doctrine of common law that either: (a) narrowly construes releases purporting by their terms to release Claims in whole or in part based upon, arising from, or relating to such acts, omissions, matters, causes, or things; or (b) restricts or prohibits the releasing of such Claims.

4.2.6 **MIDDLESEX/SENTRY ACKNOWLEDGES THAT IT HAS BEEN ADVISED BY ITS ATTORNEYS CONCERNING, AND ARE FAMILIAR WITH, CALIFORNIA CIVIL CODE SECTION 1542 , WHICH PROVIDES THAT:**

"A RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR."

MIDDLESEX/SENTRY ACKNOWLEDGES AND EXPRESSLY WAIVES ANY AND ALL RIGHTS UNDER CALIFORNIA CIVIL CODE SECTION 1542 AND ANY OTHER FEDERAL OR STATE STATUTE OR LAW OF SIMILAR EFFECT.

4.3 The Parties intend that this Agreement shall be complete and shall not be subject to any claims of accident, unilateral mistake, mutual mistake, mistake of fact, rescission, or reformation and that they intend by this Agreement to resolve all present and future disputes relating to or in connection with the nature and extent of past, present, and future insurance coverage relating to the Insurance Rights.

4.4 Upon Payment by Middlesex/Sentry of all of the Settlement Amount referenced in Section 2.1 of this Agreement, Middlesex/Sentry shall have no further obligation to pay any Claim.

4.5 This Agreement constitutes a full and final resolution of all Claims and defenses in the Coverage Litigation and the Bankruptcy Case between the Parties.

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5. *Obligations in Bankruptcy Court.*

5.1 Thorpe will use its best efforts to obtain the Permanent Injunction in favor of Middlesex/Sentry and to add the Middlesex Entities as a Settling Asbestos Insurer, as defined in the Plan, and to otherwise obtain the benefit of the Channeling Injunction for the Middlesex Entities. Such reasonable best efforts shall include with respect to any Plan, the inclusion of such Channeling Injunction in such Plan and the Confirmation Order. Middlesex/Sentry acknowledges that the terms of the injunctions provided for in the Plan and this Agreement, if made applicable to Middlesex/Sentry by a Final Order, will satisfy this obligation.

5.2 The TPFBF Parties shall use their best efforts to:

(a) obtain the entry of the Approval Order, the Confirmation Order and the Instructions Order;

(b) prevent the entry of a stay of the Approval Order or the Instructions Order, other than the stay provided for in Bankruptcy Rule 3020; and

(c) cause the Approval Order, the Instructions Order and the Confirmation Order to become Final Orders, in the event of any appeal(s).

Middlesex/Sentry shall cooperate with the TPFBF Parties in relation to each of the foregoing matters.

5.3 The TPFBF Parties agree, together with, or as part of, their request seeking entry of the Approval Order, to file a motion to modify the Plan to designate the Middlesex Entities as a "Settling Asbestos Insurer," as defined in the Plan, and otherwise in accordance with the proposed plan modifications attached hereto as Appendix A. The amendment shall set forth as conditions subsequent to such designation that (a) the Settlement Effective Date shall have taken place, and (b) the Thorpe Trust shall have received the Settlement Amount no later than ten (10) days following the provision of a written notice to Middlesex/Sentry that payment of the Settlement Amount was due and not timely made. The TPFBF Parties further agree that the proposed Approval Order submitted to the Court shall be in a form and substance as required by this Agreement, including that it satisfies Sections 1.3(a) through (g) of this Agreement, and Thorpe will provide to Middlesex/Sentry a form of the proposed Approval Order not less than two (2) Business Days prior to its filing to permit Middlesex/Sentry to comment and make suggestions to the Plan Proponents before its submission.

5.4 If the Court requires or permits written findings of fact and conclusions of law supporting the Approval Order, Thorpe will provide to Middlesex/Sentry proposed findings of fact and conclusions of law to permit Middlesex/Sentry

to comment and make suggestions to the Plan Proponents before submission of such findings and conclusions to the Court.

5.5 The request to obtain the Approval Order shall be prepared and served by the Plan Proponents at their expense in accordance with applicable Bankruptcy Rules and applicable local rules. With respect to the Confirmation Order, in the event that Middlesex/Sentry so requests in writing, the Plan Proponents shall move the Court, at their expense, for an order (i) authorizing publication of notice of the confirmation hearing and the protections provided to Middlesex/Sentry and, at Middlesex/Sentry's option, notice of the protections provided to (x) Century Indemnity Company, successor to Cigna Specialty Insurance Company f/k/a California Union Insurance Company, Central National Insurance Company of Omaha, and Motor Vehicle Casualty Company, and (y) National Fire Insurance Company of Hartford, as successor-by-merger to Transcontinental Insurance Company, and The Continental Insurance Company, as successor to certain liabilities of Harbor Insurance Company, in the USA TODAY or such other publications as Middlesex/Sentry may reasonably select for such periods as it shall reasonably designate in such request, and (ii) determining that notice in accordance with the terms of the order is adequate for purposes of due process to bind all present and future claimants, including third party claimants. In the event that the Court grants such motion, Middlesex/Sentry promptly shall reimburse the Thorpe Trust for the cost of publishing the notice prior to the earlier of: (a) two (2) Business Days prior to the date upon which payment is due to the entities publishing notice, or (b) ten (10) Business Days after being provided with copies of the invoices from the party or parties publishing such notice. The proposed form of notice shall be submitted to Middlesex/Sentry for its approval no later than ten (10) days prior to the actual service of notice and publication, and Middlesex/Sentry will not unreasonably withhold its approval.

5.6 In the event that any Entity attempts to prosecute any Claim against Middlesex/Sentry relating to the Subject Policy, including, but not limited to, Direct Action Claims and Contribution Claims, following the Execution Date and prior to the Settlement Effective Date, promptly following notice from Middlesex/Sentry to do so, Thorpe will use its best efforts to obtain an order from the Court, pursuant to Bankruptcy Code sections 105(a), 1123(a) and 363, and 524(g), as applicable, protecting Middlesex/Sentry from any such Claims until entry of the Permanent Injunction. As used in this paragraph, "best efforts" means a motion and other necessary papers acceptable to Middlesex/Sentry, in its reasonable discretion, to obtain the relief referred to above.

5.7 Middlesex/Sentry shall cooperate with the TPFBF Parties in relation to their efforts to obtain the Approval Order and the Confirmation Order (insofar as it is to be amended or modified) and ensure that they become Final Orders; provided, however, that Middlesex/Sentry reserves the right to object to the Plan, the Approval Order, the Confirmation Order, and the Permanent

Injunction to the extent one or more of them is not consistent with the requirements of this Agreement.

5.8 Middlesex/Sentry and the TPFBF Parties hereby consent, as of the Settlement Effective Date, to the required assignment of the rights of the TPFBF Parties (other than the Thorpe Trust) under this Agreement to the Thorpe Trust pursuant to the Plan.

5.9 The Parties agree to use their best efforts to ensure that no ruling, proceeding, or other matter in connection with the Plan or the Bankruptcy Case will impair, affect or modify the Parties' rights or obligations under this Agreement.

5.10 It is a condition precedent to the Parties' obligations under this Agreement that the UCC and the FCR indicate in writing by their signatures below that they consent to (i) Thorpe's entry into this Agreement, and (ii) the terms and conditions of this Agreement.

6. *Contribution, Subrogation, and Similar Rights Against Certain Insurers and Others.*

6.1 Upon the Settlement Effective Date, Middlesex/Sentry hereby transfers and assigns to the Thorpe Trust all rights, title and interest in and to contribution, indemnity, subrogation or similar common law or statutory relief they may have, with respect to any and all of the Certain Insurers (hereafter, the portion of these assigned rights as to the Certain Insurers shall be referred to as the "Contribution Rights Against Certain Insurers") and third parties with respect to indemnity payment of Asbestos Bodily Injury Claims against Thorpe and related defense costs.

7. *No Insurer Reimbursement.*

7.1 Middlesex/Sentry agrees that it will not seek reimbursement of amounts paid under this Agreement from any other insurer (or such other insurers' Affiliates or Subsidiaries) that has entered into a settlement with Thorpe with regard to Asbestos Bodily Injury Claims or Trust Claims in which such insurer:

(a) agrees not to seek any defense costs or indemnity payments from or assert a Contribution Claim against Middlesex/Sentry; and

(b) releases or dismisses with prejudice any claims against Middlesex/Sentry described in section 6 above.

Nothing in this section, however, shall affect any rights that Middlesex/Sentry may have with respect to its reinsurance or other third parties pursuant to reinsurance agreements, contracts, treaties, or other reinsurance relationships.

8. *Judgment Reduction Clause.*

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8.1 The provisions of this Section 8 apply only in the event that Middlesex/Sentry exercises the election provided for in Section 3.10(a).

8.2 In any proceeding, suit, or action, including the Coverage Litigation, involving one or more of the TPFBF Parties, or any insurer with respect to Claims, where any insurer has asserted, asserts, or could assert any contribution, indemnity, subrogation, equitable subrogation, or "other insurance clauses" rights, or any similar Claim or Contribution Claim against the Middlesex Entities relating to the Claims released by the TPFBF Releasors as stated in section 4 of this Agreement, any judgment obtained by the TPFBF Parties against such other insurer shall be automatically reduced by the amount, if any, that the Middlesex Entities would have been liable to pay such other insurer as a result of that insurer's Contribution Claim so that the Claim by such other insurer against the Middlesex Entities is thereby satisfied and extinguished. In order to effectuate this clause in any action against another insurer where none of the Middlesex Entities are parties, such TPFBF Party shall either:

(a) obtain a finding from that court of what amount Middlesex/Sentry would be required to pay such other insurer under its contribution, indemnity, subrogation, equitable subrogation, or "other insurance" rights, or similar Claim or Contribution Claim, before entry of judgment against such other insurer; or

(b) segregate and hold monies received from such other insurer until such rights are adjudicated in a proceeding involving the Middlesex Entities where this judgment reduction clause can be applied.

9. *Cooperation.*

9.1 So long as Middlesex/Sentry are not in default of its obligations pursuant to Section 2.1 of this Agreement, Thorpe and the Thorpe Trust, will undertake all reasonable actions and cooperate with Middlesex/Sentry to obtain the dismissal of any Direct Action Claims or other Claims or actions asserting Asbestos Bodily Injury Claims for which Thorpe is or was allegedly responsible pending against Middlesex/Sentry, or of any actions brought by insurers against Middlesex/Sentry with respect to Asbestos Bodily Injury Claims for which Thorpe is or was allegedly responsible, or to obtain additional orders from the Court enjoining such actions, should any further orders become necessary as set forth in further detail in sections 3 and 5 herein.

9.2 The TPFBF Parties will, at all times during which Middlesex/Sentry is in compliance with its obligations under Section 2.1 of this Agreement, undertake all reasonable actions and cooperate with Middlesex/Sentry in connection with any claims that they may assert against their reinsurers, including responding to reasonable requests for information and meeting with representatives of reinsurers as set forth below.

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9.2.1 Following the receipt by the Thorpe Trust of the Settlement Amount, the Thorpe Trust shall cause Middlesex/Sentry to have the right (upon reasonable notice and in a manner convenient to the Thorpe Trust) to review and obtain from the Thorpe Trust, relevant files, information, and documents: (a) concerning Claims subject to payment or potential payment with the proceeds of this Agreement, and (b) required of or necessary to Middlesex/Sentry in connection with any Claims, arbitrations, or litigation for reinsurance for the Settlement Amount or in connection with this Agreement. Middlesex/Sentry will accept the documents in the form provided to the Thorpe Trust (e.g., electronic, paper, etc.) or in the form easiest for the Thorpe Trust to provide. The Thorpe Trust shall not be required to modify or change the form or format of any such information. Middlesex/Sentry shall pay reasonable copying charges of documents obtained under this section.

9.2.2 For the avoidance of doubt, the relevant files, information and documents referenced in section 9.2.1 above shall include:

(a) information from any database maintained by the Thorpe Trust, any information that the Thorpe Trust collects pursuant to any trust distribution procedures, and any information included on any claim form used by the Thorpe Trust with respect to Trust Claims, and

(b) for each Trust Claim resolved:

(i) the Claimant's name;

(ii) a claim number if the Thorpe Trust uses such a number to identify claims;

(iii) the Claim's status (open or closed);

(iv) the date of first exposure if the Thorpe Trust collects such information;

(v) the alleged disease and date of diagnosis if the Thorpe Trust collects such information; and

(vi) the amount at which such claim was allowed.

9.2.3 Following the receipt by the Thorpe Trust of the Settlement Amount, the Thorpe Trust shall reasonably cooperate in obtaining and providing the files, information and documents referred to in sections 9.2.1 and 9.2.2 above at Middlesex/Sentry's reasonable request and expense (provided that Middlesex/Sentry shall have no obligation to pay, other than reasonable copying costs, any internal costs of the Thorpe Trust, including costs associated with time or expenses of the Thorpe Trust's employees). For the avoidance of doubt, and without limitation of the

foregoing, provided that Middlesex/Sentry is not then in default of their obligations pursuant to Section 2.1 of this Agreement, the Thorpe Trust shall undertake all reasonable actions to cooperate with Middlesex/Sentry in connection with any obligation that Middlesex/Sentry may have to provide information to its reinsurers, including responding to reasonable requests for information and meeting with representatives of Middlesex/Sentry's reinsurers, upon reasonable notice, at Middlesex/Sentry's expense (such as reasonable copying costs) other than internal costs of the Thorpe Trust, including costs associated with time and expense of the Thorpe Trust's employees, and in a manner convenient to the Thorpe Trust as applicable. Such cooperation shall include providing Middlesex/Sentry's representative access to all files relating to (a) Trust Claims, including all product exposure, medical, claim status, and payment records contained in such files, and (b) Thorpe's historical operations. For the avoidance of doubt, this section 9, and any results of such a review:

(a) shall not affect Middlesex/Sentry's payment obligations under this Agreement;

(b) shall not obligate the Thorpe Trust to collect any information from any Claimant that it is not otherwise obligated to collect; and

(c) shall not give Middlesex/Sentry any right to challenge the allowance or payment of any Claim by the Thorpe Trust.

9.3 At the Thorpe Trust's sole discretion, the Thorpe Trust may satisfy its obligations under section 9.2 above by providing Middlesex/Sentry (or their representatives) with a report concerning Trust Claims activity with respect to the time period that is the subject of Middlesex/Sentry's requests for relevant files, information, and documents (the "**Report**"). If the Thorpe Trust collects the following information, such Reports shall include:

(a) with respect to Thorpe Trust, the number of total claims filed, pending, settled, dismissed or that went to judgment, the total indemnity paid, and total expense paid; and

(b) with respect to each claim resolved during the relevant period:

(i) the Claimant's name and social security number;

(ii) the claim number;

(iii) jurisdiction, if any;

(iv) status (open or closed);

(v) the date of first exposure as set forth in the complaint or as reflected by information reasonably available to the Thorpe Trust (as applicable);

(vi) the site for which Thorpe is responsible to which the Claimant alleges exposure;

(vii) the alleged disease and the date of diagnosis;

(viii) whether there is a medical diagnosis of the alleged disease;

(ix) date of death, if applicable; and

(x) the amount of indemnity paid.

9.4 If the Thorpe Trust exercises its discretion to provide Reports to Middlesex/Sentry pursuant to section 8.3 above, the Thorpe Trust shall still be obligated, at the request of Middlesex/Sentry (upon reasonable notice, at Middlesex/Sentry's sole expense, and in a manner convenient to the Thorpe Trust) to make available to Middlesex/Sentry files, information, and documents described in this section 9 relating to Trust Claims that are the subject of the Report.

9.5 Notwithstanding anything in this Section 9 to the contrary:

9.5.1 The Thorpe Trust shall not be required to provide any files, information, documents, or Reports (hereafter defined) that would be protected from disclosure by the attorney-client privilege, the work product doctrine or the settlement discussion privilege.

9.5.2 Middlesex/Sentry shall not make any use of the Reports, results, files, information, or documents obtained by Middlesex/Sentry pursuant to this Section (the "**Materials**") other than for the following purposes (collectively, the "**Permitted Uses**") and no others:

(a) to use the Materials in any proceeding or process to collect reinsurance with respect to the Settlement Amount or this Agreement;

(b) to comply with any applicable law, governmental regulations, or insurance regulations;

(c) in connection with any internal or external audit of Middlesex/Sentry; and

(d) to respond to any process, order, or other procedure of any court or other adjudicative body compelling the production of such Materials, after providing reasonable notice to the Thorpe Trust, that such Materials are being requested.

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9.5.3 Middlesex/Sentry shall restrict access to the Materials to their employees, attorneys, accountants, actuaries, administrators, auditors, regulators, rehabilitators, liquidators, reinsurers, retrocessionaires, and rating agencies who require access to the Materials for Permitted Uses.

9.6 In the event that Middlesex/Sentry desires to disclose any of the Materials to any third party other than those permitted pursuant to subsection 9.5.3, Middlesex/Sentry shall:

(a) use their best efforts to obtain from such third party an agreement to restrict such third party's use of the Materials to the Permitted Uses and to refrain from disclosing any of the Materials other than as permitted under the terms of this Agreement, which agreement shall identify the Thorpe Trust as an intended third party beneficiary;

(b) provide the Thorpe Trust with written notice describing their intention to so disclose the Materials and provide the Thorpe Trust with a reasonable opportunity to obtain its own confidentiality agreement or a protective order;

(c) in the event that Middlesex/Sentry is unable to obtain such an agreement from such third party, then, prior to the disclosure of the Materials to such third party, Middlesex/Sentry shall advise such third party that the Materials contain confidential information whose dissemination is restricted by the terms of this Agreement and/or applicable law; and

(d) in the event that Middlesex/Sentry is requested to provide any third party with Materials pursuant to court process, then Middlesex/Sentry shall promptly provide notice of such request to the Thorpe Trust, which notice shall include a copy of the relevant request, so as to permit the Thorpe Trust to seek a protective order with respect to the disclosure of such Materials.

9.7 In the event that Middlesex/Sentry desires to utilize any of the Materials in any litigation, arbitration, or other adjudicatory process instituted for the purpose of obtaining reimbursement of the Settlement Amount from their reinsurers, then Middlesex/Sentry shall:

(a) use their best efforts to obtain a protective order, or similar protection, in form and content reasonably satisfactory to the Thorpe Trust, preserving the confidentiality of the Materials, including sealing any files, information, documents, or Reports that may otherwise become a part of the public record, if any, in such proceeding; and

(b) prior to the disclosure of Materials, provide the Thorpe Trust with written notice describing its intention to utilize the Materials and provide the Thorpe Trust with a reasonable opportunity to obtain its own protective order. Notwithstanding the foregoing, in the event that Middlesex/Sentry or the Thorpe Trust is unable to obtain a protective order, or similar protection, then Middlesex/Sentry may use the Materials in any such litigation, arbitration, or other adjudicatory process without restriction; provided that, prior to

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disclosing the Materials to any person under the provisions of this section 9.7, Middlesex/Sentry shall first advise such person that the Materials contain confidential information whose dissemination is restricted by the terms of this Agreement or applicable law.

9.8 From and after the Settlement Effective Date, all releases of Claims obtained by the Thorpe Trust from the holders of Asbestos Bodily Injury Claims shall include a provision providing for the release of Middlesex/Sentry, either by name or by the inclusion of a release in favor of all Settling Insurers.

10. *Representation by Counsel.*

The Parties acknowledge and agree that this Agreement was bargained for and entered into in good faith and as the result of arms-length negotiations, and that they have been represented by counsel of their own choosing concerning (a) the rights affected by, (b) the form and content of, and (c) the advisability of executing this Agreement. This Agreement has been reviewed by counsel for each of the Parties and will not be strictly construed against any Party.

11. *Remedies.*

The performance by the TPFBF Parties under this Agreement is unique. The Parties acknowledge and agree that money damages would be impossible to calculate and that money damages would be an insufficient remedy for any breach of this Agreement by any TPFBF Parties. The Parties further acknowledge and agree that any such breach would cause Middlesex/Sentry irreparable harm. Accordingly, the Parties also agree that in the event of any breach or threatened breach of this Agreement, Middlesex/Sentry shall be entitled to specific performance of this Agreement, without the requirement of posting a bond or other security, in addition to any other remedies they may have at law or in equity. This specific performance shall include any equitable relief necessary to require the TPFBF Parties, as applicable, to specifically perform this Agreement, without proof of actual damages.

12. *Representations and Warranties.*

12.1 The TPFBF Parties (other than the Thorpe Trust) represent and warrant that, among them, the only TPFBF Party involved in the manufacturing, installation, removal, fabrication, sale, supplying, production, design, holding, handling, distributing, marketing, or disposing of asbestos or products containing asbestos was Thorpe, except for Farwest when it became involved, starting on December 1, 2004, in an asbestos removal business.

12.2 Thorpe, Farwest, Bayshore, and each member of the Fults Family, each represents and warrants that they are not related to or in any way affiliated with any of the following: J.T. Thorpe, Inc., a California Corporation; J.T. Thorpe & Sons, Inc., a California Corporation; J.T. Thorpe Company, a Texas Corporation; Thorpe Corporation, a Delaware Corporation; Thorpe Corporation, a Texas Corporation; Thorpe Products Company, a Texas Corporation; Thorpe Insulation Services Company, a Texas Corporation; Thorpe Insulation Company, a Texas Corporation; C.R.B. Insulation, Inc., an

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Arizona Corporation; C.R.B Enterprises, Inc., a Nevada Corporation; or C.R.B. Contracting, Inc., an Arizona Corporation.

12.3 Except as provided below, each of the TPFBF Parties represents and warrants that, as to himself, herself, or itself, other than as provided in the Plan, he, she or it has not sold assigned or conveyed, and will not sell, assign, or convey, to any Entity any of the Insurance Rights between the Execution Date and the Settlement Effective Date. Thorpe has entered into a settlement agreement with Brayton Purcell on behalf of certain of its clients that was attached to the *Declaration of Alan R. Brayton in Support of Debtor Thorpe Insulation Company's Motion for Order Approving Term Sheet for Settlement of Pre-Petition Assignment Claims* filed in the Bankruptcy Case as Dkt. No. 2905 that was approved by the Bankruptcy Court's *Order Approving Term Sheet for Settlement of Pre-Petition Assignment Claims* [Dk.t No. 2998] (the "**Brayton Settlement**"). Any alleged claims as against Middlesex/Sentry or under, arising out of, related to and/or in connection with the policies listed on Appendix C to this Agreement that are held by the listed clients of Brayton Purcell under, arising out of, related to and/or in connection with the alleged assignment are channeled to the Trust pursuant to the Plan and the Brayton Settlement.

12.4 Thorpe represents and warrants that, subject only to the claims and contentions of certain holders of Asbestos Bodily Injury Claims, which contentions Thorpe denies, and the terms of the Plan, Thorpe is the sole owner of the Subject Policy and that no other party has legal title to said policy.

12.5 Each of the TPFBF Parties, other than Thorpe, represents and warrants that, as to himself, herself or itself, he, she or it does not have legal title to the Subject Policy, subject only to the terms of the Plan.

12.6 The TPFBF Parties represent and warrant that, based on their independent assessments, made with the assistance and advice of counsel, of the probability of success in the Coverage Litigation, the delay in obtaining relief, and the expense of possible future litigation, they believe that:

(a) the payments and other benefits received under this Agreement by the TPFBF Parties constitute a fair and reasonable settlement of Thorpe's Claims and Insurance Rights as against Middlesex/Sentry; and

(b) the payments and other benefits received under this Agreement by the TPFBF Parties constitute reasonably equivalent value for the benefits received by Middlesex/Sentry under this Agreement.

12.7 Each of the TPFBF Parties represents and warrants that, upon the Settlement Effective Date, he, she, or it shall not contest that (a) this Agreement is binding, including the releases set forth in section 4 of this Agreement, or (b) upon receipt of the Settlement Amount, valuable and fair consideration or

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reasonably equivalent value will have been received by the TPFBF Parties for this Agreement.

12.8 Each of the TPFBF Parties represents and warrants that he, she, or it shall reasonably cooperate with Middlesex/Sentry in responding to and opposing any motion, objection, Claim, assertion, or argument by any third party that this Agreement, including the releases set forth in section 4 of this Agreement, is not binding, or should be avoided, or, subject to the receipt of the Settlement Amount, that valuable and fair consideration or reasonably equivalent value has not been received by Thorpe or the Thorpe Trust for this Agreement.

12.9 The TPFBF Parties represent and warrant that they enter into this Agreement for the specific purpose of obtaining the payment in accordance with section 2 of this Agreement, which funds shall be, based on their evaluation and determination, used in the best interest of creditors and other parties in interest, whether known or unknown, who hold or may hold Claims against them or against the Thorpe Trust; all in full compliance with all applicable state and federal laws.

12.10 Each Party represents and warrants that it has authority to execute this Agreement as its binding and legal obligation, subject to the entry of the Approval Order and, in the case of the Thorpe Trust, the Instructions Order.

12.11 Each Party represents and warrants that the persons signing this Agreement on its or their behalf are authorized by those they purport to represent to execute this Agreement and that the Parties have read this Agreement in full. Thorpe, Farwest, and Bayshore represent and warrant that all of their shareholders or members have read this Agreement, have had the opportunity to consult their attorneys, and have unanimously consented to each of Thorpe Farwest, and Bayshore executing this Agreement.

13. *Medicare, Medicaid, and SCHIP Extension Act of 2007.*

This Settlement shall not subject Middlesex/Sentry to any reporting requirements and obligations under 42 U.S.C. § 1395y et seq., commonly referred to as the Medicare, Medicaid, and SCHIP Extension Act of 2007 (the "Act"), for any Asbestos Related Claims or Trust Claims. If Middlesex/Sentry requests, or to the extent any entity contends that any obligation under 42 U.S.C. § 1395y(b) and the rules and regulations promulgated thereunder (including 42. C.F.R. 411 et seq.) is triggered in connection with the Payment Amount, the Thorpe Trust will cooperate fully and, for each claimant who receives payment from the Thorpe Trust, will provide Middlesex/Sentry, within 10 calendar days of the date that any amounts are paid to a claimant by the Thorpe Trust, with information required to be reported by Medicare, including some or all of (a) the name, (b) social security number, (c) Medicare number, (d) date of birth, (e) address, (f) date(s) of injury, (g) injury, (h) defense insurance (if known), (i) applicable ICD-9, ICD-10, or similar injury and diagnosis codes, (j) state of venue, (k) plaintiff's attorney's name and address, and (l) amounts received from the Thorpe Trust. To the extent that an agency responsible for administering Medicare asserts a demand for reimbursement of conditional payments made pursuant to Medicare, the parties will discuss and agree upon an appropriate response to said

agency. The Thorpe Trust will comply with all laws and regulations with respect to Medicare as applied to the Thorpe Trust. If a party, or a successor in interest or assignee of Thorpe or the Thorpe Trust, agrees in a subsequent settlement agreement with an insurer to an alternative means of handling such reporting requirements and obligations, then Middlesex/Sentry shall be entitled, at its option, to have the benefit of such alternative means.

14. *Disclosure of This Agreement.*

The terms of this Agreement may be disclosed in a filing submitted to the Court to secure the Approval Order, as well as other orders and injunctions contemplated herein, and as otherwise may be necessary or convenient to effectuate the terms and conditions of this Agreement.

15. *Non-Prejudice and Construction of Agreement.*

15.1 This Agreement is subject to Federal Rule of Evidence 408 and California Evidence Code section 1152, is intended to be and is a compromise between the Parties, and shall not be construed as an admission relating to or in any way connected with any Insurance Rights.

15.2 Neither this Agreement nor any of its provisions is or should be construed as a waiver, modification, change, or retraction of the Parties' positions regarding the interpretation and application of the policies that are the subject of the Coverage Litigation. No communications or statements made during the negotiations of this Agreement shall be discoverable or admissible in any dispute between the Parties to enforce the terms of the Agreement.

15.3 This Agreement is the product of informed negotiations and involves compromises of the Parties' previously stated legal positions. Accordingly, this Agreement does not reflect the Parties' views as to their rights and obligations with respect to matters or Entities outside the scope of this Agreement. This Agreement is without prejudice to positions taken by Middlesex/Sentry with regard to other insureds or claimants, and without prejudice to positions taken by Thorpe or the TPFBF Parties with regard to other insurers.

15.4 The Parties specifically disavow any intention to create rights in any party not a party to this Agreement under or in relation to this Agreement. This Agreement is the product of multi-lateral negotiations and no provision of the Agreement shall be construed against Middlesex/Sentry because of its status as an insurance company or its issuance of the Subject Policy to Thorpe.

16. *No Waiver.*

Any Party may specifically and expressly waive in writing any portion of this Agreement or any breach of this Agreement, but only to the extent that such provision is for the benefit of the waiving Party. No such waiver shall constitute a further or continuing waiver of any preceding or succeeding breach of the same or any other provision. The consent by one Party to any act for which such consent was required shall not be deemed to imply consent or waiver of

the necessity of obtaining such consent for the same or similar acts in the future, and a Party's forbearance in seeking a remedy for noncompliance or breach by another Party shall not be construed as a waiver of any right or remedy with respect to such noncompliance or breach. No waiver of any right under this Agreement shall be valid unless in writing.

17. *Governing Law.*

This Agreement shall be governed by and shall be construed in accordance with the law of California without regard to its conflict of law principles and, where necessary, in accordance with federal bankruptcy law.

18. *Dispute Resolution.*

Notice of any dispute, controversy, or claim ("**Dispute**") that relates in any way to this Agreement shall be provided by written notice to the other Party specifying the facts underlying the Dispute, and the Party receiving the notice shall have ten (10) days to cure the Dispute.

Any uncured Dispute that is not resolved by the Parties or through mediation shall be submitted to the Bankruptcy Court for resolution. The Parties expressly consent to the exclusive jurisdiction of the Bankruptcy Court over any Dispute and to the final determination of any Dispute by the Bankruptcy Court. If the Bankruptcy Court refuses or abstains from exercising jurisdiction over a Dispute, the Parties agree that venue shall lie in any other state or federal court located within Los Angeles County, California.

The provisions of this Section 18 shall not apply if this Agreement is terminated by the consent of the Parties.

19. *Notices.*

Unless another person is designated, in writing, for receipt of notices hereunder, notices to the respective Parties shall be sent as follows:

Thorpe:	Eric W. Fults Thorpe Insulation Company 5608 Bayshore Walk Long Beach, California 90803
With a copy to:	Charles J. Malaret. Morgan Lewis & Bockius LLP 300 South Grand Avenue, 22nd Floor Los Angeles, California 90071 Attorneys for Thorpe
Farwest:	Eric W. Fults Farwest Insulation Contracting Company 1375 South Acacia Avenue, Suite A Fullerton, California 92831

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With a copy to:	Lawrence Peitzman Peitzman, Weg & Kempinsky LLP 10100 Santa Monica Boulevard Suite 1450 Los Angeles, California 90067 Attorneys for Farwest
Thorpe Trust	Sara Beth Brown Executive Director Thorpe Insulation Company Asbestos Settlement Trust 300 East Second Street, Suite 1410 Reno, Nevada 89501
With a copy to:	John P Sande, III Jones Vargas 300 East Second Street, Suite 1510 PO Box 281 Reno, Nevada 89504 Attorneys for Thorpe Trust
Bayshore	Robert Fults Bayshore Partners, LLC 2741 South Yates Avenue Los Angeles, California 90040
With a copy to:	Lawrence Peitzman Peitzman Weg LLP 10100 Santa Monica Boulevard Suite 1450 Los Angeles, California 90067 Attorneys for Bayshore
Robert W. and Debra Fults	Robert and Debra Fults c/o Thorpe Insulation Company 5608 Bayshore Walk Long Beach, California 90802
With a copy to:	Lawrence Peitzman Peitzman Weg LLP 10100 Santa Monica Boulevard Suite 1450 Los Angeles, California 90067 Attorneys for Robert W. Fults
Linda E. Fults	Linda E. Fults c/o Pacific Insulation Company 2741 South Yates Avenue

	Los Angeles, California 90040
With a copy to:	Lawrence Peitzman Peitzman Weg LLP 10100 Santa Monica Boulevard Suite 1450 Los Angeles, California 90067
Eric W. and Vicky Fults	Eric W. and Vicky Fults c/o Farwest Insulation Contracting Company 1375 South Acacia Avenue, Suite A Fullerton, California 92831
With a copy to:	Lawrence Peitzman Peitzman Weg LLP 10100 Santa Monica Boulevard Suite 1450 Los Angeles, California 90067
David A. and Stacie Fults	David A. and Stacie Fults c/o Farwest Insulation Contracting Company 1375 South Acacia Avenue, Suite A Fullerton, California 92831
With a copy to:	Lawrence Peitzman Peitzman Weg LLP 10100 Santa Monica Boulevard Suite 1450 Los Angeles, California 90067
Unsecured Creditors' Committee	c/o Alan Brayton Chairman Brayton Purcell 222 Rush Landing Road Novato, California 94945
With a copy to:	Peter J. Benvenutti (CA Bar No. 60566) JONES DAY 555 California Street, 26th Floor San Francisco, California 94104 pjbenvenutti@jonesday.com Telephone: (415) 626-3939 Facsimile: (415) 875-5700
Futures Representative:	c/o Gary S. Fergus Fergus, a law office 595 Market Street Suite 2430 San Francisco, California 94105 (415) 537-9030 (office)

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(415) 537-9038 (facsimile)
gfergus@fergusleg al.com

Middlesex/Sentry:

Middlesex Insurance Company
Attn: Paul Hanneman
1421 Strongs Ave.
P.O. Box 8032
Stevens Point, WI 54481

(715) 346-9378
(715) 346-9708 (fax)
paul.hanneman@sentry.com

With a copy to:

Ilya A. Kosten
Selman Breitman LLP
11766 Wilshire Blvd., Suite 600
Los Angeles, California 90025

Telephone: (310) 689-7049
Facsimile : (310) 473-2525
ikosten@selmanbreitman.com

20. *Integration.*

This Agreement, including its attachments, constitutes the entire Agreement between the Parties with respect to its subject matter, and it supersedes all discussions, agreements, and understandings, both written and oral, among the Parties with respect to that subject matter.

21. *Additional Documents.*

The Parties shall take such steps and shall execute any such other documents as may be reasonably required to obtain and make Final the Approval Order and the Confirmation Order as set forth in this Agreement, or as may reasonably be necessary to effectuate any other requirement or aspect of this Agreement.

22. *Counterparts.*

This Agreement may be executed in several counterparts, each of which shall be deemed an original.

23. *Facsimile.*

This Agreement may be executed by facsimile or other electronic transmission of executed copies of the signature pages delivered to counsel for the Parties. Such transmission shall be as legally effective and binding as a signed original for all purposes.

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24. ***Captions and Headings.***

The captions and headings used in this Agreement are for reference purposes only and shall not be taken into account in construing or interpreting this Agreement.

25. ***Assignment.***

Except as provided herein, this Agreement may not be assigned except by written agreement of the Parties.

26. ***Strict Compliance.***

Failure of any Party to insist upon strict compliance with any terms, covenants, or conditions of this Agreement shall not be deemed a waiver of any such term, covenant, or condition. A Party's waiver or relinquishment of a right or power under this Agreement at one time or times shall not be deemed a waiver or relinquishment of such right or power at any other time or times.

27. ***Severability.***

The invalidity or unenforceability of any provision of this Agreement shall in no way affect the validity or enforceability of any other provision of this Agreement, except that if the releases provided under section 4.1 of this Agreement are declared invalid or unenforceable or materially narrowed in scope, then Middlesex/Sentry shall have no obligation to make the settlement payment required by section 2.1 of this Agreement.

28. ***Survival of Representations and Warranties.***

The representations, warranties and covenants contained in this Agreement shall survive the execution, delivery, and consummation of this Agreement, and shall remain in full force and effect until a claim based on any such representation, warranty, or covenant is barred by applicable statutes of limitation.

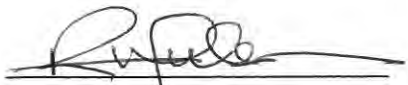
29. ***Binding Effect.***

This Agreement shall be binding upon and inure to the benefit of the Parties to this Agreement and their respective successors and assigns.

IN WITNESS WHEREOF, the Parties have executed this Agreement by their duly authorized representatives.

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THORPE, for itself, and as successor by merger to PACIFIC INSULATION COMPANY

By: 

Title: President

Date: February 13, 2013

FARWEST

By: _____

Title: _____

Date: February ___, 2013

THORPE TRUST

By: _____

Title: _____

Date: February ___, 2013

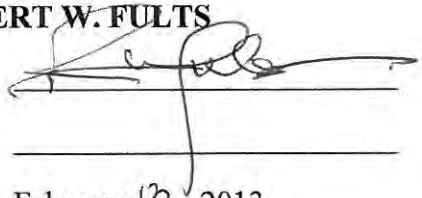
BAYSHORE

By: 

Title: PARTNER

Date: February 13, 2013

ROBERT W. FULTS

By: 

Title: _____

Date: February 13, 2013

LINDA E. FULTS

By: _____

Title: _____

Date: February ___, 2013

VICKY FULTS

By: _____

Title: _____

Date: February ___, 2013

DEBRA FULTS

By: _____

Title: _____

Date: February ___, 2013

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THORPE, for itself, and as successor by merger to PACIFIC INSULATION COMPANY

By: _____

Title: _____

Date: February ___, 2013

FARWEST

By: _____

Title: _____

Date: February ___, 2013

THORPE TRUST

By: _____

Title: _____

Date: February ___, 2013

BAYSHORE

By: _____

Title: _____

Date: February ___, 2013

ROBERT W. FULTS

By: _____

Title: _____

Date: February ___, 2013

LINDA E. FULTS

By: _____

Title: _____

Date: February ___, 2013

VICKY FULTS

By: _____

Title: _____

Date: February ___, 2013

DEBRA FULTS

By: Debra Fults

Title: _____

Date: February 13, 2013

1432633

THORPE, for itself, and as successor by merger to PACIFIC INSULATION COMPANY

By: _____

Title: _____

Date: February ___, 2013

FARWEST

By: _____

Title: PRESIDENT

Date: February 13, 2013

THORPE TRUST

By: _____

Title: _____

Date: February ___, 2013

BAYSHORE

By: _____

Title: _____

Date: February ___, 2013

ROBERT W. FULTS

By: _____

Title: _____

Date: February ___, 2013

LINDA E. FULTS

By: Linda E. Fults

Title: _____

Date: February 13, 2013

VICKY FULTS

By: Vicky L. Fults

Title: _____

Date: February 13, 2013

DEBRA FULTS

By: _____

Title: _____

Date: February ___, 2013

THORPE, for itself, and as successor by merger to PACIFIC INSULATION COMPANY

By: _____

Title: _____

Date: February ___, 2013

FARWEST

By: _____

Title: _____

Date: February ___, 2013

THORPE TRUST

By: _____

Title: Managing Trustee

Date: February 13, 2013

BAYSHORE

By: _____

Title: _____

Date: February ___, 2013

ROBERT W. FULTS

By: _____

Title: _____

Date: February ___, 2013

LINDA E. FULTS

By: _____

Title: _____

Date: February ___, 2013

VICKY FULTS

By: _____

Title: _____

Date: February ___, 2013

DEBRA FULTS

By: _____

Title: _____

Date: February ___, 2013

Thorpe Insulation Asbestos Trust Annual Reports, 2014 annual report
ACL Doc 14484 · Page 534 of 560
Published by AsbestosClaims.Law
asbestosclaims.law/library/14484/534

ERIC W. FULTS

By: _____

Title: _____

Date: February 13, 2013

STACIE FULTS

By: Stacie Fults

Title: _____

Date: February 13, 2013

DAVID A. FULTS

By: _____

Title: _____

Date: February 13, 2013

MIDDLESEX INSURANCE COMPANY

By: _____

Title: _____

Date: February ___, 2013

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Published by AsbestosClaims.Law
asbestosclaims.law/library/14484/535

ERIC W. FULTS

By: _____

Title: _____

Date: February ___, 2013

STACIE FULTS

By: _____

Title: _____

Date: February ___, 2013

DAVID A. FULTS

By: _____

Title: _____

Date: February ___, 2013

MIDDLESEX INSURANCE COMPANY

By: Paul Hannem

Title: claims specialist

Date: February 13, 2013

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The following Persons are executing this Agreement below solely to evidence their consent to (1) the TPFBF Parties' entry into this Agreement, and (2) the designation of Middlesex/Sentry as a Settling Asbestos Insurer:

FOR THE FUTURE CLAIMANTS' REPRESENTATIVE

By: Charles B. Renfrew

Name: Charles B. Renfrew

Title: Future Claimants' Representative

Dated: Feb 13, 2013

FOR THE UNSECURED CREDITORS' COMMITTEE

By: _____

Name: _____

Title: _____

Dated: _____

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The following Persons are executing this Agreement below solely to evidence their consent to (1) the TPFBF Parties' entry into this Agreement, and (2) the designation of Middlesex/Sentry as a Settling Asbestos Insurer:

FOR THE FUTURE CLAIMANTS' REPRESENTATIVE

By: _____

Name: Charles B. Renfrew

Title: Future Claimants' Representative

Dated: _____

FOR THE UNSECURED CREDITORS' COMMITTEE

By: David M McClain Co, SLC

Name: David M McClain

Title: Co-Chair

Dated: Feb 13, 2013

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Appendix A

PROPOSED PLAN MODIFICATIONS

1. New/Amended Definitions

Asbestos Insurer Settlement.

Each agreement between the Debtors and the Asbestos Insurers listed on Exhibit D to the Plan, including any ancillary agreements to such agreements, as such Exhibit may be amended from time to time up to and including, but not after, the conclusion of the Confirmation Remand Proceedings before the Bankruptcy Court.

Confirmation Remand Effective Date.

The date selected by the Proponents that is not less than thirty (30) days following entry of the Confirmation Remand Order; provided that the Confirmation Remand Order is not then stayed, is not then subject to a request for its revocation, and is a Final Order.

Confirmation Remand Order.

The order of the District Court confirming the Plan as modified following the Confirmation Remand Proceedings or affirming the Bankruptcy Court's order confirming the Plan as modified following Confirmation Remand Proceedings.

Confirmation Remand Proceedings.

The proceedings on remand in the Bankruptcy Court and/or the District Court with respect to the Plan following the decision of the United States Court of Appeals for the Ninth Circuit in *In re Thorpe Insulation Co.,* 677 F.3d 869 (9th Cir. 2012), including confirmation of the Plan as modified under Sections 1127 and 1128 of the Bankruptcy Code.

Middlesex/Sentry Settlement.

The compromise, release and sale/buy-back of insurance rights by and between the TPFBF Parties and Middlesex/Sentry, each as defined in and as reflected in the Middlesex/Sentry Settlement Agreement.

Middlesex/Sentry Settlement Agreement.

That certain Settlement Agreement, Buy Back of Insurance Policies and Rights, and Release of Claims and Covenant Not to Sue dated as of February __, 2013 and attached hereto as Exhibit "__".

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Settling Asbestos Insurer.

The Asbestos Insurers listed in **Exhibit D** to the Plan, as such exhibit may be amended from time to time up to and including, but not after, the conclusion of the Confirmation Remand Proceedings before the Bankruptcy Court.

2. New Plan Provisions

5.14. Middlesex/Sentry Settlement.

5.14.1 Approval.

Pursuant to Sections 1123(a)(5)(D), 363(f) and 1123(b)(3) of the Bankruptcy Code, the provisions of the Middlesex/Sentry Settlement constitute a compromise of claims between the TPFBF Parties (as defined in the Middlesex/Sentry Settlement Agreement) and Middlesex/Sentry (as defined in the Middlesex/Sentry Settlement Agreement) as well as a sale to and buy-back by Middlesex/Sentry of certain insurance rights and policies free and clear of any and all liens, claims and interests, all as set forth in the Middlesex/Sentry Settlement Agreement. The Proponents request that the Bankruptcy Court approve the Middlesex/Sentry Settlement and Middlesex/Sentry Settlement Agreement in connection with the Confirmation Remand Proceedings. The Confirmation Remand Order shall constitute a determination that (i) the Middlesex/Sentry Settlement and Middlesex/Sentry Settlement Agreement are approved; (ii) that the buy-back of the Subject Policy (as defined in the Middlesex/Sentry Settlement Agreement) free and clear of all liens, claims and interests is authorized and shall be fully effective on the Confirmation Remand Effective Date; (iii) Section 363(m) applies to the buy-back of the Subject Policy and Middlesex/Sentry is a “good faith” purchaser of the Subject Policies within the meaning of Section 363(m).

5.14.2 Implementation.

Upon the Confirmation Remand Effective Date, the TPFBF Parties shall be authorized and directed to consummate the Middlesex/Sentry Settlement in accordance with the terms of the Middlesex/Sentry Settlement Agreement without further order of any court.

7.6 Occurrence of Confirmation Remand Effective Date.

On the Confirmation Remand Effective Date, the Proponents shall be free to perform any act, execute and deliver any document or instrument, and consummate any transfer or other transaction that is conditioned upon the occurrence of the Effective Date or the Confirmation Remand Effective Date. Further, as to any act performed in reliance on the occurrence of the Effective Date, the occurrence of the Confirmation Remand Effective Date shall satisfy any condition precedent that the Effective Date shall have occurred, as of the date of the Effective Date.

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The condition precedent that the Confirmation Remand Order be a Final Order is subject to waiver by agreement of the Proponents at any time without notice, order of any court, or any further action or requirement.

3. Amendment to **Exhibit D**

Add to the end of Exhibit D:

Middlesex/Sentry, as defined in the Middlesex/Sentry Settlement Agreement; provided that, Middlesex/Sentry shall not continue to be designated as a Settling Asbestos Insurer under the Plan if (a) the Settlement Effective Date (as defined in the Middlesex/Sentry Settlement Agreement) does not occur; or (b) the Thorpe Trust shall not have received the Settlement Amount within ten (10) days following the provision of a written notice to Middlesex/Sentry that the payment of the Settlement Amount was due and not timely made.

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Appendix B

LIST REFERENCED IN SECTION 1.28

Sentry Insurance a Mutual Company

Dairyland County Mutual Insurance Company of Texas

Dairyland Insurance Company

Middlesex Insurance Company

Parker Assurance Ltd.

Parker Centennial Assurance Company

Parker Services, L.L.C.

Parker Stevens Agency, L.L.C.

Parker Stevens Insurance Agency of Massachusetts, Inc.

Patriot General Insurance Company

Peak Property and Casualty Insurance Corporation

Sentry Aviation Services, Inc.

Sentry Aviation Services, L.L.C.

Sentry Casualty Company

Sentry Equity Services, Inc.

Sentry Insurance Foundation, Inc.

Sentry Insurance Holding Company

Sentry Insurance Michigan Agency, L.L.C.

Sentry Investment Management, L.L.C.

Sentry Life Insurance Company

Sentry Life Insurance Company of New York

Sentry Lloyds of Texas

Sentry Select Insurance Company

Sentry Services, L.L.C.

Viking Insurance Company of Wisconsin

WAULECO, Inc.

John Parker Development, LLC

Point Insurance Agency, LLC

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Appendix C

Subject Policy

Middlesex Mutual Insurance Company policy number BMH 391910

File a Plan:

2:07-bk-19271-BB Thorpe Insulation Company

Type: bk	Chapter: 11 v	Office: 2 (Los Angeles)
Assets: y	Judge: BB	Case Flag: Incomplete, DEFER, LEAD, APPEAL, HistCase

U.S. Bankruptcy Court

Central District Of California

Notice of Electronic Filing

The following transaction was received from David Guess entered on 5/2/2013 at 10:38 AM PDT and filed on 5/2/2013

Case Name: Thorpe Insulation Company
Case Number: 2:07-bk-19271-BB
Document Number: 3418

Docket Text:
Amended Chapter 11 Plan / *Sixth Amended Joint Plan of Reorganization of Thorpe Insulation Company and Pacific Insulation Company (Following Remand) dated May 1, 2013 [Conformed To Incorporate Plan Modifications Set Forth in Dkt. No. 3408]* Filed by Creditor Committee Official Committee of Unsecured Creditors of Thorpe Insulation Company and Pacific Insulation Company, Interested Party Pacific Insulation Company, Other Professional Charles B Renfrew, Debtor Thorpe Insulation Company (RE: related document(s)[895] Chapter 11 Plan of Reorganization *Joint Plan of Reorganization of Thorpe Insulation Company and Pacific Insulation Company* Filed by Creditor Committee Official Committee of Unsecured Creditors of Thorpe Insulation Company and Pacific Insulation Company, Interested Party Pacific Insulation Company, Other Professional Charles B Renfrew, Debtor Thorpe Insulation Company (RE: related document(s)[1] Chapter 11 Voluntary Petition. Fee Amount $1039 Filed by Thorpe Insulation Company Chapter 11 Plan due by 2/12/2008. Disclosure Statement due by 2/12/2008. Schedule A due 10/30/2007. Schedule B due 10/30/2007. Schedule D due 10/30/2007. Schedule E due 10/30/2007. Schedule F due 10/30/2007. Schedule G due 10/30/2007. Schedule H due 10/30/2007. Statement of Financial Affairs due 10/30/2007. Incomplete Filings due by 10/30/2007. (Richards, Jeremy) Additional attachment(s) added on 10/16/2007 (Lazo, Achilles). CORRECTION: Deficient for: Summary of Schedules due 10/30/2007. Declaration Re Sched due 10/30/2007. Atty Disclosure Stmt. due 10/30/2007. Modified on 10/16/2007 (Lazo, Achilles).). (Attachments: # 1 Exhibit A-H# 2 Exhibit I, Part 1# 3 Exhibit I, Part 2# 4 Exhibit I, Part 3# 5 Exhibit I, Part 4# 6 Exhibit J - M# 7 Proof of Service), [1222] Amended Chapter 11 Plan *First Amended Joint Plan of Reorganization of Thorpe Insulation Company and Pacific Insulation Company* Filed by Debtor Thorpe Insulation Company (RE: related document(s)[895] Chapter 11 Plan of Reorganization *Joint Plan of Reorganization of Thorpe Insulation Company and Pacific Insulation Company* Filed by Creditor Committee Official Committee of Unsecured Creditors of Thorpe Insulation Company and Pacific Insulation Company, Interested Party Pacific Insulation Company, Other Professional Charles B Renfrew, Debtor Thorpe Insulation Company (RE: related document(s)[1] Chapter 11 Voluntary Petition. Fee Amount $1039 Filed by Thorpe Insulation Company Chapter 11 Plan due by 2/12/2008. Disclosure Statement due by 2/12/2008. Schedule A due 10/30/2007. Schedule B due 10/30/2007. Schedule D due 10/30/2007. Schedule E due 10/30/2007. Schedule F due 10/30/2007. Schedule G due 10/30/2007. Schedule H due 10/30/2007. Statement of Financial Affairs due 10/30/2007. Incomplete Filings due by 10/30/2007. (Richards, Jeremy) Additional attachment(s) added on 10/16/2007 (Lazo, Achilles). CORRECTION: Deficient for: Summary of Schedules due 10/30/2007. Declaration Re Sched due 10/30/2007. Atty Disclosure Stmt. due 10/30/2007. Modified on 10/16/2007 (Lazo, Achilles).). (Attachments: # 1 Exhibit A-H# 2 Exhibit I, Part 1# 3 Exhibit I, Part 2# 4 Exhibit I, Part 3# 5 Exhibit I, Part 4# 6 Exhibit J - M# 7 Proof of Service)(Richards, Jeremy)). (Attachments: # 1 part 2# 2 Exhibit A-D# 3 Exhibit D-I# 4 Exhibit I-M; proof of service), [1942] Amended Chapter 11 Plan *Second Amended Joint Plan of Reorganization of Thorpe Insulation Company and Pacific Insulation Company* Filed by Debtor Thorpe Insulation Company (RE: related document(s) [1222] Amended Chapter 11 Plan *First Amended Joint Plan of Reorganization of Thorpe Insulation Company and Pacific Insulation Company* Filed by Debtor Thorpe Insulation Company (RE: related document(s)[895] Chapter 11 Plan of Reorganization *Joint Plan of Reorganization of Thorpe Insulation Company and Pacific Insulation Company* Filed by Creditor Committee Official Committee of Unsecured Creditors of Thorpe Insulation Company and Pacific Insulation Company, Interested Party Pacific Insulation Company, Other Professional Charles B Renfrew, Debtor Thorpe Insulation Company (RE: related document(s)[1] Chapter 11 Voluntary Petition. Fee Amount $1039 Filed by Thorpe Insulation Company Chapter 11 Plan due by 2/12/2008. Disclosure Statement due by 2/12/2008. Schedule A due 10/30/2007. Schedule B due 10/30/2007. Schedule D due 10/30/2007. Schedule E due 10/30/2007. Schedule F due 10/30/2007. Schedule G due 10/30/2007. Schedule H due 10/30/2007. Statement of Financial Affairs due 10/30/2007. Incomplete Filings due by 10/30/2007. (Richards, Jeremy) Additional attachment(s) added on 10/16/2007 (Lazo, Achilles). CORRECTION: Deficient for: Summary of Schedules due 10/30/2007. Declaration Re Sched due 10/30/2007. Atty Disclosure Stmt. due 10/30/2007. Modified on 10/16/2007 (Lazo, Achilles).). (Attachments: # 1 Exhibit A-H# 2 Exhibit I, Part 1# 3 Exhibit I, Part 2# 4 Exhibit I, Part 3# 5 Exhibit I, Part 4# 6 Exhibit J - M# 7 Proof of Service)(Richards, Jeremy)). (Attachments: # 1 part 2# 2 Exhibit A-D# 3 Exhibit D-I# 4 Exhibit I-M; proof of service)(Richards, Jeremy)). (Attachments: # 1 second part of Second Amended Joint Plan# 2 Exhibit A - H# 3 Exhibit I, part 1# 4 Exhibit I, part 2# 5 Exhibit J - M, proof of service), [2056] Amended Chapter 11 Plan *Third Amended Joint Plan of Reorganization of Thorpe Insulation Company and Pacific Insulation Company* Filed by Creditor Committee Official Committee of Unsecured Creditors of Thorpe Insulation Company and Pacific Insulation Company, Interested Party Pacific Insulation Company, Other Professional Charles B Renfrew, Debtor Thorpe Insulation Company (RE: related document(s)[895] Chapter 11 Plan of Reorganization *Joint Plan of Reorganization of Thorpe Insulation Company and Pacific Insulation Company* Filed by Creditor

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Committee Official Committee of Unsecured Creditors of Thorpe Insulation Company and Pacific Insulation Company, Interested Party Pacific Insulation Company, Other Professional Charles B Renfrew, Debtor Thorpe Insulation Company, [1222] Amended Chapter 11 Plan *First Amended Joint Plan of Reorganization of Thorpe Insulation Company and Pacific Insulation Company* Filed by Debtor Thorpe Insulation Company, [1942] Amended Chapter 11 Plan *Second Amended Joint Plan of Reorganization of Thorpe Insulation Company and Pacific Insulation Company* Filed by Debtor Thorpe Insulation Company). (Attachments: # 1 Exhibit A - H# 2 Exhibit I# 3 Exhibit J - M# 4 POS), [2393] Amended Chapter 11 Plan *Fourth Amended Joint Plan of Reorganization of Thorpe Insulation Company and Pacific Insulation Company* Filed by Creditor Committee Official Committee of Unsecured Creditors of Thorpe Insulation Company and Pacific Insulation Company, Interested Party Pacific Insulation Company, Other Professional Charles B Renfrew, Debtor Thorpe Insulation Company (RE: related document(s)[895] Chapter 11 Plan of Reorganization *Joint Plan of Reorganization of Thorpe Insulation Company and Pacific Insulation Company* Filed by Creditor Committee Official Committee of Unsecured Creditors of Thorpe Insulation Company and Pacific Insulation Company, Interested Party Pacific Insulation Company, Other Professional Charles B Renfrew, Debtor Thorpe Insulation Company, [1222] Amended Chapter 11 Plan *First Amended Joint Plan of Reorganization of Thorpe Insulation Company and Pacific Insulation Company* Filed by Debtor Thorpe Insulation Company, [1942] Amended Chapter 11 Plan *Second Amended Joint Plan of Reorganization of Thorpe Insulation Company and Pacific Insulation Company* Filed by Debtor Thorpe Insulation Company, [2056] Amended Chapter 11 Plan *Third Amended Joint Plan of Reorganization of Thorpe Insulation Company and Pacific Insulation Company* Filed by Creditor Committee Official Committee of Unsecured Creditors of Thorpe Insulation Company and Pacific Insulation Company, Interested Party Pacific Insulation Company, Other Professional Charles B Renfrew, Debtor Thorpe Insulation Company)., [2539] Amended Chapter 11 Plan *Fifth Amended Joint Plan of Reorganization of Thorpe Insulation Company and Pacific Insulation Company* Filed by Debtor Thorpe Insulation Company (RE: related document(s)[895] Chapter 11 Plan of Reorganization *Joint Plan of Reorganization of Thorpe Insulation Company and Pacific Insulation Company* Filed by Creditor Committee Official Committee of Unsecured Creditors of Thorpe Insulation Company and Pacific Insulation Company, Interested Party Pacific Insulation Company, Other Professional Charles B Renfrew, Debtor Thorpe Insulation Company, [1222] Amended Chapter 11 Plan *First Amended Joint Plan of Reorganization of Thorpe Insulation Company and Pacific Insulation Company* Filed by Debtor Thorpe Insulation Company, [1942] Amended Chapter 11 Plan *Second Amended Joint Plan of Reorganization of Thorpe Insulation Company and Pacific Insulation Company* Filed by Debtor Thorpe Insulation Company, [2056] Amended Chapter 11 Plan *Third Amended Joint Plan of Reorganization of Thorpe Insulation Company and Pacific Insulation Company* Filed by Creditor Committee Official Committee of Unsecured Creditors of Thorpe Insulation Company and Pacific Insulation Company, Interested Party Pacific Insulation Company, Other Professional Charles B Renfrew, Debtor Thorpe Insulation Company, [2393] Amended Chapter 11 Plan *Fourth Amended Joint Plan of Reorganization of Thorpe Insulation Company and Pacific Insulation Company* Filed by Creditor Committee Official Committee of Unsecured Creditors of Thorpe Insulation Company and Pacific Insulation Company, Interested Party Pacific Insulation Company, Other Professional Charles B Renfrew, Debtor Thorpe Insulation Company). (Attachments: # 1 continuation of main document# 2 Exhibit A - I# 3 Exhibit I - M, proof of service), [3397] Amended Chapter 11 Plan */ Sixth Amended Joint Plan of Reorganization of Thorpe Insulation Company and Pacific Insulation Company (Following Remand) (with proof of service); Exhs. A-H;* Filed by Creditor Committee Official Committee of Unsecured Creditors of Thorpe Insulation Company and Pacific Insulation Company, Interested Party Pacific Insulation Company, Other Professional Charles B Renfrew, Debtor Thorpe Insulation Company (RE: related document(s)[895] Chapter 11 Plan of Reorganization *Joint Plan of Reorganization of Thorpe Insulation Company and Pacific Insulation Company* Filed by Creditor Committee Official Committee of Unsecured Creditors of Thorpe Insulation Company and Pacific Insulation Company, Interested Party Pacific Insulation Company, Other Professional Charles B Renfrew, Debtor Thorpe Insulation Company, [1222] Amended Chapter 11 Plan *First Amended Joint Plan of Reorganization of Thorpe Insulation Company and Pacific Insulation Company* Filed by Debtor Thorpe Insulation Company, [1942] Amended Chapter 11 Plan *Second Amended Joint Plan of Reorganization of Thorpe Insulation Company and Pacific Insulation Company* Filed by Debtor Thorpe Insulation Company, [2056] Amended Chapter 11 Plan *Third Amended Joint Plan of Reorganization of Thorpe Insulation Company and Pacific Insulation Company* Filed by Creditor Committee Official Committee of Unsecured Creditors of Thorpe Insulation Company and Pacific Insulation Company, Interested Party Pacific Insulation Company, Other Professional Charles B Renfrew, Debtor Thorpe Insulation Company, [2393] Amended Chapter 11 Plan *Fourth Amended Joint Plan of Reorganization of Thorpe Insulation Company and Pacific Insulation Company* Filed by Creditor Committee Official Committee of Unsecured Creditors of Thorpe Insulation Company and Pacific Insulation Company, Interested Party Pacific Insulation Company, Other Professional Charles B Renfrew, Debtor Thorpe Insulation Company, [2539] Amended Chapter 11 Plan *Fifth Amended Joint Plan of Reorganization of Thorpe Insulation Company and Pacific Insulation Company* Filed by Debtor Thorpe Insulation Company). (Attachments: # 1 Exh. I Pt. 1 - Trust Agreement# 2 Exh. I Pt. 2 - Trust Bylaws# 3 Exh. I Pt. 3 - TDP# 4 Exh. I Pt. 4 - Valuation Matrix# 5 Exh. J - Agreement and Plan of Merger# 6 Exh. K - Reorganized Debtor Promissory Note# 7 Exh. L - Reorganized Debtor Earnout Promissory Note# 8 Exh. M - Reorganized Debtor Stock Pledge Agreement# 9 Exh. N - Century Settlement Agreement# 10 Exh. O - Continental Settlement Agreement# 11 Exh. P - Middlesex Settlement Agreement# 12 Proof of Service)). (Attachments: # (1) List of Exhibits to Plan # (2) Exh. A (Channeling Injunction) # (3) Exh. B (Settling Asbestos Insurer Injunction) # (4) Exh. C (Asbestos Insurer Injunction) # (5) Exh. D (Settling Asbestos Insurers) # (6) Exh. E (Executory Contracts and Unexpired Leases to be Assumed) # (7) Exh. F (Executory Contracts and Unexpired Leases to be Rejected) # (8) Exh. G (Farwest Settlement) # (9) Exh. H (Indemnity Election) # (10) Exh. I Pt. 1 (Trust Agreement) # (11) Exh. I Pt. 2 (Thorpe Insulation Company Asbestos Settlement Trust Bylaws) # (12) Exh. I Pt. 3 (TDP) # (13) Exh. I Pt. 4 (Thorpe Insulation Company Asbestos Settlement Trust Case Valuation Matrix) # (14) Exh. J (Agreement and Plan of Merger) # (15) Exh. K (Reorganized Debtor Promissory Note) # (16) Exh. L (Reorganized Debtor Earnout Promissory Note) # (17) Exh. M (Reorganized Debtor Stock Pledge Agreement) # (18) Exh. N (Century Settlement Agreement) # (19) Exh. O (Continental Settlement Agreement) # (20) Exh. P (Middlesex/Sentry Settlement Agreement))(Guess, David)

The following document(s) are associated with this transaction:

Document description: Main Document

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Document description: Exh. C (Asbestos Insurer Injunction)
Original filename:I:\Temp\Thorpe\Sixth Amended Plan\EFILE Sixth Amended Plan\Sixth Amended Plan, Exh. C - Asbestos Insurer Injunction.pdf
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Document description: Exh. D (Settling Asbestos Insurers)
Original filename:I:\Temp\Thorpe\Sixth Amended Plan\EFILE Sixth Amended Plan\Sixth Amended Plan, Exh. D - Settling Asbestos Insurers.pdf
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Document description: Exh. E (Executory Contracts and Unexpired Leases to be Assumed)
Original filename:I:\Temp\Thorpe\Sixth Amended Plan\EFILE Sixth Amended Plan\Sixth Amended Plan, Exh. E - Executory Contracts and Unexpired Leases To Be Assumed.pdf
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Document description: Exh. F (Executory Contracts and Unexpired Leases to be Rejected)
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Original filename:I:\Temp\Thorpe\Sixth Amended Plan\EFILE Sixth Amended Plan\Sixth Amended Plan, Exh. H - Indemnity Election.pdf
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Original filename:I:\Temp\Thorpe\Sixth Amended Plan\EFILE Sixth Amended Plan\Sixth Amended Plan, Exh. I Pt. 1 - Trust Agreement.pdf
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Document description: Exh. I Pt. 2 (Thorpe Insulation Company Asbestos Settlement Trust Bylaws)
Original filename:I:\Temp\Thorpe\Sixth Amended Plan\EFILE Sixth Amended Plan\Sixth Amended Plan, Exh. I Pt. 2 - Trust Bylaws.pdf
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Settlement Agreement.pdf
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