

UNITED STATES BANKRUPTCY COURT
DISTRICT OF MINNESOTA

In re:
A.P.I. Inc.,

Case No. BKY 05-30073-GFK
Chapter 11 Case

Debtor.

**ORDER CONFIRMING THIRD AMENDED PLAN OF REORGANIZATION OF A.P.I.
INC. (NOVEMBER 21, 2005) AS MODIFIED AT CONFIRMATION**

On December 5 and 6, 2005, a hearing was held before the undersigned United States Bankruptcy Judge on confirmation of the “Third Amended Plan Of Reorganization Of A.P.I. Inc. (November 21, 2005).” At the hearing and with this Court’s approval, said plan was amended and has been filed as the “Third Amended Plan Of Reorganization Of A.P.I. Inc. (November 21, 2005) As Modified At Confirmation” filed herein at Docket No. 492 (the “Plan”).¹ Having reviewed the documents admitted into evidence and the testimony presented, including by way of declarations, in support of or in opposition to confirmation of the Plan; having considered the record in this case, the pleadings filed in support of and in opposition to Confirmation of the Plan, the arguments of counsel and applicable law; and having previously entered on October 15, 2005, the (a) “Order On Debtor’s Motion For Summary Judgment In Proceedings On Confirmation Of Debtor’s Plan Re: Issues On Insurers’ Rights, Insurers’ Standing, and Exoneration Of Third Parties,” (b) the “Order Determining Certain Contested Confirmation Requirements As A Matter Of Law,” and (c) the “Order Determining Certain Uncontested Confirmation Requirements As A Matter Of Law,” (collectively, the “Partial Summary Judgment Orders”); having concurrently made and entered this Court’s “Findings of Fact and

¹ Capitalized terms utilized but not defined in this Order shall have the meanings ascribed to them in the Plan.

NOTICE OF ELECTRONIC ENTRY AND FILING ORDER OR JUDGMENT Filed and Docket Entry made on 12/06/05 Lori Vosejka, Clerk, By jrb, Deputy Clerk
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Conclusions of Law Regarding Confirmation of Third Amended Plan of Reorganization of A.P.I., Inc.” (the “Confirmation Findings Of Fact And Conclusions Of Law”); and good cause appearing therefor,

IT IS HEREBY ORDERED BY THE COURT THAT:

A. General Decrees and Implementation.

1. The Plan is hereby confirmed as modified by this Order.

2. The Partial Summary Judgment Orders, as modified by footnote 2 of the Confirmation Findings Of Fact And Conclusions Of Law, are hereby adopted as the final Orders of this Court, and the Partial Summary Judgment Orders, as modified, and Confirmation Findings Of Fact And Conclusions Of Law shall be deemed to be a part of this Confirmation Order.

3. All objections to Confirmation of the Plan, other than those withdrawn in writing prior to, or on the record at, the Confirmation Hearing, are hereby overruled.

4. Consistent with the Plan, the following agreements and documents (“Plan Documents”), and all amendments, modifications and supplements thereto (which agreements and documents shall be substantially in the respective forms attached as Exhibits to the Plan or as filed with the Court, including, without limitation, all annexes, exhibits, and schedules thereto, and all terms and conditions thereof) are hereby determined to be fair and reasonable as to the Debtor, the Debtor’s Estate, the Trust, and the holders of Claims in Class 3-B and are hereby approved: (a) the “A.P.I. Inc. Asbestos Settlement Trust Agreement (May 3, 2005)” (b) the “API Trust Distribution Procedures (November 21, 2005),” (“TDP”), (c) the “Asbestos Claims Estimation Agreement (March 2, 2005);” (d) the “APi Group, Inc. Settlement Agreement (as Modified on May 3, 2005)” with Exhibit A, (e) the “API Security Agreement,” (f) the “Promissory Note,” (g) the “Pledge Agreement,” and (h) the “Collateral Agency and

Intercreditor Agreement.” Without need for further order or authorization of the Bankruptcy Court or the Debtor, the Trustee of the Asbestos Trust is empowered to make any and all modifications to any and all Plan Documents as authorized by such documents, subject to the limitations on modifications of the Plan Documents expressly set forth in prior orders of this Court.

5. All non-Class 3-B Claims against the Debtor and all common stock Interests in the Debtor shall be unimpaired, except that 51% of the common stock Interests of A.P.I. Inc. (“API” or “Debtor”) shall be pledged to the Trust by APi Group, Inc. as provided in the Plan.

6. This Confirmation Order shall constitute the only approval or consent required, if any, by the laws, rules, or regulations of any state or any other governmental authority or governmental unit with respect to the implementation or consummation of the Plan and any documents, instruments, or agreements referred to in, or contemplated by, the Plan.

7. API, the Trust and the Trustee, the Trust Advisor, the Legal Representative, and any other party whose cooperation is needed in connection with the Plan, are authorized to take all steps necessary to: (a) execute, deliver, file or record such contracts, instruments, releases, and other agreements or documents as required by the Plan; (b) take such actions as may be reasonably required to effectuate and further evidence the terms and conditions of the Plan, including to establish the Trust, qualify it as a settlement fund within the meaning of section 468B of the Internal Revenue Code and the Treasury Regulations issued pursuant thereunder, and receive or retain assets; (c) issue and distribute the Initial Payment, Promissory Note, Pledge Agreement and API Security Agreement to the Trust; (d) pay any fees due the Office of the United States Trustee (the “U.S. Trustee”); and (e) otherwise consummate the Plan upon the satisfaction or waiver of all conditions to the occurrence of the Effective Date. The Chief

Executive Officer, Chief Financial Officer, President or any Vice President of the Debtor shall be authorized to act on behalf of the Debtor with respect to the foregoing.

8. All matters provided for under the Plan involving the corporate structure of the Debtor, or any corporate action to be taken by, or required of, the Debtor pursuant to the Plan shall be authorized without any requirement for further action by the stockholders or directors of the Debtor.

9. Except as otherwise expressly provided in the Plan, prior orders of this Court or any Insurance Settlement Agreement (as defined below) on the Effective Date, the Debtor shall be re-vested with all of the assets and property of its former chapter 11 estate, and, following the Effective Date, the Debtor may operate its business free of any restrictions imposed by the Bankruptcy Code or by the Bankruptcy Court, or the guidelines of the U.S. Trustee.

10. Except for those causes of actions that have been compromised and settled pursuant to an Insurance Settlement Agreement or otherwise, or which are transferred to the Trust pursuant to the Plan, prior orders of this Court or this Confirmation Order, all causes of actions of the Debtor shall be preserved and retained by the Debtor for enforcement subsequent to the Effective Date.

11. With respect to causes of action that are transferred to the Trust pursuant to the Plan, prior orders of this Court or this Confirmation Order, on the Effective Date the Trust is hereby designated as successor to the Debtor and as a representative of the chapter 11 estate, and is authorized as a matter of law to appear in and act on behalf of the Debtor in all pending actions and to pursue all such causes of action for the benefit of the holders of Asbestos Claims without any further required action by the Debtor or the Court. On the Effective Date, except as otherwise provided by the Plan or in any consummated settlement with an Settling Asbestos Insurance Company, the Trust shall be vested with and have the right to enforce against any

Entity any and all of such causes of action vested in the Trust; provided, however, that the foregoing shall not alter, amend or modify the injunctions, releases or discharges provided in the Plan, any Insurance Settlement Agreement or this Order.

12. Pursuant to section 1146(c) of the Bankruptcy Code, the issuance or exchange of notes or equity securities under the Plan, the transfer of any assets or property pursuant to or in connection with the Plan, or the making or delivery of any deed or other instrument of transfer under, in furtherance of, or in connection with the Plan, including, without limitation, any assignment executed in connection with any of the transactions contemplated under the Plan, may not be taxed under any law imposing a stamp tax or similar tax.

B. The Trust.

13. On the Effective Date, the Trust shall be established in accordance with the Plan Documents. The Trust shall be a “designated settlement fund” within the meaning of Section 468B of the IRC and a “qualified settlement fund” under Treasury regulation 1.468B-1. The Initial Payment and the Deferred Payment, when made, are “qualified payments” within the meaning of IRC section 468B(d)(1). The Trust shall be subject to the continuing jurisdiction of the Bankruptcy Court in accordance with the requirements of Section 468B of the IRC and the Treasury regulations issued pursuant thereto.

14. On the Effective Date, the Trust shall be deemed to have assumed all Asbestos Claims against the Debtor (whether existing at the time of the Trust’s creation or arising at any time thereafter), and shall thereafter be responsible for payment of Asbestos Claims. The Trust shall use the assets and income of the Trust to pay holders of such Asbestos Claims and to perform any and all other Trust duties and obligations as set forth in the Plan and in accordance with the Trust Agreement, in such a manner that all holders of similar Asbestos Claims are treated in a substantially equivalent manner and to comply in all respects with the requirements

for an asbestos trust as provide in Bankruptcy Code section 524(g). All Asbestos Claims shall be paid in accordance with the Trust Agreement and the TDP. All present and future unliquidated Asbestos Claims shall be determined and liquidated, if at all, pursuant to the TDP, as implemented by the Trustee as provided in the Trust Agreement, consistent with the provisions of the Bankruptcy Code and this Order. The transfer to, vesting in, and assumption by the Trust of the Asbestos Claims as contemplated by the Plan, among other things, shall (a) discharge API for and in respect to all Asbestos Claims, and (b) release and extinguish all obligations and liabilities of the Released Parties for or in respect of all Asbestos Claims.

15. As of the Effective Date, the Trust shall be empowered to initiate, prosecute, defend, settle and resolve all legal actions and other proceedings related to any asset, liability or responsibility of the Trust, including, without limitation, all Asbestos Insurance Actions and Direct Actions, and to maintain, administer, preserve or pursue all rights in respect to the Asbestos-In-Place Insurance Coverage, the Asbestos Insurance Action Recoveries and the Asbestos Insurance Policies, except to the extent that any Settling Asbestos Insurance Company has been released or will be released pursuant to a settlement agreement that has been approved by the Court (an "Insurance Settlement Agreement") but not yet consummated; provided, however, that the foregoing provision does not create, modify or eliminate any right, duty or obligation addressed, resolved or released pursuant to the Plan, an Insurance Settlement Agreement or this Order. To accomplish the foregoing, the Trust shall be empowered to initiate, prosecute, defend and resolve all such actions in the name of the Debtor if deemed necessary or appropriate by the Trustee.

16. The Trust shall be responsible for the payment of: (a) all damages, awards, judgments, settlements, expenses, costs, fees and other charges incurred subsequent to the Effective Date arising from or associated with any such legal action it is empowered to initiate,

prosecute, defend and resolve; (b) costs of administration to the extent incurred prior to the Effective Date as allocated to it under the Plan and the Plan Documents, and (c) all Trust Expenses. The Debtor shall have no obligation to pay any of such payments or payment obligation.

17. On the Effective Date, the Debtor will assign to the Trust all of its rights, title and interest, if any, in and to claims of contribution and indemnification against parties other than Released Parties in respect of Asbestos Claims, and the Trust shall investigate, prosecute, settle or abandon such rights as may be determined in the sole discretion of the Trustee.

18. No Entity shall be permitted to execute against or receive distributions from the Trust except in accordance with the terms of the Plan Documents, the Plan, and this Order. As of the Confirmation Date, no Entity shall be permitted to assert any claims or causes of action against, execute against, or receive distributions from an Asbestos Insurance Company with an approved Insurance Settlement Agreement, except the Trust (a) in accordance with the terms of each Insurance Settlement Agreement, or (b) if an Insurance Settlement Agreement is terminated, in the exercise of remedies in respect of such Insurance Settlement Agreement.

19. The appointment of Michael Polk as the initial Trust Advisor is hereby approved. The Trust Advisor shall be, and hereby is, deemed to be a "party in interest" on and after the Effective Date within the meaning of Section 1109(b) of the Bankruptcy Code. On and after the Effective Date, the Trust Advisor shall perform the duties and have the rights provided in the Plan Documents. Upon the Effective Date, the Trust shall be authorized and directed to pay the Sieben Polk Firm \$250,000 for Mr. Polk's services over the past four years as putative Trust Advisor.

20. The appointment of Robert Brownson as the initial Trustee is hereby approved. The Trustee shall be, and hereby is, deemed to be a "party in interest" on and after the Effective Date

within the meaning of Section 1109(b) of the Bankruptcy Code. On and after the Effective Date, the Trustee shall perform the duties and have the rights provided in the Plan Documents.

21. The Trust and the Trustees shall be bound by the terms of this Order, and each Insurance Settlement Agreement with each Settling Asbestos Insurance Companies. Notwithstanding anything to the contrary in any Insurance Settlement Agreement, the Plan, any Plan Documents, or this Order, upon the satisfaction of the conditions described in the respective Insurance Settlement Agreements, each such agreement shall be binding on, in addition to the Settling Asbestos Insurance Company and the API Parties (as defined in each of the Insurance Settlement Agreements), the Trust and the Trustees of the Trust, without the need for any further act or documentation of any kind. Notwithstanding any provision in the Plan to the contrary, nothing in the Plan shall be deemed or construed to supercede any right or obligation of the Parties as set forth in an Insurance Settlement Agreement with an Asbestos Insurance Company identified in paragraph 34 of this Order, and to the extent there is any inconsistency between any provision in the Plan and such an Insurance Settlement Agreement, the provisions of such Insurance Settlement Agreement shall control.

22. As a condition to the receipt of payment from the Trust, individuals holding Asbestos Claims, or their authorized agents, shall be required to execute and deliver a general release in favor of each of the Settling Asbestos Insurance Companies in such form as required by each of their respective Insurance Settlement Agreements.

23. The Current Portion is hereby established at a minimum of 25 percent, or such greater amount as the Trustee shall determine, with the agreement of the Trust Advisor and the Legal Representative, or as ordered by this Court after notice and a hearing absent such an agreement.

24. Following consummation of an Insurance Settlement Agreement with a Settling Asbestos Insurance Company, the Trust and the Trustee shall use their reasonable best efforts to

resist and oppose any person or entity claiming a right against any Settling Asbestos Insurance Company with an approved Insurance Settlement Agreement under or in connection with insurance policies released pursuant to such Insurance Settlement Agreement or otherwise in respect of Asbestos Claims, in violation of the injunctions contained in this Confirmation Order and the releases provided in the Plan and each of the respective Insurance Settlement Agreements. The Trust shall bear all of its costs, including attorneys' fees associated with such actions, and each of the affected Settling Asbestos Insurance Companies with an approved Insurance Settlement Agreement shall have the right to consent as to the selection of the counsel to be paid by the Trust in any such action ("Designated Counsel"), which consent shall not be unreasonably withheld; provided that the Trust shall have no obligation to pay any internal costs of any such Settling Asbestos Insurance Company (including costs associated with time or expense of employees of the Settling Asbestos Insurance Company) or fees or expenses associated with any such Settling Asbestos Insurance Company's employment of outside counsel (other than the "Designated Counsel") or other Entities retained by any such Settling Asbestos Insurance Company.

C. Continuation of Automatic Stay.

25. All injunctions and/or the automatic stay provided for in or in connection with the above-captioned case (the "Chapter 11 Case"), whether pursuant to Bankruptcy Code sections 105 or 362, any other provision of the Bankruptcy Code, or any other applicable law, in existence immediately prior to the Confirmation Date shall remain in full force and effect until the injunctions provided for herein become effective, and thereafter to the extent necessary to implement the Plan, the Plan Documents and the Confirmation Order. In addition, the Debtor may seek such further orders as it may deem necessary to preserve the status quo during the time between the Confirmation Date and the Effective Date.

D. Discharge.

26. Except as specifically provided in the Plan Documents or in this Confirmation Order, effective on the Effective Date, Confirmation shall (a) discharge the Debtor from any and all Claims and demands (as the latter term is used in section 524(g) of the Bankruptcy Code) including, *inter alia*, any Claim of a kind specified in section 502(g), 502(h) or 502(i) of the Bankruptcy Code, whether or not (i) a Proof of Claim based on such Claim was filed or deemed filed under section 501 of the Bankruptcy Code, or such Claim was listed on the Schedules of the Debtor, (ii) such Claim is or was Allowed under section 502 of the Bankruptcy Code, or (iii) the holder of such Claim has voted on or accepted the Plan, and (b) preserve all rights and interests of the holder of Interests in respect of the Debtor for the purposes of and subject to the terms of the APi Group, Inc. Settlement Agreement. Except as specifically provided in the Plan to the contrary, the rights that are provided in the Plan shall be in complete discharge of all Claims or demands against, Liens on, and Interests in the Debtor, or the assets and properties of the Debtor. In addition, on the Effective Date or such later date as a settlement agreement is consummated, the Debtor shall be deemed to have (y) released all Claims constituting Released Claims, including but not limited to all causes of action, whether known or unknown, either directly or derivatively through the Debtor against the Released Non-Debtor Parties on the same subject matter as any of the Claims assumed by the Trust, and (z) discharged and released all causes of action of the Debtor whether known or unknown, against the Released Non-Debtor Parties. Notwithstanding anything to the contrary in this Paragraph, however, the Plan shall not discharge or release any claim or demands of the Debtor, the Trust, or any Asbestos Claimant against any Asbestos Insurance Company that is not a Settling Asbestos Insurance Company, and an Asbestos Insurance Company shall only obtain the status of a Settling Asbestos Insurance

Company at such time as it consummates its Insurance Settlement Agreement and pays the amounts due to the Debtor or the Trust as provided in such Insurance Settlement Agreement.

27. Except as specifically provided in the Plan Documents to the contrary, the discharge set forth in the foregoing Paragraph shall also operate as an injunction prohibiting and enjoining the commencement or continuation of any action, the employment of process or any act to collect, recover from, or offset any Claim or demand against or Interest in the Debtor by any Entity except as provided in the Plan and shall channel all Asbestos Claims to the Trust.

E. Injunctions.

28. The following injunctions provided for in this Order are to be implemented in connection with the Trust, shall become effective on the Effective Date, and shall continue in effect at all times thereafter; provided, however, that the injunctions provided for herein pursuant to Bankruptcy Code section 524(g) shall not be effective until an order confirming the Plan is issued, or this Order is affirmed by, the United States District Court for the District of Minnesota, and shall not apply to a Settling Asbestos Insurance Company unless and until such Asbestos Insurance Company obtains the status of a Settling Asbestos Insurance Company by consummating its Insurance Settlement Agreement and paying the amounts due to the Debtor or the Trust as provided in such Insurance Settlement Agreement.

29. Except as specifically provided in the Plan, Plan Documents or this Order to the contrary, the entry of this Order shall enjoin the commencement or continuation of any action, the employment of process or any act to collect, recover from, or offset (i) any Asbestos Claim against the Debtor by any Entity, and (ii) any cause of action, whether known or unknown, against the Released Parties arising out of or relating to any Asbestos Related Claim.

30. In order to preserve and promote the settlements contemplated by and provided for in the Plan and the Insurance Settlement Agreements and to supplement, where necessary, the

injunctive effect of the discharge both provided by sections 1141 and 524 of the Bankruptcy Code, and pursuant to the exercise of the equitable jurisdiction and power of the Bankruptcy Court under sections 524(g) and 105(a) of the Bankruptcy Code, all Entities which have held or asserted, which hold or assert, or which may in the future hold or assert any claim, demand, or cause of action (including, but not limited to, any Asbestos Claim, any Released Claim, or any claim or demand for or respecting any Trust Expense) against the Released Parties (or any of them) based upon, relating to, arising out of, or in any way connected with any Released Claim, the insurance relationship between any Settling Asbestos Insurance Company and API or APi Group, Inc. to the extent provided in the Insurance Settlement Agreement with such Settling Asbestos Insurance Company, or any other Asbestos Claim, whenever and wherever arising or asserted (including, but not limited to, all such claims in the nature of contribution or indemnification or sounding in tort, contract, warranty or any other theory of law, equity, or admiralty) or Interest shall be permanently stayed, restrained and enjoined from taking any action for the purpose of directly or indirectly collecting, recovering, or receiving payments, satisfaction, or recovery with respect to any such claim, demand, cause of action, or Interest, including, but not limited to:

(A) commencing or continuing in any manner any action or other proceeding of any kind with respect to any such claim, demand, cause of action, or Interest against any of the Released Parties, or against the property of any Released Party with respect to any such claim, Future Asbestos Claim, cause of action, or Interest;

(B) enforcing, attaching, collecting, or recovering, by any manner or means, any judgment, award, decree or order against any of the Released Parties or against the property of any Released Party with respect to any such claim, demand, cause of action, or Interest;

(C) creating, perfecting or enforcing any Lien of any kind against any Released Party or the property of any Released Party with respect to any such claim, demand, cause of action, or Interest;

(D) except as otherwise specifically provided in the Plan or the APi Group, Inc. Settlement Agreement, asserting or accomplishing any setoff, right of subrogation, indemnity, contribution or recoupment of any kind against any obligation due any Released Party or against the property of any Released Party with respect to any such claim, demand, cause of action, or Interest; 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 Documents, or the Trust Documents relating to such claim, demand, cause of action, or Interest.

Notwithstanding anything to the contrary above, this Supplemental Injunction shall not enjoin:

(A) the rights of Entities to the treatment accorded them under Articles II and III of the Plan, as applicable, including the rights of Entities with Asbestos Claims to assert such Asbestos Claims in accordance with the Trust Distribution Procedures, including, to the extent provided for therein, against the Trust, as successor to the Debtor, in non-bankruptcy forums;

(B) the rights of Entities to assert any Claim, debt, obligation, or liability for payment of Trust Expenses against the Trust;

(C) the rights of the Trust or Debtor to prosecute any Asbestos Insurance Action against Entities other than a Settling Asbestos Insurance Company;

(D) the rights of Entities to assert any Claim, debt, obligation or liability for payment against an Asbestos Insurance Company that is not a (i) Released Party or (ii) a Settling Asbestos Insurance Company (provided that such entity shall not be enjoined to

make such assertion to the extent not limited by the applicable release or Insurance Settlement Agreement);

(E) the rights of parties to the APi Group, Inc. Settlement Agreement, pursuant to the terms thereof, to assert claims against Released Parties other than a Settling Asbestos Insurance Company (provided that such entity shall not be enjoined to make such assertion to the extent not limited by the applicable release or Insurance Settlement Agreement); and

(F) the rights of the Debtor or the Trust (at the request of the Trust Advisor and the Legal Representative) to assign a cause of action against an Asbestos Insurance Company that is not a Settling Asbestos Insurance Company to a claimant and for such claimant to assert any claim, debt, obligation, or liability for payment against such Asbestos Insurance Company for the benefit of all holders of Direct Asbestos Claims against the Trust to the extent allowed by applicable law.

31. In order to preserve and promote the settlements contemplated by and provided for in the Plan the Insurance Settlement Agreements, and other agreements approved by the Bankruptcy Court and pursuant to the exercise of the equitable jurisdiction and power of the Bankruptcy Court under sections 524(g) and 105(a) of the Bankruptcy Code, all Entities which have held or asserted, which hold or assert, or which may in the future hold or assert any Third Party Claim shall be permanently stayed, restrained, and enjoined, from taking any action for the purpose of directly or indirectly collecting, recovering, or receiving payments or recovery with respect to any such Third Party Claim, including, but not limited to:

(A) commencing or continuing in any manner any action or other proceeding of any kind with respect to any such Claim, demand, cause of action, or Interest against any

Protected Party, or against the property of any Protected Party, with respect to any such claim, demand, cause of action, or Interest;

(B) enforcing, attaching, collecting or recovering, by any manner or means, any judgment, award, decree, or order against any Protected Party, or against the property of any Protected Party, with respect to any such claim, demand, cause of action, or Interest;

(C) creating, perfecting, or enforcing any Lien of any kind against any Protected Party, or the property of any Protected Party, with respect to any such Third Party Claim;

(D) except as otherwise specifically provided in the Plan, asserting or accomplishing any setoff, right of subrogation or contribution or recoupment of any kind against any obligation due any Protected Party, or against the property of any Protected Party, with respect to any such Third Party 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 Documents relating to such Third Party Claim.

Notwithstanding anything to the contrary above, this Third Party Injunction shall not enjoin:

(F) the rights of Entities to assert any Claim, debt, obligation, or liability for payment of Trust Expenses against the Trust;

(G) the rights of the Trust or Debtor to prosecute any Asbestos Insurance Action against Entities other than a Settling Asbestos Insurance Company;

(H) the rights of Entities to assert any Claim, debt, obligation, or liability for payment against an Asbestos Insurance Company that is not (i) a Protected Party or (ii) a Settling Asbestos Insurance Company (provided that such entity shall not be enjoined to make such assertion to the extent not limited by the applicable release or Insurance Settlement Agreement);

(I) the rights of parties to the APi Group, Inc. Settlement Agreement, pursuant to the terms thereof, to assert claims against Protected Parties other than a Settling Asbestos Insurance Company (provided that such entity shall not be enjoined to make such assertion to the extent not limited by the applicable release or Insurance Settlement Agreement); and

(J) the rights of the Debtor or the Trust (at the request of the Trust Advisor and the Legal Representative) to assign a cause of action against an Asbestos Insurance Company that is not a Settling Asbestos Insurance Company to a claimant and for such claimant to assert any claim, debt, obligation, or liability for payment against such Asbestos Insurance Company for the benefit of all holders of Direct Asbestos Claims against the Trust to the extent allowed by applicable law.

32. In order to preserve and promote the property of the Estate, as well as the settlements contemplated and provided for in the Plan and the Insurance Settlement Agreements and to supplement, where necessary, the injunctive effect of the discharge and releases detailed herein, and pursuant to the exercise of the equitable jurisdiction and power of the court under sections 524(g) and 105(a) (or both) of the Bankruptcy Code, all Entities which have held or asserted, which hold or assert, or which may in the future hold or assert any claim, demand, or cause of action (including, but not limited to, any Claim, including all Asbestos Claims, or any claim or demand for or respecting any Trust Expense), against a Settling Asbestos Insurance Company based upon, relating to, arising out of, or in any way connected with any Asbestos Claim, Asbestos In-Place Insurance Coverage, or Asbestos Insurance Policy, the insurance relationship between any Settling Asbestos Insurance Company and API or APi Group, Inc. to the extent provided in the Insurance Settlement Agreement with such Settling Asbestos Insurance Company, or whenever and wherever arisen or asserted (including, but not limited to, all

Asbestos Claims in the nature of contribution or indemnification or sounding in tort, contract, warranty, or any other theory of law, equity, or admiralty) shall, be permanently stayed, restrained, and enjoined from taking any action for the purpose of directly or indirectly collecting, recovering, or receiving payments, satisfaction, or recovery with respect to any such claim, demand, or cause of action, including, but not limited to:

(A) commencing or continuing, in any manner, any action or other proceeding of any kind with respect to any such Claim, demand, or cause of action against any Settling Asbestos Insurance Company, or against the property of any Settling Asbestos Insurance Company, with respect to any such claim, demand, or cause of action;

(B) enforcing, attaching, collecting, or recovering, by any manner or means, any judgment, award, decree, or order against any Settling Asbestos Insurance Company or against the property of any Settling Asbestos Insurance Company with respect to any such claim, demand, or cause of action;

(C) creating, perfecting, or enforcing any Lien of any kind against any Settling Asbestos Insurance Company or the property of any Settling Asbestos Insurance Company with respect to any such claim, demand, or cause of action;

(D) except as otherwise specifically provided in the Plan; asserting or accomplishing any setoff, right of subrogation, indemnity, contribution, or recoupment of any kind against any obligation due any Settling Asbestos Insurance Company or against the property of any Settling Asbestos Insurance Company with respect to any such claim, demand, or cause of action; 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 Documents relating to such claim, demand, or cause of action.

Notwithstanding anything to the contrary above, this Asbestos Insurance Company Injunction shall not enjoin:

(F) the rights of Entities to the treatment accorded them under Articles II and III of the Plan, as applicable, including the rights of Entities with Asbestos Claims to assert such Asbestos Claims against the Trust in accordance with the Trust Distribution Procedures;

(G) the rights of Entities to assert any Claim, debt, obligation, or liability for payment of Trust Expenses against the Trust;

(H) the rights of the Trust and Debtor to prosecute any Asbestos Insurance Action against Entities other than a Settling Asbestos Insurance Company;

(I) the rights of the Trust and Debtor to assert any claim, debt, obligation, or liability for payment against an Asbestos Insurance Company, other than a Settling Asbestos Insurance Company (provided that such entity shall not be enjoined to make such assertion to the extent not limited by the applicable release or Insurance Settlement Agreement); and

(J) except as APi Group, Inc. otherwise agrees in an Insurance Settlement Agreement with a Settling Asbestos Insurance Company, the rights of APi Group, Inc. as an insured as to non-Asbestos Claims.

33. Notwithstanding any other provision of the Plan to the contrary, the satisfaction, release and discharge, and the injunctions set forth in this Order, shall not serve to satisfy, discharge, release or enjoin claims by any Entity against (a) the Trust for payment of Asbestos Related Claims in accordance with the TDP, or (b) the Trust for the payment of Trust Expenses.

34. The following entities, but only upon consummation of their respective Insurance Settlement Agreements, including the payment of the funds due thereunder, are designated as

“Settling Asbestos Insurance Companies,” “Released Parties,” and “Protected Parties” for all purposes of the Plan this Chapter 11 case, and this Order, whereupon each will be entitled to all the protections and benefits therein and herein:

a. Hartford Financial Services Group, Inc. and its subsidiaries, parents and affiliates including but not limited to Hartford Accident and Indemnity Company and Twin City Fire Insurance Company.

b. The St. Paul Travelers Parties, as defined in the Insurance Settlement Agreement approved by this Court on March 31, 2005 [Docket No. 227].

c. The Great American Parties, as defined in the Insurance Settlement Agreement approved by this Court on June 28, 2005 [Docket No. 308].

d. The ERC Parties, as defined in the Insurance Settlement Agreement approved by this Court on September 22, 2005 [Docket No. 357].

e. The U.S. Fire Parties, as defined in the Insurance Settlement Agreement approved by this Court on November 29, 2005 [Docket No. 436].

f. The CNA Parties, as defined in the Insurance Settlement Agreement approved by this Court on November 29, 2005 [Docket No. 435].

g. The Fireman’s Fund Parties, as defined in the Insurance Settlement Agreement approved by this Court on December 6, 2005 [Docket No. 491].

Such designation is warranted in that, among other things, (i) there is an identity of interest between the Debtor and each of the foregoing parties such that any suit against the latter is, in essence, a suit against the Debtor or could deplete the assets of the Debtor’s estate, (ii) each of the foregoing parties has contributed substantial assets to the reorganization, and (iii) the release of and injunction in respect of each of the foregoing parties are integral to the reorganization

insofar as each party would not have otherwise made the contributions to the estate, and thus the Trust, without obtaining the benefits of the releases and injunctions in the Plan.

F. Executory Contracts.

35. All executory contracts and unexpired leases not heretofore assumed or rejected shall, as of the Confirmation Date (subject to the occurrence of the Effective Date), be deemed to have been assumed by the Debtor.

G. Administrative Claims.

36. Unless otherwise agreed to by the Debtor and the holder of such Claim, each holder of an allowed Administrative Claim shall receive Cash equal to the unpaid portion of such allowed Administrative Claim on or before the later of (a) the Effective Date, (b) the date such claim becomes an allowed Administrative Claim, and (c) such other date as is mutually agreed upon by the Debtor and the holder of such allowed Administrative Claim; provided, however, that Administrative Claims that represent liabilities either incurred by the Debtor in the ordinary course of its business during the pendency of the Chapter 11 Case or arising under loans or advances to the Debtor during the pendency of the Chapter 11 Case shall be paid by Debtor in the ordinary course of their business and in accordance with any terms and conditions of any agreements relating thereto.

H. Continuation of Committee and Legal Representative.

37. The Committee and the Legal Representative shall continue in existence until the Effective Date. After the Effective Date, the Legal Representative shall continue in existence, and the rights, duties and responsibilities of the Legal Representative shall be as set forth in the Plan Documents. After the Effective Date, the duties of the Committee shall be limited to the prosecution and defense of any adversary proceeding and appeals to which the Committee is a party on the Effective Date and to present fee applications. For all other purposes, the

Committee will, on the Effective Date, be dissolved and the members, attorneys, accountants and other professionals thereof shall be released and discharged of and from all further authority, duties, responsibilities, liabilities and obligations related to, or arising from, the Chapter 11 Case.

I. Settlements.

38. The APi Group, Inc. Settlement Agreement is approved in all respects.

39. The Asbestos Claims Estimation Agreement is approved in all respects.

J. Exoneration.

40. The Debtor, APi Group, Inc., the Committee, the Trust Advisor, the Trustee and the Legal Representative, as well as their respective stockholders, directors, officers, agents, employees, members, attorneys, accountants, financial advisors, and representatives shall not be liable, other than for willful misconduct, to any holder of a Claim, including an Asbestos 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 prior to the Effective Date in connection with: (a) the discharge of the Debtor's, Committee's or Legal Representative's duties under the Bankruptcy Code, (b) the implementation of any of the transactions provided for, or contemplated in, the Plan or the Plan Documents, (c) any action taken in connection with either the enforcement of the Debtor's rights against any Entities or the defense of Claims asserted against the Debtor with regard to the Reorganization Case, (d) any action taken in the negotiation, formulation, development, proposal, disclosure, Confirmation or implementation of the Plan or Plan Documents filed in this Reorganization Case, or (e) the administration of the Plan or the assets and property to be distributed pursuant to the Plan. The Debtor, APi Group, Inc., the Committee, the Trust Advisor, the Trustee and the Legal Representative, as well as their respective stockholders, directors, officers, agents, employees, members, attorneys, accountants, financial advisors, and representatives may reasonably rely upon the opinions of their respective

counsel, accountants, and other experts or professionals and such reliance, if reasonable, shall conclusively establish good faith and the absence of willful misconduct; provided, however, that a determination that such reliance is unreasonable shall not, by itself, constitute a determination or finding of bad faith or willful misconduct. In any action, suit or proceeding by any holder of a Claim or Interest or any other Entity contesting any action by, or non-action of, the Debtor, APi Group, Inc., the Committee the Trust Advisor, the Trustee or the Legal Representative or their respective stockholders, directors, officers, agents, employees, members, attorneys, accountants, financial advisors, and representatives, the reasonable attorneys' fees and costs of the prevailing party shall be paid by the losing party and as a condition to going forward with such action, suit, or proceeding at the outset thereof, all parties thereto shall be required to provide appropriate proof and assurances of their capacity to make such payments of reasonable attorneys' fees and costs in the event they fail to prevail; provided, however, that the foregoing shall only apply to claims for affirmative relief, and shall not affect defenses, if any, of any party, including defenses, if any, of an Asbestos Insurance Company in respect to any coverage disputes with regard to its Asbestos Insurance Policies, including with respect to the Coverage Litigation.

41. Except as otherwise expressly provided in the Plan, the Plan Documents or this Confirmation Order, the Committee, the Legal Representative, the Trust and the Trustee, and the Trust Advisor do not, pursuant to the Plan or otherwise, have any liabilities for any Claims, including Asbestos Claims, liabilities or obligations of the Debtor relating to or arising out of the operations of or assets of the Debtor, whether arising prior to, on, or after the Confirmation Date. The Committee, the Legal Representative, the Trust and the Trustee, and the Trust Advisor shall not be liable for, or deemed to be the successor to Debtor in regard to, non-Asbestos Claims by reason of any theory of law or equity, and none shall have any successor or transferee liability of any kind or character with respect thereto, except that as provided in the Plan, the Plan

Documents and this Confirmation Order. The Committee, the Legal Representative, the Trustee, individually, and the Trust Advisor shall not be liable for, or deemed to be the successor to Debtor in regard to, Asbestos Claims by reason of any theory of law or equity, and none shall have any successor or transferee liability of any kind or character with respect thereto, except that as provided in the Plan, the Plan Documents and this Confirmation Order.

K. Jurisdiction.

42. Following the entry of the Confirmation Order, the administration of the Chapter 11 Case will continue until the completion of the transfers contemplated to be accomplished on the Effective Date. Following the Effective Date, until the Chapter 11 Case is closed, the Bankruptcy Court shall retain the most extensive jurisdiction permissible, including that necessary to ensure that the purposes and intent of the Plan are carried out, including, without limitation, as provided in Sections 13.2, 13.3 and 13.4 of the Plan.

L. Case Closing.

43. The Chapter 11 Case may be closed notwithstanding the continuing reservation of jurisdiction over certain issues arising under the Trust. Upon closure of the Chapter 11 Case, any quarterly and annual reports that are to be filed with the Bankruptcy Court under the terms of the Trust Agreement shall instead be filed with the U.S. Trustee.

44. Notwithstanding any closing of the Chapter 11 Case, any of the Trustee, the Legal Representative, the Trust Advisor or the Debtor may move, on notice limited to each of the rest of them and the U.S. Trustee, to reopen the Chapter 11 Case for the purpose of seeking relief pursuant to the retained jurisdiction of the Bankruptcy Court provided herein, in the Plan or under applicable law.

M. Notice.

45. Pursuant to Bankruptcy Rules 2002(f)(7), 2002(k), and 3020(c), counsel for the Debtor shall serve copies of this Confirmation Order, as entered by the Court, on (a) counsel for the Committee appointed in the Chapter 11 Case; (b) counsel for the Legal Representative; (c) the attorneys representing holders of Asbestos Claims who as of the date this Confirmation Order had either submitted a ballot accepting or rejecting the Plan, or who represented an Asbestos Claimant who acceptance of the Plan was solicited, and (iv) all other Persons or Entities that, as of the date of Confirmation, had filed a notice of appearance and request for special notice.

N. Vesting Of Insurance Rights In The Trust.

46. The Debtor's policies, rights under the policies, or proceeds derived from Asbestos In-Place Insurance Coverage (collectively, "Insurance Rights") shall, on the Effective Date, be vested in the Trust, notwithstanding any state law or private contractual provisions to the contrary, and such vesting of rights shall neither diminish nor impair the enforceability of any of the Asbestos Insurance Policies against a party that is not a Released Party, and any anti-assignment provision contained in any such Asbestos Insurance Policy shall not be enforced in connection with the foregoing.

O. Miscellaneous.

47. The failure to reference or discuss any particular provision of the Plan in this Confirmation Order shall have no effect on the validity, binding effect, and enforceability of such provision and such provision shall have the same validity, binding effect, and enforceability as every other provision of the Plan.

48. Protection is specifically afforded under Bankruptcy Code section 363(m) to: (a) the Settling Asbestos Insurance Companies with respect to their respective Insurance Settlement

Agreements; (b) the parties to the APi Group, Inc. Settlement Agreement; and (c) parties to the Asbestos Claims Estimation Agreement.

49. In the event that the Effective Date does not occur, then (i) the Plan, (ii) assumption or rejection of executory contracts or unexpired leases pursuant to the Plan, (iii) any document or agreement executed pursuant to the Plan, and (iv) any actions, releases, waivers, or injunctions authorized by this Order or any order in aid of consummation of the Plan shall be deemed null and void. In such event, nothing contained in this Confirmation Order, any order in aid of consummation of the Plan, the Disclosure Statement, or the Plan, and no acts taken in preparation for consummation of the Plan, (a) shall be deemed to constitute a waiver or release of any Claims or Equity Interests by or against the Debtor or any other persons or entities, to prejudice in any manner the rights of the Debtor or any person or entity in any further proceedings involving the Debtor or otherwise, or to constitute an admission of any sort by the Debtor or any other persons or entities as to any issue, or (b) shall be construed as a finding of fact or conclusion of law in respect thereof.

50. The provisions of this Confirmation Order are integrated with each other and are nonseverable and mutually dependent unless expressly stated otherwise by further order of the Court.

UNITED STATES BANKRUPTCY COURT

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Dated: December 6, 2005

Gregory F. Kishel
Chief United States Bankruptcy Judge