

UNITED STATES BANKRUPTCY COURT  
DISTRICT OF MINNESOTA

In re:

Case No. Bky 05-30073

A.P.I. Inc.,

Chapter 11 Case

Debtor.

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

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Debtor A.P.I. Inc. proposes the following Plan under Chapter 11 of the Bankruptcy Code.

**ARTICLE I**

Definitions

Unless the context requires otherwise, the following terms shall have the following meanings when used with the initial letter capitalized in the Plan and in related documents that adopt these definitions by reference. Such meanings shall be equally applicable to both the singular and plural forms of such terms. Any term used in capitalized form that is not defined herein but that is defined in the Bankruptcy Code or the Bankruptcy Rules shall have the meaning ascribed to such term by the Bankruptcy Code or the Bankruptcy Rules (with the Bankruptcy Code controlling in the case of a conflict or ambiguity). The rules of construction set forth in section 102 of the Bankruptcy Code shall apply in construction of the Plan Documents. All references to the "Plan" herein shall be construed, where applicable, to include references to the Plan and all its exhibits, appendices, schedules, and exhibits or attachments (and any amendments thereto made in accordance with the Bankruptcy Code).

Capitalized terms used in this Plan have the following meanings. The Bankruptcy Code also defines many terms; those definitions are incorporated by reference.

1.1. "Additional Indemnitees" means each member of the Committee, the Legal Representative, the Trust Advisor, the Trustee, A.P.I. Inc., APi Group, Inc., and their respective professionals, officers, and directors.

1.2. "Affiliate" shall have the meaning ascribed to such term in section 101(2) of the Bankruptcy Code.

1.3. "Aggregate Claims Amount" means, with respect to any Class or Classes of Claims, the total amount of Claims (including estimated amounts of any unliquidated, contingent or Disputed Claims, but excluding disallowed Claims) in such Class or Classes.

1.4. “Allowed” means, with respect to any Claim (other than a Disputed Claim or an Asbestos Claim) or Interest, (a) any Claim or Interest, proof of which was timely filed with the Bankruptcy Court or its duly appointed claims agent, or, by order of the Bankruptcy Court, was not required to be filed, or (b) any Claim or Interest that has been, or hereafter is, listed in the Schedules as liquidated in amount and not disputed or contingent, and, in (a) and (b) above, as to which either (1) no objection to the allowance thereof has been filed within the applicable period of limitation fixed by the Plan, the Bankruptcy Code, the Bankruptcy Rules, or the Bankruptcy Court or (2) the Claim or Interest has been allowed by a Final Order (but only to the extent so allowed) or has been allowed by the terms of the Plan. “Allowed” means, with respect to any Asbestos Claim, any Asbestos Claim that is estimated for distribution purposes only pursuant to the Trust Distribution Procedures, or, if applicable, pursuant to a Final Order of the Bankruptcy Court (but only to the extent so allowed).

1.5. “Allowed Liquidated Minnesota Values” means the values assigned to each disease category for Minnesota Asbestos Claims as provided in Section 5.1(c) of the Trust Distribution Procedures (“TDP”).

1.6. “Allowed Liquidated North Dakota Values” means the values assigned to each disease category for North Dakota Asbestos Claims as provided in Section 5.1(c) of the TDP.

1.7. “Allowed Liquidated Value(s)” means the value(s) ascribed under the TDP to a Current Asbestos Claim based upon such Current Asbestos Claimant’s Disease Category, including, without limitation, an Allowed Liquidated Minnesota Value(s) or Allowed Liquidated North Dakota Value(s) or collectively, as the context requires, all of the foregoing plus the Allowed Liquidation Value(s) assigned to other Current Asbestos Claims.

1.8. “APi Group, Inc.” means APi Group, Inc., a Minnesota corporation, its Affiliates and subsidiaries (other than A.P.I. Inc.) and each of the foregoing’s successors and predecessors in interest, respective officers, directors, shareholders, employees, legal representatives, and agents. APi Group, Inc. includes, *inter alia*, Alliance Fire Protection, Inc.; Anco Products, Inc.; API Electric Company; API Systems Group, Inc.; Communication Systems, Inc.; Doody Mechanical, Inc.; Industrial Contractors, Inc.; Industrial Fabricators, Inc.; The Jamar Company; LeJeune Steel Company; Northern Fire & Communication, Inc.; Security Fire Protection Company, Inc.; Twin City Garage Door Company; United States Fire Protection, Inc.; Viking Automatic Sprinkler Company; VFP Fire Systems, Inc.; Vipond, Inc.; Vipond Fire Protection, Ltd.; Western States Fire Protection Company; Western States Fire Protection Company of Alaska; Classic Industrial Services, Inc.; and Wisconsin Structural Steel Company.

1.9. “APi Group, Inc. Release” means the release by A.P.I. Inc. of APi Group, Inc. pursuant to the APi Group, Inc. Settlement Agreement, attached as an Exhibit hereto; provided, however, that the “APi Group, Inc. Release” shall not be construed as a release of any insuring obligation of any Asbestos Insurance Company owed to APi Group, Inc., the Debtor, or the Trust.

1.10. “APi Group, Inc. Settlement Agreement” means the Settlement Agreement between APi Group, Inc. and the Debtor attached as an Exhibit hereto.

1.11. “API” means A.P.I. Inc., a Minnesota corporation. API is a wholly owned subsidiary of APi Group, Inc.

1.12. “API Security Agreement” means the security agreement described in Section 5.3 of the Plan.

1.13. “Applicable Interest” means the amount that Current Claimants who commenced litigation against API prior to the Current Claim Date are entitled to have added to their Allowed Liquidated Value in accordance with the provisions of that certain Asbestos Claims Estimation Agreement.

1.14. “Approving Entities” means the Legal Representative and the Trust Advisor.

1.15. “Asbestos Claim” means (a) any claim or demand (including, but not limited to, any Claim or Bonded Claim) whenever and wherever arising or asserted against the Debtor, its predecessors, successors, subsidiaries or Affiliates, or its present or former officers, directors or employees and any other Released Parties and (b) any debt, obligation or liability (whether or not reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, bonded, secured, or unsecured), whenever and wherever arising or asserted, against the Debtor, its predecessors, successors, subsidiaries or Affiliates, or its present or former officers, directors or employees and any other Released Parties (including, but not limited to, all thereof in the nature of or sounding in tort, contract, warranty, or any other theory of law, equity or admiralty and workers compensation claims); in either case (a) or (b) for, relating to, or arising by reason of, directly or indirectly, physical, emotional, bodily or other personal injury, property damage (including claims arising from the cost of removal, diminution of property value, or economic loss caused by asbestos in products manufactured or installed by the Debtor), or other damages (including, but not limited to, any claim or demand for compensatory damages, loss of consortium, proximate, consequential, general, special or punitive damages, reimbursement, indemnity, warranty, contribution or subrogation) whether or not diagnosable or manifested before the Confirmation of the Plan or the close of the Reorganization Case, (x) caused or allegedly caused, in whole or in part, directly or indirectly (i) by asbestos or asbestos-containing products manufactured, altered, sold, distributed, installed, or removed by API (ii) by services, actions, or operations provided, completed or taken by API in connection with asbestos or asbestos containing products, or (y) caused or allegedly caused by asbestos for which API is otherwise liable under any applicable law, whether or not arising or allegedly arising, directly or indirectly, from acts or omissions of the Debtor, its predecessors, subsidiaries or Affiliates, or its present or former officers, directors or employees, or any other Entity for or with which the Debtor or its successors are or may be liable, including, but not limited to the claims identified in Sections 1.15(a)-(d); provided, however, that the term “Asbestos Claim” does not include (1) retroactive premiums due to any Asbestos Insurance Company, (2) any amounts due to an Asbestos Insurance Company arising from amounts payable under applicable non-bankruptcy law in respect to defense fees and costs incurred under a reservation of rights or any other amounts due any Asbestos Insurance Company arising out of any Asbestos Insurance Policy, or (3) any claim to the extent insured by worker’s compensation insurance:

1.15(a). “Indirect Asbestos Claim” means any Asbestos Claim previously made or that will be made in the future based on a right of contribution, reimbursement, subrogation, or indemnity, including any claim based on workers’ compensation paid (as those terms are defined by the non-bankruptcy law of any relevant jurisdiction) and any other derivative or indirect Claim of any kind whatsoever, whether in the nature of or sounding in contract, tort, warranty or any other theory of law, equity or admiralty, arising out of or related to an Asbestos Claim. The holder of an Indirect Asbestos Claim shall be referred to as an “Indirect Asbestos Claimant.”

1.15(b). “Direct Asbestos Claim” means any Asbestos Claim previously made or that will be made in the future by an individual, the probate estate of an individual, the family members or trustee of family members or other successor in interest of an individual for compensation or damages resulting from such individual’s exposure to asbestos related to API, including but not limited to—

1.15(b)(i). “Current Direct Asbestos Claim” means a Direct Asbestos Claim that is one of the following—

1.15(b)(i)(A). “Estimated Asbestos Claim” means a Direct Asbestos Claim that is the subject of pending litigation against API as of the Current Claim Date and is subject to the Asbestos Claimants Estimation Agreement. The holder of an Estimated Asbestos Claim shall be referred to as an “Estimated Asbestos Claimant;” or

1.15(b)(i)(B). “Unliquidated Asbestos Claim” means a Direct Asbestos Claim that is the subject of pending litigation against API as of the Current Claim Date and is the subject of a Proof of Claim to which no objection has been filed as of the Confirmation Date. The holder of an Unliquidated Asbestos Claim shall be referred to as an “Unliquidated Asbestos Claimant;” or

1.15(b)(i)(C). “Unresolved Asbestos Claim” means a Direct Asbestos Claim that is the subject of pending litigation against API as of the Current Claim Date and is the subject of a Proof of Claim to which an objection has been filed and the objection has not been resolved as of the Confirmation Date. The holder of an Unresolved Asbestos Claim shall be referred to as an “Unresolved Asbestos Claimant;”

Current Direct Asbestos Claims share in the Current Claimant Distribution to the extent they are or become Qualified Asbestos Claims. The holder of a Current Direct Asbestos Claim shall be referred to as a “Current Direct Asbestos Claimant,” and the holder of a Direct Asbestos Claim shall be referred to as a “Direct Asbestos Claimant.”

1.15(b)(ii). “Non-Current Direct Asbestos Claim” means all Direct Claims that are not Current Direct Asbestos Claims or Unqualified Asbestos Claims. Non-Current Direct Asbestos Claims do not share in the Current Claimant Distribution and are subject to the TDP and payment under the Trust. Non-Current Direct Asbestos Claims include Direct Asbestos Claims that are not subject to litigation as of the Current Claim Date whether or not such direct Asbestos Claimants have filed a Proof of Claim. Non-Current Direct Asbestos Claims also include all Direct Asbestos Claims that will be discovered in the future. The holder

of a Non-Current Direct Asbestos Claim shall be referred to as a “Non-Current Direct Asbestos Claimant.”

1.15(c). “Qualified Asbestos Claim” means all Estimated Asbestos Claims and those Unliquidated Asbestos Claims and Unresolved Asbestos Claims whose Base Claim has been determined in an amount that does not exceed the Allowed Liquidated Value that such claimant would be entitled to under the TDP based upon such claimant’s Disease Category plus Applicable Interest which amount has been: (a) approved by the entry of an order of the Bankruptcy Court, or (b) approved by the Trustee following the Effective Date in accordance with the provisions of the TDP. The holder of a Qualified Asbestos Claim shall be referred to as a “Qualified Asbestos Claimant.”

1.15(d). “Unqualified Asbestos Claim” means any Direct or Indirect Asbestos Claim to the extent such claim has been determined by the Trustee or a court of competent jurisdiction to have failed to meet the requirements of a Qualified Asbestos Claim as established under the TDP or has been determined to have a lower Allowed Liquidated Value than was asserted by the Direct Asbestos Claimant.

The holder of a type of Asbestos Claim defined above is referred to herein as a “[type of claim] Claimant.”

1.16. “Asbestos Claims Estimation Agreement” means the agreement between API and the Settling Asbestos Claimants.

1.17. “Asbestos In-Place Insurance Coverage” means any insurance coverage, not reduced to cash settlement proceeds, available for the payment or reimbursement of liability, indemnity or defense costs arising from or related to Asbestos Claims or Trust Expenses under any Asbestos Insurance Policy or any Asbestos Insurance Settlement Agreement.

1.18. “Asbestos Insurance Action” means any claim, cause of action, or right of API against any Asbestos Insurance Company, including without limitation, the Coverage Litigation, arising from or related to: (a) any such Asbestos Insurance Company’s failure to provide or pay under Asbestos In-Place Insurance Coverage, (b) the refusal of any Asbestos Insurance Company to compromise and settle any Asbestos Claim under or pursuant to any Asbestos Insurance Policy, (c) the interpretation or enforcement of the terms of any Asbestos Insurance Policy with respect to any Asbestos Claim; and (d) any obligation to defend and indemnify.

1.19. “Asbestos Insurance Action Recoveries” means (a) certain cash derived from and paid pursuant to Asbestos Insurance Settlement Agreements entered into prior to the Confirmation Hearing, (b) the right to receive proceeds of Asbestos In-Place Insurance Coverage, and (c) the right to receive the proceeds or benefits of any Asbestos Insurance Action.

1.20. “Asbestos Insurance Company” means any insurance company, insurance broker, guaranty association or any other Entity with demonstrated or potential liability to the Debtor, APi Group, Inc. or the Trust under an Asbestos Insurance Policy.

1.21. "Asbestos Insurance Company Injunction" means the injunction described in Article 7.3(c) of the Plan.

1.22. "Asbestos Insurance Policy" means any insurance policy in effect at any time on or before the Effective Date which may afford the Debtor indemnity or insurance coverage, upon which any claim has been or may be made with respect to any Asbestos Claim.

1.23. "Asbestos Insurance Rights" means (a) all rights, interests, claims, or demands under an Asbestos Insurance Policy, the entitlement to the proceeds of an Asbestos Insurance Policy, and the right to pursue the proceeds of an Asbestos Insurance Policy, (b) all rights pursuant to the Asbestos In-Place Insurance Coverage, (c) all rights to the proceeds of the Asbestos Insurance Settlement Agreements, (d) all rights to the proceeds of the Asbestos In-Place Insurance Coverage, (e) all rights to the proceeds of the Asbestos Insurance Actions, subject to the terms of the APi Group, Inc. Settlement Agreement, and (f) all rights to the proceeds of the Asbestos Insurance Action Recoveries, subject to the terms of the APi Group, Inc. Settlement Agreement.

1.24. "Asbestos Insurance Settlement Agreement" means any settlement agreement with a Settling Asbestos Insurance Company relating to any Asbestos Claim.

1.25. "Asbestos-Related Disease Categories" means those groups of common asbestos related medical conditions, based upon historic data, that have been incorporated into the Trust Distribution Procedures in order to facilitate the expedient and efficient processing and estimation of Asbestos Claims.

1.26. "Bankruptcy Code" means title 11 of the United States Code, 11 U.S.C. §§ 101, et seq., as in effect on the Petition Date, together with all amendments and modifications thereto that were subsequently made applicable to the Reorganization Case.

1.27. "Bankruptcy Court" means the United States Bankruptcy Court for the District of Minnesota, or, as the circumstances or context requires, the District Court; provided, however, that after the closing of API's chapter 11 case, the term "Bankruptcy Court" shall mean any court of competent jurisdiction, including the United States Bankruptcy Court for the District of Minnesota if API's chapter 11 case is reopened for any reason.

1.28. "Bankruptcy Rules" means the Federal Rules of Bankruptcy Procedure and the local rules of the Bankruptcy Court, as in effect on the Petition Date, together with all amendments and modifications thereto that were subsequently made applicable to the Reorganization Case.

1.29. "Base Claim" means the Allowed Liquidated Value that applies to any Current Asbestos Claimant based upon such Current Asbestos Claimant's Disease Category before adding any Applicable Interest to such amount.

1.30. "Bonded Claim" means any Asbestos Claim relating to a judgment as to which, but only to the extent that, a supersedeas bond was posted by or on behalf of the Debtor, provided and to the extent that the Bankruptcy Court determines by Final Order, or the Trustees and the holder of such Bonded Asbestos Claim agree, that such holder is entitled to some or all

of (a) the proceeds of the supersedeas bond including, as such supersedeas bond may be increased by the Debtor pursuant to Final Order of the Bankruptcy Court, or (b) any other assets provided by the Debtor pursuant to Final Order of the Bankruptcy Court to protect such holder.

1.31. “Business Day” means any day other than a Saturday, Sunday or legal holiday (as such term is defined in Bankruptcy Rule 9006(a)).

1.32. “Categorization Criteria” means the criteria set forth in Section 5.1(c) of the Trust Distribution Procedures.

1.33. “Claim” when used alone has the meaning ascribed to such term in section 101(5) of the Bankruptcy Code, and further shall include, but not be limited to, Asbestos Claims and interests (other than Interests). When used with other capitalized terms, it has the meaning ascribed to the entire phrase herein.

1.34. “Claims Materials” means the documents, including descriptions of the Trust Distribution Procedures, instructions, and a claim form, developed by the Trustees to be sent to persons holding Asbestos Claims.

1.35. “Class” means a category of Claims or Interests, as classified in Article 2 of the Plan.

1.36. “Class 2-A Claimants” means (i) LaSalle Bank National Association; (ii) Wells Fargo Bank, National Association; (iii) Senior Noteholders and (iv) the affiliates, successors and assigns, present and former directors, officers, agents, attorneys, accountants, financial advisors, investment bankers and employees of the parties specified in (i), (ii) and (iii) above.

1.37. “Closing” means the closing of the APi Group, Inc. Settlement Agreement, in accordance with and subject to its terms and conditions.

1.38. “Committee” means the Asbestos Claimants Committee created prior to the Petition Date and, if the context requires, the Asbestos Claimants Committee appointed in the Reorganization Case by the United States Trustee.

1.39. “Confirmation” or “Confirmation of the Plan” means the approval of the Plan by the Bankruptcy Court at the Confirmation Hearing.

1.40. “Confirmation Date” means the date on which the Confirmation Order is entered on the docket of the Bankruptcy Court.

1.41. “Confirmation Hearing” means the hearing(s) which will be held before the Bankruptcy Court in which the Debtor will seek Confirmation of the Plan.

1.42. “Confirmation Order” means the order of the Bankruptcy Court confirming the Plan pursuant to section 1129 and other applicable sections of the Bankruptcy Code.

1.43. “Contested Claim” means 1) a claim that is not an allowed claim because Debtor or other party in interest has objected to allowance of such claim under Code § 502(b) and Bankruptcy

Rule 3007; or 2) any secured or unsecured portions of a secured claim that is the subject of a motion for determination of the value of security under Code § 506(a) and Bankruptcy Rule 3012.

1.44. “Court” means the Bankruptcy Court.

1.45. “Coverage Litigation” means that certain civil action styled Case No. C9-02-8084, pending in the Ramsey County District Court, State of Minnesota, in which API, among others, seeks to determine the extent of certain insurance coverage for defense of and liability for Asbestos Claims, and related issues and also any litigation subsequently commenced for the same purpose, or any continuation of such action if removed to the United States District Court for the District of Minnesota, and not remanded.

1.46. “Current Direct Asbestos Claim” has the meaning set out at 1.15 above.

1.47. “Current Pro Rata Share” means for each Estimated Asbestos Claim and Unliquidated Asbestos Claim, the percentage such claim comprises of the aggregate of all Estimated Asbestos Claims and Unliquidated Asbestos Claims.

1.48. “Current Claim Date” means November 16, 2004.

1.49. “Current Claimant Distribution” means the sum of \$7,750,000.

1.50. “Current Direct Asbestos Claims” means all Estimated Asbestos Claims, Unliquidated Asbestos Claims, and Unresolved Asbestos Claims but excludes all Unresolved Asbestos Claims that are determined to be Unqualified Asbestos Claims.

1.51. “Current Portion” means the percentage amount agreed upon prior to the Effective Date by the Trustee, the Trust Advisor and the Legal Representative, or in the absence of their agreement, by the Bankruptcy Court after notice and a hearing; provided, however, that the Current Portion shall be at least 25%.

1.52. “Current Pro-Rata Share” means for each Estimated Asbestos Claim, Unresolved Asbestos Claim, and Unliquidated Asbestos Claim, the percentage such claim comprises of the aggregate of all Estimated Asbestos Claims, Unresolved Asbestos Claims and Unliquidated Asbestos Claims.

1.53. “Debtor” means API and includes API after confirmation as reorganized.

1.54. “Debtor in Possession” means API.

1.55. “Deferred Payments” means the payments described in Section 5.2 of the Plan.

1.56. “Deferred Payments Note” means the promissory note described in Section 5.3 of the Plan.

1.57. “Deferred Payments Security Documents” means the API Security Agreement, the Deferred Payments Note, the Pledge Agreement, the Proxy Agreement, Subordination



Agreements, and such other documents as may be necessary or appropriate to implement and/or perfect the interests granted to the Trustee thereunder.

1.58. “Direct Action” means any cause of action or right to bring a cause of action possessed by an Asbestos Claimant against an Asbestos Insurance Company on account of such Asbestos Claimant’s Asbestos Claim, whether arising by contract or under the laws of any jurisdiction including, but not limited to the rights described in Minn. Stat. § 60A.08, Subd. 6.

1.59. “Direct Asbestos Claim” has the meaning set out at 1.15 above.

1.60. “Discharge Injunction” means the injunction described in Article VII of the Plan.

1.61. “Disclosure Statement” means the Disclosure Statement For API, including all exhibits, appendices, schedules and exhibits attached thereto, as such Disclosure Statement may be further amended, supplemented or modified from time to time.

1.62. “Disease Category” or “Disease Categories” shall mean each of the following asbestos-related diseases: Malignant Mesothelioma, Lung Cancer, Other Cancer, Asbestosis, and Pleural Disease.

1.63. “Disputed Claim” except as otherwise expressly provided in this Plan, means any Claim that has not been allowed by a Final Order as to which (a) a Proof of Claim has been filed with the Bankruptcy Court or its duly appointed claims agent, or is deemed filed under applicable law or order of the Bankruptcy Court, and (b) an objection has been or may be timely filed or deemed filed under applicable law and any such objection has not been (1) withdrawn, (2) overruled or denied by a Final Order or (3) granted by a Final Order. For purposes of the Plan, and except as otherwise expressly provided with respect to Unliquidated Asbestos Claims and Unresolved Asbestos Claims, a Claim that has not been Allowed by a Final Order shall be considered a Disputed Claim, whether or not an objection has been or may be timely filed, if (A) the amount of the Claim specified in the Proof of Claim exceeds the amount of any corresponding Claim scheduled in the Schedules, (B) the classification of the Claim specified in the Proof of Claim differs from the classification of any corresponding Claim scheduled in the Schedules, (C) any corresponding Claim has been scheduled in the Schedules as disputed, contingent or unliquidated, (D) no corresponding Claim has been scheduled in the Schedules or (E) such Claim is reflected as unliquidated or contingent in the Proof of Claim filed in respect thereof. In addition, notwithstanding how a creditor may be listed in the Schedules, all Asbestos Claims are disputed; provided, however, that a settlement is proposed in the Plan with certain Current Direct Asbestos Claimants and, if approved, the Asbestos Claims of such Current Direct Asbestos Claimants will not be Disputed Claims.

1.64. “Distribution Date” means, when used with respect to an Allowed Claim (other than an Asbestos Claim), the date which is as soon as reasonably practicable after the later of (a) the Effective Date, and (b) the first Business Day of the next calendar quarter after the date upon which the Claim becomes Allowed, unless the Claim becomes Allowed within fifteen Business Days before the first Business Day of the next calendar quarter, in which case the Distribution Date shall be the first Business Day of the next succeeding calendar quarter.

1.65. “District Court” means the United States District Court for the District of Minnesota, or the unit thereof having jurisdiction over the matter in question.

1.66. “Effective Date” means, and shall occur on, the first Business Day immediately following the first day upon which all of the conditions to occurrence of the Effective Date contained in Article IX of the Plan have been satisfied or waived.

1.67. “Entity” means any Person, estate, trust, Governmental Unit, or the United States Trustee.

1.68. “Environmental Laws” means (a) the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended by the Superfund Amendments and Reauthorization Act of 1986, 42 U.S.C. §§ 9601, et seq., (b) the Resource Conservation and Recovery Act, as amended by the Hazardous and Solid Waste Amendment of 1984, 42 U.S.C. §§ 6901, et seq., (c) the Clean Air Act, 42 U.S.C. §§ 7401, et seq., (d) the Clean Water Act of 1977, 33 U.S.C. §§ 1251, et seq., (e) the Toxic Substances Control Act, 15 U.S.C. §§ 2601, et seq., (f) all statutes or laws issued or promulgated by any Governmental Unit, as they may be amended from time to time, relating to environmental contamination or pollution, air pollution, water pollution, noise control and/or the handling, discharge, existence, release, disposal or recovery of on-site or off-site hazardous, toxic or dangerous wastes, substances, chemicals or materials, and (g) the ordinances, rules, regulations, orders, notices of violation, requests, demands and requirements issued or promulgated by any Governmental Unit in connection with such statutes or laws.

1.69. “Estate” means the estate created for the Debtor by section 541 of the Bankruptcy Code upon the commencement of its Reorganization Case.

1.70. “Estimated Asbestos Claim” has the meaning set out at Section 1.15(b)(i)(A) above.

1.71. “Exigent Health Claim” shall have the meaning ascribed to it in Section 5.1(l) of the TDP.

1.72. “Extreme Hardship Claim” shall have the meaning ascribed to it in Section 5.1(l) of the TDP.

1.73. “Final Order” means an order, the implementation, operation or effect of which has not been stayed and as to which order (or any revision, modification or amendment thereof) the time to appeal or seek review, rehearing or writ of certiorari has expired and as to which no appeal or petition for review, reconsideration, rehearing or certiorari has been taken and is pending. Provided, however, that if such action has been taken relating to the APi Group, Inc. Settlement Agreement, such appeal or petition for review, reconsideration, rehearing, or certiorari has been resolved in a manner satisfactory to APi Group, Inc.’s counsel, or, in the sole discretion of APi Group, Inc.’s counsel, such appeal, review, or reconsideration will not result in an order which will have an adverse effect on APi Group, Inc.

1.74. “Governmental Unit” means any domestic, foreign, provincial, federal, state, local or municipal (a) government, or (b) governmental agency, commission, department, bureau, ministry or other governmental entity.

1.75. “Indirect Asbestos Claim” has the meaning set out at Section 1.15 above.

1.76. “Initial Payments” means the payments described in Section 5.1 of the Plan.

1.77. “Initial Payment Sum Percentage” means the first Payment Sum Percentage determined pursuant to Section 4.3 of the Trust Distribution Procedures.

1.78. “Injunctions” means the Discharge Injunction, the Supplemental Injunction, the Third Party Injunction, the Asbestos Insurance Company Injunction, and any other injunctions entered by Order of the Bankruptcy Court or the District Court in these cases.

1.79. “Interest” means any equity interest in the Debtor represented by the Common Stock of API existing on the Petition Date.

1.80. “Interested Parties” means API, APi Group, Inc., the Committee and the Legal Representative.

1.81. “IRC” means the Internal Revenue Code of 1986, as amended.

1.82. “LaSalle Credit Agreement” means the credit agreement entered into with LaSalle Bank National Association as of February 4, 2004, including assignments from U.S. Bank National Association and related loan documents and amendments describing a line of credit of up to \$70,000,000.

1.83. “Legal Representative” means the Legal Representative for Non-Current Direct Asbestos Claims, who shall be Thomas Carey, or such other individual appointed by the Bankruptcy Court, pursuant to section 524(g) of the Bankruptcy Code, and such other person who, after the Effective Date, may be appointed as a successor Legal Representative in accordance with Section 5.1 of the Trust and who is to protect the rights of persons that might subsequently assert demands.

1.84. “Lien” means, with respect to any asset or property, any mortgage, lien, pledge, charge, security interest, encumbrance or other security device of any kind pertaining to or affecting such asset or property.

1.85. “Minnesota Asbestos Claims” means all Direct Asbestos Claims where the affected individual resides in Minnesota or was exposed to asbestos by API within Minnesota.

1.86. “Moody’s” means Moody’s Investors Services, Inc.

1.87. “Net Settlement Proceeds” means, with respect to any insurance company settlement referred to in Section 4.1(a) of the TDP, the portion, if any, of such settlement paid in cash and received by the Trust on or before the Effective Date less the amount necessary to satisfy all obligations of the Trust for litigation fees and expenses, including but not limited to,

amounts necessary to reimburse the Debtor for amounts owed or paid by Debtor in accordance with the Faricy & Roen, P.A. retainer agreement approved by the order of the Bankruptcy Court authorizing their employment.

1.88. “Non-Compensatory Damages” means any and all damages awarded by a court of competent jurisdiction that are penal in nature, including, without limitation, punitive, punitory, exemplary, vindictive, imaginary, or presumptive damages.

1.89. “Non-Current Direct Asbestos Claim” has the meaning set out in Section 1.15 above.

1.90. “North Dakota Asbestos Claims” means all Direct Asbestos Claims where the affected individual was both exposed to asbestos by API in North Dakota and resides in North Dakota.

1.91. “Notice Recipients” means the Debtor, the Trust, the Trust Advisor, and the Legal Representative.

1.92. “Other Asbestos Claim” has the meaning set out in Section 1.15 above.

1.93. “Payment Sum Percentage” shall mean the percentage of the Allowed Liquidated Value that is payable to the holder of a Direct Asbestos Claim which percentage shall be determined from time to time by the Trustee in accordance with the provisions of the TDP.

1.94. “Person” means any person, individual, partnership, corporation, limited liability company, joint venture company, association or other entity or being of whatever kind, whether or not operating or existing for profit, including, but not limited to, any “person” as such term is defined in section 101(41) of the Bankruptcy Code, but excluding any Governmental Unit.

1.95. “Petition Date” means January 6, 2005, the date on which the Reorganization Case was commenced.

1.96. “Plan” means the Plan of Reorganization of API, and any amendments thereto made in accordance with the Bankruptcy Code.

1.97. “Plan Documents” means the Plan, the APi Group, Inc. Settlement Agreement, the Deferred Payment Security Documents, and all documents, attachments and exhibits thereto, including, but not limited to, the Trust Documents, and any amendments thereto made in accordance with the Bankruptcy Code, that aid in effectuating the Plan, which documents, attachments, and exhibits shall be filed by the Debtor with the Bankruptcy Court.

1.98. “Plan Proponent” means API.

1.99. “Pledge Agreement” means that document described in paragraph 5.3 of this Plan.

1.100. “Pledged Securities” means the 51% of the outstanding shares of Debtor and, if different, 51% of the voting shares of the Debtor.

1.101. "Priority Claim" means any Claim (other than an Administrative Claim or a Priority Tax Claim) to the extent such Claim is entitled to a priority in payment under section 507(a) of the Bankruptcy Code.

1.102. "Priority Tax Claim" means any Claim to the extent that such Claim is entitled to a priority in payment under section 507(a)(8) of the Bankruptcy Code.

1.103. "Proof of Claim" means any proof of claim filed with the Bankruptcy Court or its duly appointed claims agent with respect to the Debtor pursuant to Bankruptcy Rules 3001 or 3002.

1.104. "Protected Party" means any of the following parties:

(a) the Debtor, APi Group, Inc., the Committee, and the Legal Representative, and any of their directors, agents, employees, members, representatives, advisors, financial advisors, accountants and attorneys;

(b) the Trust, and any of its Trustees, officers, directors, agents, employees, representatives, advisors, financial advisors, accountants and attorneys;

(c) any Entity that, pursuant to the Plan or after the Confirmation Date, becomes a direct or indirect transferee of, or successor to, the assets or business of the Debtor;

(d) the Class 2-A Claimants; and

(e) each Settling Asbestos Insurance Company named directly or indirectly in the Confirmation Order.

1.105. "Qualified Asbestos Claim" has the meaning set out in Section 1.15 above.

1.106. "Released APi Group, Inc. Parties" means APi Group, Inc. and their past and future officers, directors, employees, legal representatives and agents.

1.107. "Released Claims" means any and all claims and causes of action of any nature that API may now or in the future have against any of the Released APi Group, Inc. Parties, which constitute property of or rights held by API's chapter 11 estate, including specifically but not limited to (a) claims, liabilities or causes of action related to any and all intercompany dealings between API and APi Group, Inc., except as limited in the APi Group, Inc. Settlement Agreement, including any and all claims of any nature arising out of or related to Asbestos Claims or Asbestos Claimants, (b) any claims, liabilities or causes of action that may now or hereafter arise directly or as derivative claims, including claims in the nature of fraudulent transfer, successorship, veil piercing or alter ego-type claims and any tolling agreements with respect to any such claims, and (c) any claims related to insurance or the placement of insurance coverage under which API is or was an additional insured. For the purpose of this definition, "fraudulent transfer, successorship, veil piercing or alter ego type claims" shall include but not be limited to creditor claims and causes of action against any of the Released APi Group, Inc.

Parties, which are or become property of API's bankruptcy estate, such as fraudulent transfer or fraudulent conveyance claims under applicable state or federal law, denuding the corporation claims, single business enterprise claims, substantive consolidation with non-debtor entities, corporate trust fund claims, claims asserted by or on behalf of API or by any other party, against any of the Released APi Group, Inc. Parties, alleging that API was the mere instrumentality, agent, or alter ego of APi Group, Inc. or such Parties, or that APi Group, Inc. or such Parties, as a result of domination and control or control or potential control over API, should directly or indirectly be liable for Asbestos Claims or other claims that have their origins in acts or omissions of API, or that APi Group, Inc. or any of the Released APi Group, Inc. Parties were "successors in interest" or "predecessor in interest" to API and accordingly responsible and liable for certain or all of API's obligations and legal liabilities. The foregoing, however, shall in no way affect API's rights under the APi Group, Inc. Settlement Agreement.

1.108. "Released Non-Debtor Parties" means (a) APi Group, Inc., their successors and assigns, (b) the past and future directors, officers, agents, attorneys, accountants, financial advisors, investment bankers and employees of the Debtor, APi Group, Inc, (c) the Committee, its members, representatives, professionals, and experts, (d) the Legal Representative, his or her professionals and experts, (e) the Class 2-A Claimants, and (f) any Settling Asbestos Insurance Company named directly in the Confirmation Order.

1.109. "Released Party" means each of (a) the Debtor, and (b) any Released Non-Debtor Party.

1.110. "Reorganization Case" means the case under chapter 11 of the Bankruptcy Code in the Bankruptcy Court captioned In re API, Inc., Case No. 05-30073.

1.111. "S&P's" means Standard & Poor's Corporation.

1.112. "Schedules" means the Schedules, Statements and Lists filed by the Debtor with the Bankruptcy Court pursuant to Bankruptcy Rule 1007, if such documents are filed, as they have been and may be amended or supplemented from time to time.

1.113. "Secured Claim" means any Claim that is (a) secured in whole or part, as of the Petition Date, by a Lien which is valid, perfected and enforceable under applicable law and is not subject to avoidance under the Bankruptcy Code or applicable non-bankruptcy law, or (b) subject to setoff under section 553 of the Bankruptcy Code, but, with respect to both (a) and (b) above, only to the extent of the value, net of any senior Lien, of the Estate's interest in the assets or property securing any such Claim or the amount subject to setoff, as the case may be.

1.114. "Senior Note Purchase Agreement" means the note agreement dated October 1, 2000 by and among APi Group, Inc. and the Senior Noteholders, including all subsequent amendments and restatements evidencing obligations in the total principal amount of \$50,000,000.

1.115. "Senior Noteholders" means the holders of notes issued pursuant to the Senior Note Purchase Agreement, including but not limited to, Massachusetts Mutual Life Insurance Company, C.M. Life Insurance Company, Pacific Life Insurance Company, United of Omaha Life

Insurance Company, Companion Life Insurance Company, Lutheran Brotherhood, and Provident Mutual Life Insurance Company.

1.116. "Settling Asbestos Insurance Company" means any Asbestos Insurance Company, including 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, and any Asbestos Insurance Company that has entered into an Asbestos Insurance Settlement Agreement approved by the Bankruptcy Court.

1.117. "Settlor" means API.

1.118. "Subordination Agreement" means the Subordination Agreement of LaSalle Bank National Association for the benefit of API Asbestos Settlement Trust.

1.119. "Supplemental Claimant Distribution" shall have the meaning ascribed to it in the TDP.

1.120. "Supplemental Current Distribution" shall have the meaning ascribed to it in Section 4.2 of the TDP.

1.121. "Supplemental Distribution" shall have the meaning ascribed to it in Section 4.3 of the TDP.

1.122. "Supplemental Injunction" means the injunction described in Article 7.3(a) of the Plan.

1.123. "Termination Date" means that certain date upon which the Trust shall automatically terminate and which shall be ninety (90) days after the first occurrence of any one of the events listed in Section 6.2(a) of the Trust Agreement.

1.124. "Third Party Claim" means any claim or demand of any Entity which has held or asserted, which holds or asserts, or which may in the future hold or assert, such claim or demand against the Released Non-Debtor Parties (or any of them) based upon, relating to, arising out of, or in any way connected with (a) any Asbestos Claim; (b) any Released Claim; or (c) with respect to any of the Claims, Liens, or Interests described in Article 7.1.

1.125. "Third Party Injunction" means the injunction described in Article 7.3(b) of the Plan.

1.126. "Trust" means the API Asbestos Settlement Trust established pursuant to the Trust Agreement.

1.127. "Trust Advisor" means Michael Polk and any successor appointed in accordance with the terms of the Trust and who shall be an attorney who represents a significant number of then existing Direct Asbestos Individual Injury Claimants.

1.128. "Trust Agreement" means that certain API Asbestos Settlement Trust Agreement, effective as of the Effective Date, substantially in the form attached as an Exhibit to the Plan, as it may be modified from time to time.

1.129. "Trust Assets" means the assets to be delivered to the Trust pursuant to the API Group, Inc. Settlement Agreement, the Plan Documents, or otherwise, and include without limitation the following assets and any income, profits, and proceeds derived therefrom: (a) the Initial Payments, (b) the Deferred Payments as evidenced by the Deferred Payments Note and secured by the Deferred Payments Security Agreement and the stock pledged thereunder, and (c) the Asbestos Insurance Rights.

1.130. "Trust Distribution Procedures" or "TDP" means the Trust Distribution Procedures substantially in the form attached as an Attachment to the Trust Agreement, as may be modified from time to time.

1.131. "Trust Documents" means the Trust Agreement, the Trust Distribution Procedures and the other agreements, instruments and documents governing the establishment, administration and operation of the Trust, as they may be amended or modified from time to time in accordance with the Plan and such documents.

1.132. "Trust Expenses" means all costs, taxes and expenses, that are incurred after the Effective Date, of the Trust attributable or allocable to Asbestos Claims, including, but not limited to: Trustee compensation; Legal Representative compensation; Trust Advisor compensation; employee compensation; insurance premiums; legal, accounting and other professional fees and expenses; overhead; and disbursements and expenses relating to the implementation of the Trust Distribution Procedures, (but excluding payments to holders of Asbestos Claims on account of such Claims or reimbursements of such payments), and any other liabilities, costs or expenses of, or imposed upon, assumed by, or in respect of the Trust (except for payments to holders of Asbestos Claims on account of such Asbestos Claims).

1.133. "Trustee(s)" means Robert D. Brownson, the Person appointed pursuant to Article 4 of the Plan for the purpose of acting as trustee of the Trust in accordance with the terms and conditions contained in the Trust Documents, the Plan and the Confirmation Order and any person appointed to succeed the then existing Trustee in accordance with the terms of the Trust.

1.134. "United States Trustee" means the United States Trustee for the District of Minnesota.

1.135. "Unqualified Asbestos Claim" has the meaning set out in Section 1.15 above.

1.136. "Unresolved Asbestos Claim" has the meaning set out in Section 1.15 above.

1.137. "Unsecured Claim" means any Claim (regardless of whether such Claim is covered by insurance) that is neither secured nor entitled to priority under the Bankruptcy Code or by a Final Order of the Bankruptcy Court, including, but not limited to: (a) any claim arising from the rejection of an executory contract or unexpired lease under section 365 of the Bankruptcy Code, and (b) any portion of a Claim to the extent the value of the holder's interest in the Estate's interest in the property securing such Claim is less than the amount of the Claim,



or to the extent that the amount of the Claim subject to setoff is less than the amount of the Claim, as determined pursuant to section 506(a) of the Bankruptcy Code.

## ARTICLE II

### Treatment of Certain Priority Claims

- 2.1. Certain allowed claims which are not classified shall be treated as follows:
- (a) Allowed administrative expense claims specified in Code § 507(a)(1), and post-petition claims incurred in the ordinary course of Debtor's business and fees of Debtor's professionals, shall be paid in full in cash on the Effective Date, or on such other date as the Court may fix, or in the ordinary course of business as the claims mature, or upon such other terms as may be agreed upon by the holders of such claims and Debtor.
  - (b) Allowed claims of Governmental Units specified in Code § 1129(a) and 507(a)(8) shall be paid in full in cash on the Effective Date.
  - (c) Allowed claims arising under any executory contracts or unexpired leases that are assumed by Debtor will be paid according to the terms of any order of the Court approving assumption of such contract or lease, or such other terms as may be agreed upon between the holders of such claims and the Debtor.
  - (d) Fees payable by Debtor under 28 U.S.C. § 1930 or to the Clerk of Bankruptcy Court will be paid in full in cash on the Effective Date. After confirmation, the Debtor shall continue to pay quarterly fees to the Office of the United States Trustee and to file quarterly reports with the Office of the United States Trustee until this case is closed by the Court, dismissed or converted. This requirement is subject to any amendments to 28 U.S.C. § 1930(a)(6) that Congress makes retroactively applicable to confirmed Chapter 11 cases.

## ARTICLE III

### Classification and Treatment of Claims and Interests

- 3.1. Class 1-A—Priority Wage Claims. This class consists of all allowed claims of Debtor's employees entitled to priority pursuant to Code § 507(a)(3). Each holder of a claim in this class will be paid in full on the Effective Date.
- 3.2. Class 1-B—Priority Employee Benefits Claims. This class consists of all allowed claims of Debtor's employees entitled to priority pursuant to Code § 507(a)(4). Each holder of a claim in this class will be paid in full on the Effective Date.
- 3.3. Class 2-A—Secured Claim of Holders of Senior Notes and LaSalle Bank. This class consists of the holders of secured interests in the assets of API. The holders of these claims include the secured claims based on the Senior Note Purchase Agreement and the LaSalle Credit

Agreement. The Debtor shall continue to be bound by its guarantees in favor of the holders of such claims, including but not limited to (i) a Guaranty dated February 4, 2004, by API in favor of LaSalle Bank National Association and Wells Fargo Bank National Association, and (ii) a Guaranty dated October 1, 2000 by API, Inc. in favor of the Noteholders, and except as provided in the Intercreditor Agreement, Debtor's assets shall continue to be subject to security interests of the same nature, dignity and priority as existed on the Petition Date without any further action by any Class 2-A Claimant, including but not limited to (i) the Senior Note Purchase Agreement, (ii) the LaSalle Credit Agreement, and (iii) guarantees and security agreements respecting API related thereto, including but not limited to (i) a Security Agreement dated August 20, 2001, and (ii) a Pledge Agreement dated August 20, 2001, in each case by API in favor of LaSalle Bank National Association (a successor-in-interest to U.S. Bank National Association), in its capacity as collateral agent for the banks that are parties to the LaSalle Bank Credit Agreement and the Senior Noteholders, and all such guarantees are hereby affirmed and ratified and, to the extent necessary, assumed.

3.4. Class 3-A—General Unsecured Claims against the Debtor. This class consists of all allowed unsecured claims against the Debtor that 1) are not entitled to priority, and 2) are not contained in Class 3-B. The holders of these claims shall receive full payment on the Effective Date, or when the amount of any such claim is determined, if later. These claims shall include retroactive premiums due to any CNA service mark company under an Asbestos Insurance Policy issued by any CNA service mark company that have not been previously and expressly released pursuant to an Asbestos Insurance Settlement Agreement.

3.5. Class 3-B—Asbestos Claims. As of the Effective Date, liability for all Asbestos Claims against API shall be automatically and without further act or deed assumed by and channeled to the Trust. Each Asbestos Claim against API shall be addressed by the Trust pursuant to the terms of the Trust and in accordance with the Trust Distribution Procedures. Except as provided below, the provisions of the Trust Distribution Procedures, unless the Confirmation Order provides otherwise, shall apply to all Asbestos Claimants, including a Direct Asbestos Claimant who elects to resort to the legal system and obtains a judgment for money damages. All recoveries from Asbestos Insurance Companies from and after the Petition Date shall be the property of, and turned over to, the Trust. Notwithstanding the foregoing, each holder of a Direct Asbestos Claim shall retain its Direct Action rights against any Asbestos Insurance Company that is not a Settling Asbestos Insurance Company, including rights under Minn. Stat. § 60A.08, including subdivision 6 thereof; provided, however, that (a) all recoveries from an Asbestos Insurance Company in such a Direct Action shall be turned over to the Trust, subject to any reasonable compensation arrangement in respect to prosecution of such Direct Action as may be agreed to by the Trust Advisor and Legal Representative in their sole discretion; and (b) the Trust, as part of any global settlement, including a policy buyout, with an Asbestos Insurance Company (including a settlement that is entered into after the Effective Date of the Plan) may release any and all rights held by the Trust and any and all rights held by a present or future holder of a Direct or Indirect Asbestos Claim, whether Current or Non-Current, including all Direct Action rights and any other rights against the Settling Asbestos Insurance Company.

On the Effective Date, the Trust shall make an immediate partial distribution to each of the Qualified Current Direct Claimants pursuant to the provisions of the TDP, together with a pro rata share of the net proceeds of any settlement with a Settling Asbestos Insurance Company which occurs on the Effective Date otherwise payable under the terms of the TDP to the Qualified Current Direct Claimants.

The claims of Indirect Asbestos Claimants will not participate in the distribution of any Trust Assets that are proceeds derived from Asbestos Insurance Action Recoveries except to the extent that the claim of an Indirect Asbestos Claimant was insured against by the Asbestos Insurance Policy, and then only to the extent of its pro rata share of the proceeds derived from such Policy. The claims of Indirect Asbestos Claimants will be allowable against the Trust and payable pari passu with Direct Asbestos Claims from assets which are not derived from proceeds of Asbestos Insurance Action Recoveries (after the payment of and reserve for Trust Expenses) only if such Indirect Asbestos Claim would be allowable and payable pari passu with Direct Asbestos Claimants under the provisions of the Bankruptcy Code, including sections 502(e) and 509; otherwise, the payment of Indirect Claims shall be subordinate to the payment of Direct Asbestos Claims.

3.6. Class 4—Interests. The holder of Interests in API shall retain its Interests subject to a Pledge Agreement described in this Plan.

#### ARTICLE IV

##### Classes of Claims Impaired Under Plan

4.1. The following classes of claims or interests are impaired under this Plan: 3-B.

4.2. The following classes of claims or interests are unimpaired under this Plan: 1-A, 1-B, 2-A, 3-A and 4.

#### ARTICLE V

##### Means of Execution of Plan

5.1. Initial Payments. On the Effective Date and pursuant to the Confirmation Order, API shall make a payment of \$14,500,000 and APi Group, Inc. shall make a payment of \$500,000 to the Trust (“Initial Payments”). The Initial Payments shall be used first to (i) pay all amounts payable to professionals engaged by the Committee or the Legal Representative (other than those retained by the Debtor) to be compensated under sections 330 and 331 of the Bankruptcy Code for services rendered through the Effective Date, or to reimburse API for such amounts to the extent they have been paid under applicable law and rules prior to the Effective Date, and (ii) pay \$250,000 to the law firm of Sieben Polk LaVerdiere & Dusich, P.A. for services rendered and expenses incurred in connection with the negotiation of this Plan. The balance shall be paid to the Trust for the partial distribution under paragraph 3.5 of this Plan with the balance to be held by the Trust for payment of Asbestos Claims payable as provided with respect to Class 3-B under the Trust Distribution Procedures and as described in Article VI,

paragraph 6.1 and elsewhere in the Plan. Debtor shall pay from its own funds, other than from the Initial Payments or the Deferred Payments, all amounts payable to professionals retained to represent Debtor, and other amounts payable as described in Article II and all amounts payable with respect to unclassified claims and all amounts payable as provided with respect to Classes 1-A, 1-B, 2-A and 3-A.

5.2. Deferred Payments. Pursuant to the Confirmation Order, API will make eighty (80) quarterly payments of \$325,000 without interest, ("Deferred Payments") to the Trust. The first payment shall be due on the first day of the fourth full month after the Effective Date and the remaining payments will be due on the first day of each third month thereafter until deferred payments totaling \$26 million are received by the Trust.

5.3. Note and Security. The obligation to pay the Deferred Payments shall be evidenced by a promissory note substantially in the form filed as one of the Plan Documents ("Promissory Note") and secured by 51% of the voting shares of API evidenced by a security agreement substantially in the form filed as one of the Plan Documents ("Pledge Agreement"). In addition, API shall grant a security interest in all of its assets substantially in the form filed as one of the Plan Documents ("API Security Agreement") to the Trust to secure its obligations under the Promissory Note. In return for receiving the benefits of the Supplemental Injunction and the Third Party Injunction, APi Group, Inc. shall cause LaSalle Bank National Association, in its capacity as collateral agent for each of (a) the Noteholders, and (b) the banks party to a Credit Agreement dated as of February 4, 2002, to enter into the Intercreditor Agreement, the terms of which shall, among other things, subordinate their security interests in the assets of API on the terms and conditions set forth therein.

API shall have the right, at any time after the Effective Date to substitute an annuity contract issued by an insurance company having a rating of A.M. Best of A+ or better, for obligations in excess of five years or A- for obligations of five years or less to provide the Deferred Payments. As an alternative to the annuity, API may offer and the Trustee, Trust Advisor and Legal Representative shall, in their reasonable discretion, accept bank letters of credit, bank commercial papers, treasury bills or other commercial instruments to provide the Deferred Payments. In either event, or in the event of prepayment in full of the Promissory Note, the Trustee shall return to API the Promissory Note, Pledge Agreement (with Collateral), Proxy and API Security Agreement and shall execute such documents as are reasonably necessary to effectuate the release of API from its obligations for the Deferred Payments and under such documents.

5.4. Insurance.

(a) Pursuant to Bankruptcy Code sections 541(c) and 1123(a)(5)(B), on the Effective Date, the Trust shall succeed to all of Debtor's Asbestos Insurance Rights in the Asbestos Insurance Policies without regard to any state law limitations on the assignment of such policies, which limitations, if any, shall be of no force and effect in respect to the reversion of such rights in the Trust. No documents of transfer shall be required to effectuate this succession, and the Trust shall be fully authorized to act in its own name, or in the name of the Debtor, to enforce any right, title or interest of the Debtor in the Asbestos

Insurance Rights. Pursuant to Bankruptcy Code section 524(g), the Trust is, and shall be deemed to be, for all purposes, including but not limited to for the purpose of insurance and indemnity, the successor to API in respect to Asbestos Claims and coverage under the Asbestos Insurance Policies.

(b) Notwithstanding the revesting of the Debtor's Asbestos Insurance Rights in the Asbestos Insurance Policies to the Trust, the Debtor shall not be relieved of its continuing duties, if any, under any Asbestos Insurance Policy, and shall continue to perform such duties as required by applicable law. The Trust will perform such duties to the extent it is able and shall compensate Debtor for out-of-pocket costs incurred by Debtor in performing such duties. As part of the revesting of the Asbestos Insurance Rights in the Trust, the Debtor shall cure, or provide for prompt cure, of any amounts determined to be due an Asbestos Insurance Company under the terms of the Asbestos Insurance Policies in the nature of retroactive premiums, payments in excess of coverage obligations, or reimbursements of costs and expenses arising from a defense by the Asbestos Insurance Company under a reservation of rights, each to the extent due under applicable non-bankruptcy law after taking into account all defenses and rights of setoff by the Debtor to the extent a proof of claim is filed and allowed by Final Order. The Trust shall reimburse the Debtor as a Trust Expense for any amounts reasonably paid in accordance with this provision to the extent such amounts relate to the payment of Asbestos Claims other than Asbestos Claims related to workers' compensation. From and after the Effective Date, the Trust shall be responsible for any future monetary obligations due an Asbestos Insurance Company under the terms of an Asbestos Insurance Policy revested in the Trust.

(c) All proceeds arising from or under any Asbestos Insurance Policy as a result of an obligation to indemnify API or the Trust on account of any Asbestos Claims, including, without limitation, as a result of the Coverage Litigation or actions by individual holders of Asbestos Claims, shall be recovered and held for the benefit of (i) all holders of Direct Asbestos Claims, and (ii) those holders of Indirect Asbestos Claims, if any, whose claims are insured against under the terms of an Asbestos Insurance Policy, but only to the extent of their pro rata share of the proceeds derived from such Policy. To the extent such proceeds of an Asbestos Insurance Policy are collected by API, as debtor in possession, such proceeds shall be paid to the Trust on the Effective Date; provided, however, that from such proceeds, amounts owed to either API or Faricy & Roen, P.A. will be paid to each in accordance with the terms of the Retainer Agreement between Faricy & Roen, P.A. Any amounts remaining thereafter will become Trust Assets available for use by the Trustee in accordance with the terms of this Plan, the Trust Agreement and the TDP, including the payment of Trust Expenses to the extent assets that are not the proceeds of Asbestos Insurance Policies are insufficient to pay such Trust Expenses.

(d) Any evidence adduced as part of the Confirmation Hearing in respect to the total Aggregate Claims Amount of present and future Asbestos Claims of the Debtor, and any findings of the Bankruptcy Court related to that evidence, shall be solely for the purpose of establishing the requirements of Bankruptcy Code sections 524(g) and 1129 in connection with Confirmation, and shall have no res judicata or collateral estoppel effect in any other context. The non-binding estimation provisions of this Plan shall have no effect

upon any “no action” provisions contained in any applicable Asbestos Insurance Policy to the extent any such provision remains enforceable by an Asbestos Insurance Company under applicable non-bankruptcy law, with the result that, to the extent any such “no action” provision remains enforceable by an Asbestos Insurance Company, such Asbestos Insurance Company shall have no liability to the Debtor or the Trust with respect to any Asbestos Claim until entry of judgment by a court of competent jurisdiction or written settlement agreement approved by such insurer. Moreover, to the extent an Asbestos Insurance Company as a result of its prior actions and inactions continues to hold such rights as a matter of applicable non-bankruptcy law, it shall retain the full benefit of any policy provision that requires the estimation of an underlying coverage limit, the right to associate with the insured in defense and control of any claim proceeding, and the right to appeal as may be contained in any applicable Asbestos Insurance Policy.

(e) The approval at the Confirmation Hearing of the Estimated Values and the mechanisms provided in the Trust Distribution Procedures shall constitute the approval of a class of consensual compromises pursuant to Bankruptcy Rule 9019(b) for estimate purposes only in respect of the amount of applicable Direct Asbestos Claims, which estimation shall be used solely for distribution purposes by the Trust. The consensual estimation of claims only for purposes of distribution by the Trust shall not be a finding or fixing of the amount of any Asbestos Claim with any binding legal effect other than for that purpose. A claim regarding such a distribution is made may or may not be further pursued in the state or federal court system, but the fact that the claim has been so estimated for distribution purposes will not have any res judicata or collateral estoppel effect for any other purpose and shall not constitute a binding determination on any issue or the creation of a liquidated non-bankruptcy claim.

(f) The estimation for distribution purposes only as provided in Paragraph 5.4(e) shall be wholly without prejudice to any and all rights of the parties in all other contexts or forums and shall not be deemed to be a triggering event for liability under any Asbestos Insurance Policy. To the extent a claim is pursued under applicable non-bankruptcy law, it may be pursued for its full amount according to proof, and the Debtor, the Trust and each Asbestos Insurance Company shall retain any and all defenses that may exist in respect to such Asbestos Claim. The duties and obligations of each Asbestos Insurance Company under the Asbestos Insurance Policies shall not be impaired, altered, reduced or diminished by (1) the discharge of all obligations and liabilities of the Debtor, (2) the assumption of responsibility and liability for all Asbestos Claims by the Trust, or (3) releases granted to Released Non-Debtor Parties under the Plan, and each Asbestos Insurance Company shall be entitled to (a) consent to any settlement of the asserted claim in all other contexts, (b) the cooperation of the Debtor in defense of the claim in all other forums, (c) manage the course of the litigation in all other forums, and (d) such other rights as are provided under the terms of their respective Asbestos Insurance Policies as if the Asbestos Claim had never been estimated for distribution purposes in connection with the Reorganization Case, all to the extent, if any, provided under the respective terms of their policies and applicable non-bankruptcy law after taking into account an Asbestos Insurance Company’s actions and inactions in respect to its duties and obligations under its policies.

(g) Nothing provided for in this Section 5.4 shall limit the ability of the Trust (at the direction of the Trust Advisor and the Legal Representative) or the Debtor to (i) seek a binding determination of any Asbestos Claim as provided in the TDP, (ii) enter into Miller-Shugart or other agreements in accordance with applicable non-bankruptcy law, and/or (iii) formally endorse a Direct Asbestos Claimant's rights to pursue their remedies under Minn. Stat § 60A.08, including subdivision 6 thereof, subject to the provisions of Section 3.5 and in accordance with applicable non-bankruptcy law.

(h) Subject to the terms of this Plan, the Coverage Litigation shall be preserved by the Debtor for prosecution by the Trust. On or after the Effective Date, the Trust shall be entitled to compromise or settle all or any part of the Coverage Action; provided, however, that any such settlement shall require the consent of the Legal Representative and the Trust Advisor.

(i) Except as provided in this Plan or in any Asbestos Insurance Settlement Agreements, to the extent any Person or Entity, including the Trust, shall be entitled to the benefit of any Asbestos Insurance Policy as of the Petition Date, all such persons or Entities are entitled to the benefit of such Asbestos Insurance Policies as of and following the Effective Date, subject to defenses, if any, that the insurers issuing the Asbestos Insurance Policies would be able to raise if the claim for coverage were being brought by API, excepting any defense (1) related to the revesting of such pre-petition contracts, or rights or proceeds thereunder, in the Trust in connection with or pursuant to this Plan, (2) that is effected by operation of bankruptcy law as a consequence of confirmation of the Plan, or (3) based on facts determined by the Bankruptcy Court in connection with confirmation of the Plan based on the doctrines of res judicata and collateral estoppel under applicable law.

5.5. Reimbursement of Certain Expenses. Debtor shall be entitled to reimbursement of expenses payable by it to Faricy & Roen for fees and expenses, including other expenses incurred under the direction of F&R but paid directly by API, attributable to litigation with Asbestos Insurance Companies incurred on or after September 15, 2004. For the period September 15 through October 30, 2004, the reimbursement shall be limited fees and expenses as if paid at the rate applicable to the period commencing November 1, 2004 under the revised Retainer Agreement approved in the order of the Bankruptcy Court authorizing their employment. From November 1 until confirmation, API shall be reimbursed for all fees and expenses incurred pursuant to the same agreement. Reimbursement shall be made from the net proceeds of any recoveries from Employers Reinsurance Corporation, Travelers Property Casualty f/k/a Aetna Casualty and Insurance Co., U.S. Fire Insurance Co., or Continental Insurance Company.

5.6. Cooperation. At the reasonable request of the Trust and at the expense of the Trust, Debtor shall cooperate and assist the Trust in the enforcement of any right or prosecution of any claim pursuant to the Asbestos Insurance Rights, including, but not limited to, prosecution of Asbestos Insurance Actions against any Asbestos Insurance Company in the name of the Debtor. Such cooperation shall include but shall not be limited to providing access to all documentation and electronic information and providing employees to testify in depositions and trials as the Trustee may in his/her discretion determine is appropriate or necessary for the Trustee to fulfill his/her obligations under Article VI herein and the Trust Agreement.

5.7. Reservation of Rights of Asbestos Insurance Companies. Except as provided in any Asbestos Insurance Settlement Agreement and in Section 5.4 hereof, nothing in this Plan determines the right of any Asbestos Insurance Companies under any Asbestos In-Place Insurance Coverage, and all Asbestos Insurance Companies shall be deemed to have reserved all rights under any Asbestos Insurance Policy, Asbestos In-Place Insurance Coverage or Insurance Settlement Agreement to contest or defend any claims against them on the merits of such claim to the extent permitted under applicable non-bankruptcy law. Notwithstanding the foregoing, the Injunctions shall be fully effective against and binding upon all Entities, including any Asbestos Insurance Company; provided, however, that any rights, claims, and/or cross-claims arising from or related to Asbestos Claims that an Asbestos Insurance Company might have been entitled to assert against Debtor or any Released Party shall be channeled to, and become rights, claims, cross-claims and/or defenses assertable solely against the Trust, subject of all rights of offset held by the Debtor or the Trust.

5.8. Asbestos Insurance Settlement Agreement. To the extent that an Asbestos Insurance Settlement Agreement is entered into with any Asbestos Insurance Company, a separate motion shall be filed requesting Bankruptcy Court approval pursuant to Bankruptcy Rule 9019. To the extent provided in any such approved Asbestos Insurance Settlement Agreement, the Settling Asbestos Insurance Company shall be a party entitled to the protections of the Asbestos Insurance Company Injunction.

## ARTICLE VI

### Trust, Legal Representative and Trust Advisor

6.1. Establishment and Purpose of Trust. On the Effective Date, the Trust shall be established in accordance with the Plan Documents pursuant to the Confirmation Order. The Trust shall be a “designated settlement fund” within the meaning of section 468B of the IRC and a “qualified settlement fund” within Treasury Regulation section 1.468B-2. The purpose of the Trust shall be to, among other things, (a) direct the liquidation, resolution, payment, and satisfaction of all Asbestos Claims in accordance with the Plan, the Trust Distribution Procedures, and the Confirmation Order; (b) preserve, hold, manage, and maximize the Trust Assets for use in paying and satisfying Allowed Asbestos Claims; (c) prosecute, settle, and manage the disposition of the Asbestos In-Place Insurance Coverage; and (d) prosecute, settle, and manage Asbestos Insurance Actions. The Trust Distribution Procedures shall provide for the estimation and payment or disallowance of Asbestos Claims pursuant to the terms of the Plan Documents. The Trust shall be administered by persons who are independent of the Debtor. The Debtor shall not hold any beneficial interest in the income or corpus of the Trust.

6.2. Receipt Of Trust Assets. On the Effective Date pursuant to the Confirmation Order, all Trust Assets shall be transferred to, vested in, and assumed by the Trust, subject to the terms of the APi Group, Inc. Settlement Agreement; provided, however, that to the extent that 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 but no more than 10 days following the Effective Date, except as API and the Trustee may otherwise agree.

6.3. Discharge Of Liabilities To Holders Of Asbestos Claims. Except as provided in the Plan Documents and Confirmation Order, the occurrence of the Effective Date, the transfer and vesting of the Trust Assets in the Trust, and the assumption by the Trust of the Asbestos Claims as contemplated by the Plan, among other things, shall (1) discharge the Debtor in respect of all Asbestos Claims, and (2) terminate any tolling agreements including the tolling agreement dated June 28, 2002. Upon the Effective Date, the Trust shall assume responsibility and liability for all Asbestos Claims and the Trust shall be responsible and liable for all obligations owed by the Trust under the APi Group, Inc. Settlement Agreement or the APi Group, Inc. Release and such Claims shall be paid by the Trust as Trust Expenses.

6.4. Excess Trust Assets. To the extent there are any Trust Assets remaining after the payment, in full, of all Allowed Asbestos Claims and the payment, in full, of all Trust Expenses, such excess Trust Assets shall be transferred, in accordance with Article 6.2(b) of the Trust Agreement, to such charitable purposes as the Trustee or Trustees, in their reasonable discretion, shall determine; provided, however, that such charitable purposes, if practicable, shall be related to the treatment of, research regarding or payment of claims related to asbestos-caused disorders.

6.5. Trust Expenses. The Trust shall pay all Trust Expenses from the Trust Assets; provided, however, that Trust Expenses will be first paid from Trust Assets that are not proceeds of Asbestos Insurance Rights. Neither the Debtor nor APi Group, Inc. shall have any obligation to pay any Trust Expenses.

6.6. Selection Of The Initial Trustee or Trustees. The initial Trustee of the Trust shall be Robert Brownson. All 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, each Trustee shall be deemed to be a "party in interest" within the meaning of section 1109(b) of the Bankruptcy Code. Thomas Carey will continue to serve as the Legal Representative and Michael Polk will serve as the Trust Advisor, and both will be compensated for future services by the Trust.

6.7. Amendment of Trust and Plan Documents. The Trust Agreement and any other Plan Documents are hereby deemed amended to provide that a holder of an Asbestos Claim, or his or her authorized agent, as a condition to payment by the Trust from the proceeds of a settlement with a Settling Asbestos Insurance Company, shall execute and deliver to each Settling Asbestos Insurance Company a release in the form annexed to such Settling Asbestos Insurance Company's Asbestos Insurance Settlement Agreement.

## ARTICLE VII

### Injunctions, Releases And Discharge

7.1. Discharge And Release. Except as specifically provided in the Plan Documents or in the Confirmation Order, effective on the Effective Date, Confirmation shall (a) discharge the Debtor from any and all Claims and demands 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, 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 Article 7.1, 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.

7.2. Discharge and Channeling Injunction. Except as specifically provided in the Plan Documents to the contrary, the discharge set forth in Article 7.1 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.

7.3. The Supplemental Injunction, The Third Party Injunction And The Asbestos Insurance Company Injunction. In order to supplement the injunctive effect of the Discharge Injunction, and pursuant to sections 524(g) and 105(a) of the Bankruptcy Code the Confirmation Order shall provide for the following injunctions to take effect as of the Confirmation Date:

(a) Supplemental Injunction.

(1) Terms. In order to preserve and promote the settlements contemplated by and provided for in the Plan and to supplement, where necessary, the injunctive effect of the discharge both provided by sections 1141 and 524 of the Bankruptcy Code and as described in this Article, 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 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.

(2) Reservations. 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 Asbestos 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 Asbestos 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.

(b) Third Party Injunction.

(1) Terms. In order to preserve and promote the settlements contemplated by and provided for in the Plan and 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.

(2) Reservations. Notwithstanding anything to the contrary above, this Third Party Injunction shall not enjoin:

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

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

(C) 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 Asbestos Insurance Settlement Agreement);

(D) 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 Asbestos Insurance Settlement Agreement); and

(E) 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.

(c) Asbestos Insurance Company Injunction.

(1) Terms. In order to preserve and promote the property of the Estate, as well as the settlements contemplated and provided for in the Plan, 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 Asbestos Claim, 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 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.

(2) Reservations. Notwithstanding anything to the contrary above, this Asbestos Insurance Company 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 against the Trust in accordance with the Trust Distribution Procedures;

(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 and Debtor to prosecute any Asbestos Insurance Action against Entities other than a Settling Asbestos Insurance Company;

(D) 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 Asbestos Insurance Settlement Agreement); and

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

7.4. Rights Against Non-Debtors Under Environmental Laws. Notwithstanding anything to the contrary contained herein, the injunctions and releases set forth in this Article 7, including, but not limited to, the Injunctions, shall not impair the rights or causes of action of the United States of America against non-debtor parties under applicable Environmental Laws, and such rights and causes of action shall not be discharged or otherwise adversely affected by the Plan.

## ARTICLE VIII

### Executory Contracts and Unexpired Leases

8.1. Assumption and Rejection. Except as may be provided in a separate order of the Court, all executory contracts and unexpired leases of Debtor, including existing employment contracts, are assumed on the date the Court's order confirming the Plan becomes a Final Order.

## ARTICLE IX

### Conditions to Confirmation and Effectiveness

9.1. Conditions To Confirmation. Confirmation of the Plan shall not occur unless each of the following conditions has been satisfied or waived, in writing, by the Debtor, APi Group, Inc., the Committee, and the Legal Representative:

(a) Confirmation Order. The Bankruptcy Court shall have overruled all objections and made such findings and determinations as required by applicable law, including 11 U.S.C. §§ 524(g) and 1129, regarding the Plan as shall enable the entry of the Confirmation Order, and any other order entered in conjunction therewith, in form and substance acceptable to API, APi Group, Inc., the Legal Representative and the Committee;

(b) The Bankruptcy Court shall have determined that the Trust is a "designated settlement fund" within the meaning of section 468(d)(2) of the IRC and a "qualified settlement fund" within the meaning of Treasury Regulation section 1.468B-1 and the balance of the Initial Payments transferred to the Trust and the Deferred Payments, when made, are "qualified payments" within the meaning of section 468B(d)(1) of the IRC;

(c) The Bankruptcy Court shall have approved the Plan Documents;

(d) The Bankruptcy Court shall have approved the APi Group, Inc. Settlement Agreement and Asbestos Claims Estimation Agreement; and

(e) A.P.I., Inc. shall continue to be bound by all guarantees and security agreements executed in favor of the banks party to the LaSalle Bank Credit Agreement, the Senior Noteholders and their agents, and the claims of such parties shall be allowed in full.

9.2. Conditions To Effectiveness. Notwithstanding any other provision of the Plan or the Confirmation Order, the Effective Date of the Plan shall not occur unless and until each of the following conditions has been satisfied or, if applicable, waived as provided below:

(a) Confirmation Order. The Confirmation Order shall have been entered by a court of competent jurisdiction and the injunctions provided for therein shall have been



issued or affirmed by the District Court, and the Confirmation Order shall have become a Final Order; provided, however, that the Effective Date may occur at a point in time when the Confirmation Order is not a Final Order at the option of the Debtor, APi Group, Inc., the Committee, and the Legal Representative unless the effectiveness of the Confirmation Order has been stayed or vacated, in which case the Effective Date may be, again at the option jointly exercised by the Debtor, APi Group, Inc., the Committee, and the Legal Representative, the first Business Day immediately following the expiration or other termination of any stay of effectiveness of the Confirmation Order; and, further provided, however, that the conditions set forth in this subpart 9.2(a) may be waived by joint agreement of the Debtor, APi Group, Inc., the Committee, and the Legal Representative.

(b) Plan Documents. The Plan Documents necessary or appropriate to implement the Plan shall have been executed, delivered and, where applicable, filed with the appropriate governmental authorities and the Closing of the APi Group, Inc. Settlement Agreement shall have occurred simultaneously therewith; provided, however, that the conditions set forth in this subpart 9.2(b) may be waived by the Debtor, APi Group, Inc., the Committee, and the Legal Representative.

(c) APi Group, Inc. Settlement Agreement and Asbestos Claims Estimation Agreement. The Closing under the APi Group, Inc. Settlement Agreement and the Asbestos Claims Estimation Agreement shall have occurred in accordance with and subject to its terms.

## ARTICLE X

### Implementation Of The Plan

10.1. Trust Funding. On the Effective Date, Debtor shall transfer the Trust Assets to the Trust as part of the consideration to be paid by Debtor to the Trust for the Trust's assumption of Debtor's Asbestos Claims, reserving only as much as is reasonably necessary to make the payments provided in paragraph 5.1 above. Thereafter, as further consideration for the Trust's assumption of Debtor's Asbestos Claims, Debtor shall transfer to the Trust, all Deferred Payments and proceeds received pursuant to (a) the Asbestos Insurance Action Recoveries, (b) Asbestos In-Place Insurance Coverage, (c) Asbestos Insurance Settlement Agreements, and (d) Asbestos Insurance Policies.

10.2. Closing Under The APi Group, Inc. Settlement Agreement. On the Effective Date, the Closing under the APi Group, Inc. Settlement Agreement shall occur in accordance with and subject to its terms.

10.3. Articles Of Incorporation And Bylaws. The Articles of Incorporation of API shall, as of the Effective Date, be amended as required by this Plan and the Bankruptcy Code. Consistent with section 1123(a)(6) of the Bankruptcy Code, the amended Articles of Incorporation of API shall, among other things, prohibit the issuance of non-voting equity securities.

10.4. Management Of API. On and after the Effective Date, the business and affairs of API will be managed by the existing board of directors and officers of API or as identified at the Confirmation Hearing.

10.5. Retiree Benefits. Retiree benefits, as that term is defined in Code § 1114, shall continue after the Effective Date for any period Debtor is obligated to provide such benefits.

10.6. Withholding Of Taxes. The Debtor or the Trust, as applicable, shall withhold from any assets or property distributed under the Plan any assets or property which must be withheld for foreign, federal, state, and local taxes payable with respect thereto or payable by the Person entitled to such assets to the extent required by applicable law.

10.7. Unclaimed Property. Any cash, assets, and other property to be distributed by Debtor under the Plan or from the Trust that remain unclaimed (including by an Entity's failure to negotiate a check issued to such Entity) or otherwise not deliverable to the Entity entitled thereto ninety days after distribution shall become vested in, and shall be transferred and delivered to the party which made the distribution. In such event, such Entity's Claim shall no longer be deemed to be Allowed and such Entity shall be deemed to have waived its rights to such payments or distributions under the Plan pursuant to section 1143 of the Bankruptcy Code and shall have no further Claim in respect of such distribution and shall not participate in any further distributions under the Plan with respect to such Claim.

10.8. Indemnification. The Trust shall, at its sole expense, indemnify, defend, and hold harmless API and the Released APi Group, Inc. Parties from Asbestos Claims and against any and all liabilities, claims, damages, or losses arising from any of the Released Claims, and including reasonable expenses, costs, and fees (including attorneys' fees and costs) incurred by them in connection with any action, suit, or proceeding from which they are indemnified.

10.9. Exoneration. 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 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 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 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. This section only addresses 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.

10.10. Plan Distributions. The Debtor shall make all distributions required under the Plan (other than distributions to holders of Asbestos Claims). Distributions shall be made on the Distribution Date (unless otherwise provided herein or ordered by the Bankruptcy Court) with respect to all Claims except for Asbestos Claims. Distributions to be made on the Distribution Date shall be deemed actually made on the Distribution Date if made either (a) on the Distribution Date or (b) as soon as practicable thereafter. With respect to Asbestos Claims, distributions to holders of Asbestos Claims shall be made in accordance with the Trust Distribution Procedures.

10.11. Further Authorizations. The Debtor, APi Group, Inc., the Committee, or the Legal Representative, if and to the extent necessary, may seek such orders, judgments, injunctions, and rulings that any of them deem necessary to further carry out further the intentions and purposes of, and give full effect to the provisions of, the Plan.

10.12. Transfer Taxes. The issuance, transfer, or exchange of any of the securities issued under, or the transfer of any other assets or property pursuant to or in connection with the Plan or the making or delivery of an instrument of transfer under or in connection with the Plan shall not, pursuant to section 1146 of the Bankruptcy Code, be taxed under any law imposing a stamp tax, transfer tax or other similar tax.

10.13. Recordable Order. Upon Confirmation of the Plan, the Confirmation Order shall be deemed to be in recordable form, and shall be accepted by any recording officer for filing and recording purposes without further or additional orders, certifications, or other supporting documents.

10.14. Effectuating Documents And Further Transactions. The Chief Executive Officer, President, or any Vice President of the Debtor shall be authorized to execute, deliver, file, or record such contracts, instruments, releases, indentures, and other agreements or documents and take or direct such actions as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan. The Secretary or any Assistant Secretary of the Debtor shall be authorized to certify or attest to any of the foregoing actions.

10.15. Corporate Action. 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 shall be deemed to have occurred and be effective as provided herein, and shall be authorized and approved in all respects without any requirement for further action by the stockholders or directors of any of such entities.

## ARTICLE XI

### Matters Incident To Plan Confirmation

#### 11.1. Term Of Certain Injunctions And Automatic Stay.

(a) All of the injunctions and/or automatic stays provided for in or in connection with the Reorganization Case, whether pursuant to section 105, section 362 or any other provision of the Bankruptcy Code or other applicable law, in existence immediately prior to Confirmation shall remain in full force and effect until the Injunctions become effective, and thereafter if so provided by the Plan, the Confirmation Order, or by their own terms. In addition, on and after Confirmation, the Debtor may seek such further orders as it may deem necessary to preserve the status quo during the time between Confirmation and the Effective Date.

(b) Each of the Injunctions shall become effective on the Effective Date and shall continue in effect at all times thereafter. Notwithstanding anything to the contrary contained in the Plan, all actions in the nature of those to be enjoined by the Injunctions shall be enjoined during the period between the Confirmation Date and the Effective Date.

11.2. No Liability For Tax Claims. Unless a taxing authority has asserted a Claim against the Debtor before the bar date established therefor, no Claim of such authority shall be Allowed against the Debtor for taxes, penalties, interest, additions to tax, or other charges arising out of the failure, if any, of the Debtor, APi Group, Inc., or any other Entity to have paid tax or to have filed any tax return (including, but not limited to, any income tax return or franchise tax return) in or for any prior year or arising out of an audit of any return for a period before the Petition Date.

11.3. No Successor Liability. Except as otherwise expressly provided in the Plan and the APi Group, Inc. Settlement Agreement, the Debtor, APi Group, Inc., the Committee, and the Legal Representative do not, pursuant to the Plan or otherwise, assume, agree to perform, pay, or indemnify creditors or otherwise have any responsibilities for any 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. Neither the Debtor, APi Group, Inc., nor the Trust is, or shall be, a successor to the Debtor by reason of any theory of law or equity, and none shall have any successor or transferee liability of any kind or character, except that Debtor and the Trust shall assume the obligations specified in the Plan and the Confirmation Order.

11.4. Institution And Maintenance Of Legal And Other Proceedings. As of the Effective Date the Trust shall be empowered to initiate, prosecute, defend, and resolve all legal actions and other proceedings related to any asset, liability, or responsibility of the Trust. The Trust shall be empowered to initiate, prosecute, defend, and resolve all such actions in the name of API or the holder of an Asbestos Claim if deemed necessary or appropriate by the Trustees. The Trust shall be responsible for the payment of all damages, awards, judgments, settlements, expenses, costs, fees, and other charges incurred subsequent to Confirmation arising from or associated with any legal action or other proceeding which is the subject of this Article 11.4 and shall pay or reimburse all deductibles, retrospective premium adjustments, or other charges which may arise from the receipt of insurance proceeds by the Trust. Without in anyway limiting the foregoing, the Trust shall be empowered to initiate, prosecute, defend, settle, and resolve all Asbestos Insurance Actions and Direct Actions, and to maintain, administer, preserve, or pursue the Asbestos-In-Place Insurance Coverage, the Asbestos Insurance Action Recoveries, and the Asbestos Insurance Policies. Notwithstanding anything to the contrary in this Article 11.4, nothing in this Article 11.4 creates, modifies, or eliminates any right, duty, or obligation addressed, resolved, or released pursuant to this Plan or the APi Group, Inc. Settlement Agreement.

11.5. Revesting. Except as otherwise expressly provided in the Plan and the APi Group, Inc. Settlement Agreement, on the Effective Date, Debtor shall be vested with all of the assets and property of its former Estate, free and clear of all Claims, Liens, charges and other interests of holders of Claims or Interests, and may operate its business free of any restrictions imposed by the Bankruptcy Code or by the Bankruptcy Court.

11.6. Vesting And Enforcement Of Causes Of Action. Pursuant to section 1123(b)(3)(B) of the Bankruptcy Code, except as otherwise provided in section 5.4 or elsewhere in the Plan, the Debtor shall be vested with and have the right to enforce against any Entity any and all of API's causes of action; provided, however, that nothing herein shall alter, amend, or modify the injunctions (including the Injunctions), releases, or discharges provided herein.

## ARTICLE XII

### Claims

12.1 Proof of Claim. Except for Asbestos Claimants, if proof of a claim is required under Bankruptcy Rule 3003 and not timely filed, the holder of such claim will not be treated as a creditor for purposes of distribution under this Plan and will receive no distribution under this plan on account of such claim.

12.2 Payment of Contested Claims. No payment shall be made under the Plan with respect to a Contested Claim until the objection to allowance or motion for determination of the value of security has been resolved by agreement of the parties to such objection or motion or by Final Order. As soon as practicable after such resolution has been obtained by agreement or Final Order, the Debtor shall perform the treatment of such claim provided in the Plan.

12.3 Prosecution Of Objections. After the Effective Date, only Debtor shall have authority to file objections to Claims (other than Asbestos Claims) and litigate to judgment, settle, or withdraw such objections to Disputed Claims. After the Effective Date, only the Trust shall have authority to file objections to Asbestos Claims and litigate to judgment, settle, or withdraw such objections to Asbestos Claims; provided, however, that if an Asbestos Claim is to be resolved other than by consensual agreement to the estimation provided for distribution purposes pursuant to the Trust Distribution Procedures, an Asbestos Insurance Company shall have the right to participate in the determination of such claim to the extent provided in Section 5.4 hereof.

### ARTICLE XIII

#### Miscellaneous

13.1. In the event this Plan is not confirmed under Code § 1129(a), Plan Proponents request that this Plan be confirmed under Code § 1129(b).

13.2 Jurisdiction. Until the Reorganization Case is closed, the Bankruptcy Court shall retain the fullest and most extensive jurisdiction permissible, including that necessary to ensure that the purposes and intent of the Plan are carried out. Except as otherwise provided in the Plan, the Bankruptcy Court shall retain jurisdiction, to the extent authorized by 28 U.S.C. § 157, to hear and determine all Claims against and Interests in the Debtor, and to adjudicate and enforce all other causes of action which may exist on behalf of the Debtor. Except as provided in the APi Group, Inc. Settlement Agreement, nothing contained herein shall prevent the Debtor or the Trust from taking such action as may be necessary in the enforcement of any cause of action which the Debtor has or may have and which may not have been enforced or prosecuted by the Debtor, which cause of action shall survive Confirmation of the Plan and shall not be affected thereby except as specifically provided herein.

13.3. General Retention. Following the Confirmation of the Plan, the administration of the Reorganization Case will continue at least until the completion of the transfers contemplated to be accomplished on the Effective Date. Moreover, 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 regulations issued pursuant thereto. The Bankruptcy Court shall also retain jurisdiction for the purpose of classification of any Claim and the re-examination of Claims which have been Allowed for purposes of voting, and the determination of such objections as may be filed with the Bankruptcy Court with respect to any Claim to the extent authorized by 28 U.S.C. §§ 157 and 1334(b). The failure by the Debtor to object to, or examine, any Claim for the purposes of voting, shall not be deemed a waiver of the right of the Debtor, or the Trust, as the case may be, to object to or re-examine such Claim in whole or part.

13.4 Specific Purposes. In addition to the foregoing, the Bankruptcy Court shall retain jurisdiction to the extent authorized by 28 U.S.C. §§ 157 and 1334(b) for the following specific purposes after Confirmation:

(a) to modify the Plan after Confirmation, pursuant to the provisions of the Bankruptcy Code and the Bankruptcy Rules;

(b) to correct any defect, cure any omission, reconcile any inconsistency, or make any other necessary changes or modifications in or to the Plan, the Trust Documents or the Confirmation Order as may be necessary to carry out the purposes and intent of the Plan, including the adjustment of the date(s) of performance under the Plan Documents in the event that the Effective Date does not occur as provided herein so that the intended effect of the Plan may be substantially realized thereby;

(c) to assure the performance by the Disbursing Agent, if any, and the Trust of their respective obligations to make distributions under the Plan;

(d) to enforce and interpret the terms and conditions of the Plan Documents;

(e) to enter such orders or judgments, including, but not limited to, injunctions (i) as are necessary to enforce the title, rights, and powers of the Debtor, and the Trust and (ii) as are necessary to enable holders of Claims to pursue their rights against any Entity that may be liable therefor pursuant to applicable law or otherwise, including, but not limited to, Bankruptcy Court orders;

(f) to hear and determine any motions or contested matters involving taxes, tax refunds, tax attributes, tax benefits, and similar or related matters with respect to the Debtor or the Trust arising on or prior to the Effective Date, arising on account of transactions contemplated by the Plan Documents, or relating to the period of administration of the Reorganization Case;

(g) to hear and determine all applications for compensation of professionals and reimbursement of expenses under sections 330, 331, or 503(b) of the Bankruptcy Code;

(h) to hear and determine any causes of action arising during the period from the Petition Date through the Effective Date;

(i) to hear and determine any cause of action in any way related to the Plan Documents or the transactions contemplated thereby, against the Debtor, APi Group, Inc., the Committee, the Trust, the Trustees, or the Legal Representative and their respective officers, directors, stockholders, employees, members, attorneys, accountants, financial advisors, representatives, and agents;

(j) to hear and determine any and all motions pending as of Confirmation for the rejection, assumption, or assignment of executory contracts or unexpired leases and the allowance of any Claim resulting therefrom;

(k) to hear and determine such other matters and for such other purposes as may be provided in the Confirmation Order;

(l) to consider and act on the compromise and settlement of any Claim against or Interest in the Debtor or its Estate including, without limitation, any disputes relating to an Administrative Claims Bar Date and the Unsecured Claims Bar Date;

(m) to hear and determine all questions and disputes regarding title to the assets of the Debtor, its Estate, or the Trust;

(n) to hear and determine any other matters related hereto, including the implementation and enforcement of all orders entered by the Bankruptcy Court in this Reorganization Case;

(o) to retain continuing jurisdiction with regard to the Trust sufficient to satisfy the requirements of Treasury Regulation section 1.468B-1(c)(1);

(p) to hear and determine any and all applications brought by the Trustees to amend, modify, alter, or repeal any provision of the Trust Agreement or the Trust Distribution Procedures; and

(q) to enter such orders as are necessary to implement and enforce the Injunctions and the other injunctions described herein, including, without limitation, orders extending the protections afforded by section 524(g) to the Settling Asbestos Insurance Companies.

13.5. Interpretation of Certain Terms. When used in the Plan, the term "Claim" shall be broadly construed to include all manner and type of claim, whenever and wherever such claim may arise, and shall include, but not be limited to, Asbestos Claims. Likewise, when used in the Plan, the term "Asbestos Claim" shall be broadly construed and shall include, but not be limited to, claims that may or may not presently constitute "claims" within the meaning of section 101(5) of the Bankruptcy Code and demands that may or may not constitute "demands" within the meaning of section 524(g)(5) of the Bankruptcy Code.

13.6. The Committee. The Committee shall continue in existence until the Effective Date, with the Estate to pay the reasonable fees and expenses of the Committee and the Legal Representative from the Initial Payments pursuant to Article 5.1 hereof through that date as well, in accordance with any fee and expense procedures promulgated during the Reorganization Case. After the Effective Date, the Committee shall be dissolved and the members of the Committee, 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 Reorganization Case.

13.7. Revocation Of Plan. The Debtor reserves the right to revoke and withdraw the Plan before the entry of the Confirmation Order. If the Debtor revokes or withdraws the Plan, or if Confirmation does not occur, then, with respect to all Parties in Interest, the Plan and the APi Group, Inc. Settlement Agreement shall be deemed null and void and nothing contained herein shall be deemed to constitute a waiver or release of any Claims by or against the Debtor or any



other Entity or to prejudice in any manner the rights of the Debtor or such Entity in any further proceedings involving the Debtor.

13.8. Modification Of Plan. Subject to the terms of the APi Group, Inc. Settlement Agreement, the Debtor may propose amendments to or modifications of the Plan under section 1127 of the Bankruptcy Code at any time prior to the Confirmation Date. After Confirmation, the Debtor may remedy any defects or omissions or reconcile any inconsistencies in the Plan or the Confirmation Order or any other order entered for the purpose of implementing the Plan in such manner as may be necessary to carry out the purposes and intent of the Plan so long as the interests of APi Group, Inc., as determined by APi Group, Inc., and of the holders of Allowed Claims are not adversely affected. Anything in the Plan or in any Plan Document to the contrary notwithstanding, following Confirmation no Plan Document shall be modified, supplemented, changed or amended in any material respect except with the consent of APi Group, Inc. (to the extent that any such modification, supplementation, change, or amendment impairs or affects APi Group, Inc.'s rights under the Plan Documents) and APi as Debtor or to the extent that any such modification, implementation, change or amendment would be materially adverse to the rights of any Settling Asbestos Insurance Company under any Asbestos Insurance Settlement Agreement approved by the Court. In the event of a conflict between the terms or provisions of the Plan and the Trust Documents, the terms of the Plan shall control the Trust Documents. In the event of a conflict between the terms of the Plan Documents and the terms of the APi Group, Inc. Settlement Agreement, the terms of the APi Group, Inc. Settlement Agreement shall control.

13.9. Modification Of Payment Terms. The Debtor reserves the right to modify the treatment of any Allowed Claim, as provided in section 1123(a)(4) of the Bankruptcy Code, at any time after the Effective Date upon the consent of the holder of such Allowed Claim.

13.10. Entire Agreement. The Plan Documents set forth the entire agreement and undertakings relating to the subject matter thereof and supersede all prior discussions and documents. No Entity shall be bound by any terms, conditions, definitions, warranties, understandings, or representations with respect to the subject matter hereof, other than as expressly provided for herein or as may hereafter be agreed to by the parties in writing.

13.11. Severability. Subject to the terms of the APi Group, Inc. Settlement Agreement, and except as provided therein, should any provision in this Plan 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 Plan; provided, however, that upon any such determination of unenforceability, APi Group, Inc., the Legal Representative, and the Committee have the right to object in writing to such determination prior to the Effective Date. In the event of such an objection, the remaining provisions of the Plan shall not be enforceable or given operative effect and Confirmation shall not be effective without further order of the Bankruptcy Court. Notwithstanding the foregoing, neither APi Group, Inc., the Legal Representative, nor the Committee shall have the right to object to any finding of unenforceability of, or the modification of, any provision of the Plan wherein the Bankruptcy Court's discretion to modify the Plan is explicitly authorized.

13.12. Headings. Headings are utilized in the Plan for convenience and reference only and shall not constitute a part of the Plan for any other purpose.

13.13. Governing Law. Except to the extent that federal law (including, but not limited to, the Bankruptcy Code and the Bankruptcy Rules) is applicable or where the Plan provides otherwise, the rights and obligations arising under the Plan shall be governed by, and construed and enforced in accordance with, the laws of the State of Minnesota, without giving effect to the principles of conflicts of law thereof.

13.14. Consent To Jurisdiction. Upon default under the Plan, the Debtor, APi Group, Inc., the Trust, and the Trustees consent to the jurisdiction of the Bankruptcy Court, or any successor thereto, and agree that it shall be the preferred forum for all proceedings relating to such default.

13.15. Setoffs. Subject to the limitations provided in section 553 of the Bankruptcy Code, the Debtor or the Trust, as applicable, may, but shall not be required to, setoff against any Claim and the payments or other distributions to be made pursuant to the Plan in respect of such Claim, claims of any nature whatsoever the Debtor may have against the holder of such Claim, but neither the failure to do so nor the allowance of any Claim hereunder shall constitute a waiver or release by the Debtor of any such claim that the Debtor may have against such holder.

13.16. Successors And Assigns. The rights, duties, and obligations of any Entity named or referred to in the Plan shall be binding upon, and shall inure to the benefit of, the successors and assigns of such Entity.

13.17. Non-Debtor Waiver of Rights. Non-debtor parties shall have the right to voluntarily waive any rights, benefits or protections that are afforded to them under the provisions of the Plan or any order issued in furtherance of the Plan, and such waiver shall supersede such rights, benefits or protections. Any such waiver shall only be effective if such party expressly and specifically waives in writing one or more of such rights, benefits or protections.

A.P.I. INC.

Dated: December 6, 2005

\_\_\_\_\_/e/ Mark Udager

By: Mark Udager

Title: Vice-President

FREDRIKSON & BYRON, P.A.

Dated: December 6, 2005

\_\_\_\_\_/e/ James L. Baillie

James L. Baillie (#3980)

Faye Knowles (#56959)

Fredrikson & Byron, P.A.

200 South Sixth Street, #4000

Minneapolis, MN 55402

(612) 492-7000

Attorneys for the Debtor

#3187420\5-Final

UNITED STATES BANKRUPTCY COURT  
DISTRICT OF MINNESOTA

In re:

A.P.I. Inc.

Debtor(s).

SIGNATURE DECLARATION

Case No. 05-30073

- PETITION, SCHEDULES & STATEMENTS  
 CHAPTER 13 PLAN  
 SCHEDULES AND STATEMENTS ACCOMPANYING VERIFIED CONVERSION  
 AMENDMENT TO PETITION, SCHEDULES & STATEMENTS  
 MODIFIED CHAPTER 13 PLAN  
 OTHER (Please describe: Third Amended Plan of Reorganization of A.P.I. Inc. (November 21, 2005) as Modified at Confirmation

I [We], the undersigned debtor(s) or authorized representative of the debtor, *make the following declarations under penalty of perjury:*

- The information I have given my attorney and provided in the electronically filed petition, statements, schedules, amendments, and/or chapter 13 plan, as indicated above, is true and correct;
- The information provided in the "Debtor Information Pages" submitted as a part of the electronic commencement of the above-referenced case is true and correct;
- [individual debtors only] If no Social Security Number is included in the "Debtor Information Pages" submitted as a part of the electronic commencement of the above-referenced case, it is because I do not have a Social Security Number;
- I consent to my attorney electronically filing with the United States Bankruptcy Court my petition, statements and schedules, amendments, and/or chapter 13 plan, as indicated above, together with a scanned image of this Signature Declaration and the completed "Debtor Information Pages," if applicable; and
- [corporate and partnership debtors only] I have been authorized to file this petition on behalf of the debtor.

Date: December 6, 2005

X

Signature of Debtor or Authorized Representative

Mark Udager, Vice President

Printed Name of Debtor or Authorized Representative

X

Signature of Joint Debtor

Printed Name of Joint Debtor

Form ERS 1 (Rev. 10/03)

**Charter, Susan**

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**From:** mnb\_cmecf@mnb.uscourts.gov  
**Sent:** Tuesday, December 06, 2005 2:29 PM  
**To:** mnb\_noreply@mnb.uscourts.gov  
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**US Bankruptcy Court [LIVE]**

**District of Minnesota**

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The following transaction was received from Knowles, Faye entered on 12/6/2005 at 2:28 PM CST and filed on 12/6/2005

**Case Name:** A P I INC  
**Case Number:** 05-30073  
**Document Number:** 492

**Docket Text:**

Amended chapter 11 plan of reorganization *Third Amended (November 21, 2005) as Modified at Confirmation* (re:[286] Chapter 11 plan) filed by A P I INC. Signature declaration. (Knowles, Faye)

The following document(s) are associated with this transaction:

**Document description:**Main Document

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060595c806626838b34cb1561d54b964ad95fd7426e6436fd66cba84e3b6]]

**05-30073 Notice will be electronically mailed to:**

WILLIAM M BEADIE wmb@mch-pllp.com,

James L. Baillie jbaillie@fredlaw.com, scharter@fredlaw.com

Mary Cox mcox@hensonefron.com

Andrea L D'ambra andrea.dambra@dbr.com, adambra@comcast.net

Susan E Gustad susang@bassford.com, ruthk@bassford.com

William I Kampf wkampf@hensonefron.com,

12/7/2005

Lorie A Klein klein@moss-barnett.com, montpetitm@moss-barnett.com

Faye Knowles fknowles@fredlaw.com, tstpierre@fredlaw.com

Phillip Kunkel ! phillip.kunkel@gpmlaw.com

Chris T Lenhart lenhart.chris@dorsey.com

Brian F Leonard bleonard@losgs.com

Stephen M Mertz smertz@faegre.com,

Michael L Meyer mlmeyer@ravichmeyer.com

Steven W Meyer smeyer@oppenheimer.com,

Timothy D Moratzka tdm@mcmlaw.com, ldj@mcmlaw.com

Cynthia A. Moyer cmoyer@fredlaw.com, cthomas@fredlaw.com

Joel D Nessel jnesset@hensonefron.com

David P Primack david.primack@db! r.com,

Larry B Ricke larry.ricke@leonard.com,

Michael R Stewart mstewart@faegre.com

Eric J Strobel estrobel@hinshawlaw.com, mharo@hinshawlaw.com

Patrick C Summers pcs@mcmlaw.com, kkl@mcmlaw.com

Amy J Swedberg amy.swedberg@maslon.com

US Trustee ustpregion12.mn.ecf@usdoj.gov, ecfbkup@comcast.net

Jane Welch jwelch@riderlaw.com, sgrampre@riderlaw.com

Sarah Wencil Sarah.J.Wencil@usdoj.gov,

**05-30073 Notice will not be electronically mailed to:**

EILEEN KING BOWER  
70 W MADISON ST STE 525  
CHICAGO, IL 60602

ALAN R BRAYTON  
222 RUSH LANDING RD  
NAVATO, CA 94945

12/7/2005

CLINTON E CAMERON  
70 W MADISON ST STE 525  
CHICAGO, IL 60602

DAVID C CHRISTIAN  
227 W MONROE ST  
CHICAGO, IL 60606-5096

BRADLEY S COPELAND  
ARNOLD GALLAGHER SAYDACK ET AL  
PO BOX 1758  
EUGENE, OR 97440-1758

JOHN H FARICY  
333 S 7TH ST STE 2320  
MINNEAPOLIS, MN 55402

JEROME D FERIANCEK  
THIBODEAU JOHNSON & FERIANCEK PLLP  
302 W SUPERIOR ST STE 800  
DULUTH, MN 55802

THOMAS D JENSEN  
LIND JENSEN SULLIVAN & PETERSON PA  
150 ! S 5TH ST STE 1700  
MINNEAPOLIS, MN 55402

PAUL J KILLION  
HANCOCK ROTHERT & BUNSHOFT  
FOUR EMBARCADERO CTR STE 300  
SAN FRANCISO, CA 94111

PETER A KOLLER  
90 S 7TH ST STE 4800  
MINNEAPOLIS, MN 55402-4129

CATHERINE A MCENROE  
LEONARD STREET & DEINARD  
150 S 5TH ST STE 2300  
MINNEAPOLIS, MN 55402

MICHELLE D MITCHELL  
HINSHAW & CULBERTSON LLP  
222 S NINTH ST STE 3100  
MINNEAPOLIS, MN 55402

MILIND PAREKH  
70 W MADISON ST STE 525  
CHICAGO, IL 60602

ALAN PEDLAR

12/7/2005

1901 AVE OF THE STARS 12TH FL  
LOS ANGELES, CA 90067-6013

MICHAEL S POLK  
999 WESTVIEW DR  
HASTINGS, MN 55033

RUSSELL W ROTEN  
333 S HOPE ST  
LOS ANGELES, CA 90071

SHARON L ROYER  
1171 S CAMERON ST  
STE 312  
HARRISBURG, PA 17104-2513

ALLEN I SAEKS  
LEONARD STREET & DEINARD  
150 S 5TH ST STE 2300  
MINNEAPOLIS, MN 55402

CHARLES E SPEVECEK  
MEAGHER AND GEER PLLP  
33 S 6TH ST STE 4200  
MINNEAPOLIS, MN 55402-3788

JEANNE H UNGER  
333 S 7TH ST STE 2000  
MINNEAPOLIS, MN 55402

CLARK T WHITMORE  
MASLON EDELMAN BORMAN & BRAND  
90 S 7TH ST RM 3300  
MINNEAPOLIS, MN 55402-0612

DAVID WOLL  
SIMPSON THACHER & BARTLETT  
425 LEXINGTON AVE  
NEW YORK, NY 10017

Andrew E Weissman  
Gardner Carton & Douglas LLP  
191 N Wacker Dr ! Ste 3700  
Chicago, IL 60606-1698

Sarah Wencil-ER  
1015 US Courthouse  
Minneapolis, MN 55415

CATHERINE M ZACHARINAS  
GREAT AMERICAN INSURANCE

12/7/2005

49 E FOURTH ST STE 300 S  
CINCINNATI, OH 45202

12/7/2005