

## API TRUST DISTRIBUTION PROCEDURES

November 21, 2005

These Trust Distribution Procedures ("TDP") have been adopted in connection with the Third Amended Plan of Reorganization of A.P.I., Inc. dated November 21, 2005, as such Plan may be amended, modified, or supplemented from time to time ("Plan") filed in the reorganization case of A.P.I. Inc. ("API") pending in the United States Bankruptcy Court for the District of Minnesota.

The TDP provide for processing, estimating, deeming qualified or unqualified and paying Asbestos Claims as provided in and required by the Plan and the A.P.I., Inc. Asbestos Settlement Trust Agreement ("Trust Agreement"). The Trustee shall implement and administer the TDP in accordance with the Trust Agreement.

### SECTION I

#### DEFINITIONS

**1.1 Generally.** Capitalized terms used herein, unless otherwise defined herein, shall have the meanings assigned to them in the Plan, and such definitions are incorporated by reference. All capitalized terms not defined herein or in the Plan, but defined in the Bankruptcy Code or Rules shall have the meanings ascribed to them by the Bankruptcy Code or Rules, and such definitions are incorporated herein by reference.

### SECTION II

#### PURPOSE AND INTERPRETATION

**2.1 Submission Of All Claims.** Except for Estimated Asbestos Claims, all Asbestos Claims shall be submitted to the Trust in accordance with the TDP, which sets forth the sole and exclusive procedure by which the holder of an Asbestos Claim against the Trust, API, any Protected Party, any Released Party or any Asbestos Insurance Company may pursue such Asbestos Claim. The Trustee shall not liquidate or pay any Asbestos Claims except in accordance with the TDP. Notwithstanding the foregoing, the Trustee may elect to prosecute before a court of competent jurisdiction to a Final Order any objections to Asbestos Claims filed prior to the Effective Date, including without limitation, estimation of any such claim for final allowance purposes. Upon the Asbestos Claimant's agreement to estimation as provided for in this TDP, or allowance of any part of an Asbestos Claim by a Final Order or settlement, the claimant will be paid in accordance with the TDP.

**2.2 Purpose.** The TDP are adopted pursuant to the Trust Agreement. To the extent that the TDP conflict with the Trust Agreement, the Trust Agreement shall control. The TDP are designed to provide prompt consensual estimation and payment of Asbestos Claims that qualify for payment in accordance with this TDP, to provide for procedures to quantify claims which are not consensually estimated, and to provide reasonable assurance that the Trust will value and be in a financial position to pay present and future Asbestos Claims of a similar nature in substantially the same manner. The consensual agreement of an Asbestos Claimant under this

TDP to the estimation of such Claimant's claim shall be solely for distribution purposes by the Trust. Such consensual estimation shall not be a finding or determination of the amount of any Asbestos Claim with any binding legal effect other than for distribution purposes by the Trust under circumstances where a claim is not further pursued in the state or federal court system, with the result that any amount 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.

**2.3 Interpretation.** Nothing in the TDP shall be deemed to create a substantive right for any claimant. The TDP are procedural and may be amended, deleted, or added to pursuant to the terms of the Plan, the Trust Agreement, the TDP, and the Confirmation Order.

**2.4 General Principles.** The best information available at the time of the filing of the Reorganization Case indicates that there are not sufficient assets in the Debtor's Estate to pay the full and fair value of all Asbestos Claims. As a result, the Trustee must act in a manner designed to provide substantially the same treatment to each holder of similar present and future Asbestos Claims. To aid the Trustee, the following general principles shall guide his or her decisions and actions.

(a) To the extent the Trustee seeks insurance coverage in regard to an Asbestos Claim, the Trustee shall afford each Asbestos Insurance Company under the Asbestos Insurance Policies its rights, if any, under such policy as if the claim had never been estimated for distribution purposes under this TDP in connection with the Reorganization Case, all to the extent provided under the respective terms of their policies and applicable non-bankruptcy law.

(b) Subject to the provisions of Section 2.4(a), the Trustee shall favor (1) negotiated or mediated settlement over arbitration or other form of binding alternative dispute resolution, and (2) arbitration or other form of binding alternative dispute resolution over resort to the tort system, and the fair and efficient resolution of Asbestos Claims in all cases, while endeavoring to preserve and enhance the Trust Assets.

(c) The Trustee shall employ mechanisms such as the review of estimates of the numbers and values of Asbestos Claims, or other comparable mechanisms, that provide reasonable assurance the Trust will value, and be in a financial position to pay, present and future Asbestos Claims that involve similar claims in substantially the same manner.

(d) There is inherent uncertainty regarding API's total liabilities to holders of Asbestos Claims as well as the total value of the Trust Assets available to pay Asbestos Claims. Consequently, there is inherent uncertainty as to whether similar amounts can be paid in respect of all similar Current and Non-Current Direct Asbestos Claims. Accordingly, subject to the terms of Section II of the TDP, the Trustee has the power with the consent of the Trust Advisor and the Legal Representative pursuant to section 3.1 herein, to alter the Payment Sum Percentage, the timing, method, and sequencing of payments to holders of Asbestos Claims, the Disease Categories and the Categorization

Criteria, as well as the power to increase or decrease the Allowed Liquidated Value for any Disease Category. In order to exercise these powers, the Trustee will need to make determinations and predictions about the amount and timing of the receipt of Trust Assets, as well as determinations and predictions about the amount and timing of payment, and cost of processing Asbestos Claims. The determination of the Payment Sum Percentage shall be based, on the one hand, upon estimates of the number, types, and amounts of current and expected future Asbestos Claims and, on the other hand, on the value of the Trust Assets, the liquidity of those assets, the Trust's expected future expenses and income, as well as other material matters that are reasonable and likely to affect the sufficiency of funds to pay a comparable percentage of full value to all holders of Asbestos Claims. When making these determinations, the Trustee shall recognize that both then current and future claimants bear a risk that the determinations will be incorrect, either too low or too high. In making determinations, the Trustee shall not prefer either then current or future claimants by giving either group greater protection from such risks. Rather, the Trustee shall make determinations based on his or her best estimates of total Trust Assets, Asbestos Claims, Trust Expenses and related matters. The Trustee will properly discharge his/her duties in this regard, and be protected from liability, by making reasonable determinations based on the best information available to them from time to time.

### SECTION III

#### CONSULTATION AND CONSENT

**3.1 Trust Advisor and Legal Representative.** The Trustee shall consult with the Trust Advisor and the Legal Representative on the issues specified herein or enumerated in **Article 2.2(f)** of the Trust Agreement. The Trustee shall obtain the consent of the Trust Advisor and the Legal Representative for those matters specified herein or identified in **Article 2.2(g)** of the Trust Agreement. In circumstances requiring the consent of both the Legal Representative and the Trust Advisor, each is free to advance the positions of their respective constituencies; provided, however, in the case of direct conflict between present claimants who are not represented by the Trust Advisor's law firm and present claimants who are represented by the Trust Advisor's law firm, the Trust Advisor shall recuse himself and shall be deemed to have voted consistent with the vote of the Legal Representative. In circumstances where the Trustee and either the Trust Advisor or the Legal Representative, but not both, desire to take a particular action that requires the consent of all, the parties shall submit the matter to the Bankruptcy Court to approve or disapprove the requested action as the Court determines is consistent with the legislative goals of Bankruptcy Code section 524(g)

### SECTION IV

#### CLAIMS ADMINISTRATION

**4.1 Payment of Current Direct Asbestos Claims.** Except as provided in Section 5.2(c) below, from the Trust Assets, the Current Claimant Distribution (plus any additional amount that may be permitted pursuant to Section 4.2 below) will be distributed from the Trust Assets to holders of Current Direct Asbestos Claims commencing after the Trust receives the Initial Payments. Distributions will only be made to holders of Qualified Asbestos Claims. The

Trustee will distribute to each holder of a Qualified Asbestos Claim their Current Pro Rata Share of the Current Claimant Distribution (plus any additional amount that may be permitted pursuant to Section 4.2 below) on the later to occur of the following: (a) ten days after the Trust receives the Initial Payments or as soon after such 10th day as is practicable; and (b) for those Current Direct Asbestos Claims that are not Estimated Asbestos Claims, ten days following the date that any previously Unresolved Asbestos Claim or Unliquidated Asbestos Claim becomes a Qualified Asbestos Claim or as soon after such 10th day as is practicable. The Trustee will hold each Current Pro Rata Share associated with each Unresolved Asbestos Claim and Unliquidated Asbestos Claim pending the resolution of such claim. When any Unresolved Asbestos Claim becomes an Unqualified Asbestos Claim, the Current Pro Rata Share for such claimant shall be held for a Supplement Current Direct Distribution to be made in accordance with Section 4.2.

**4.2 Augmentation of Current Claimant Distribution.** In the event that on or before the Effective Date, any insurance company with an alleged obligation to defend and/or indemnify the Debtor for Direct Asbestos Claims and/or Indirect Asbestos Claims settles its liability resulting in a cash payment to be made to the Trust, the Current Portion of the Net Settlement Proceeds shall be added to the Current Claimant Distribution after taking into account any adjustments based on post Petition Date developments

**4.3 Payment Sum Percentage.** From time to time, the Trustee shall, with the consent of the Legal Representative and the Trust Advisor as provided in section 3.1 herein and in a manner consistent with the provisions of Section II of the TDP, determine the Payment Sum Percentage of the Allowed Liquidated Value that will be paid to holders of Direct Asbestos Claims. The initial Payment Sum Percentage shall be determined by the Trustee with the Consent of the Legal Representative and the Trust Advisor as provided in section 3.1 herein as soon as practicable following the Effective Date. Thereafter, the Payment Sum Percentage shall be established no less frequently than once every year by the Trustee with the Consent of the Legal Representative and the Trust Advisor as provided in section 3.1 herein. Because of the increased uncertainty during the initial period of the Trust's operation, the initial Payment Sum Percentage is particularly susceptible to the Trustee's review and modification as the Trust accumulates necessary and relevant data. From time to time and subject to the provisions of Section 5.1(k) hereof, if the Trustee determines that the Payment Sum Percentage may be increased for any reason including but not limited to an increase in the projected assets of the Trust, a reduction in anticipated Asbestos Expenses or a decrease in the expected then future Asbestos Claims, the Trustee may make a supplemental distribution to all Asbestos Claimants who previously received distributions so that the amount they receive equals the revised Payment Sum Percentage ("Supplemental Distribution"). Before making any Supplemental Distribution, the Trustee shall obtain such reports and professional opinions as the Trustee may choose so that the Trustee can insure that there will be sufficient assets in the Trust so that all Asbestos Claims will receive substantially the same Payment Sum Percentage. In no event, shall the Trustee make a Supplemental Distribution until after 30 days notice to the Trust Advisor and the Legal Representative and only if the Trust Advisor and the Legal Representative consent as provided in Section 3.1 hereof. Notwithstanding the foregoing, nothing herein shall be deemed to require the Trustee to make any Supplemental Distributions. If the Trustee determines that the Payment Sum Percentage should be decreased for any reason, including but not limited to a shortage in the projected assets of the Trust which could defeat the goal of providing all Asbestos Claims

substantially the same Payment Sum Percentage, the Trustee may decrease the Payment Sum Percentage with the consent of the Legal Representative and the Trust Advisor pursuant to section 3.1 herein. Before decreasing the Payment Sum Percentage, the Trustee shall obtain such reports and professional opinion as the Trustee may choose so that the Trustee can insure that there will be sufficient assets in the Trust so that all Asbestos Claims will receive substantially the same Payment Sum Percentage.

**4.4 Payment.** Except as expressly provided in the TDP, the Trustee shall have complete discretion to determine the timing and the appropriate method for making payments, subject to the requirements and general principles of the TDP, with respect to the processing and ordering of claims for payment

(a) The Trustee shall have complete discretion as to the order and method of processing claims. Normally claims shall be processed in the order in which they are received. Additionally, the Trustee may process on an accelerated basis: (a) claims which are in litigation where a trial date or other significant matter is approaching, (b) claims which present exigent circumstances or exceptional hardship on a claimant, or (c) other claims as to which there is reason to believe that the interests of the Trust would be furthered by considering such claim prior to the date on which it would otherwise be considered in the ordinary course and such consideration would be consistent with the general principles set forth in Section 2.4 hereof

(b) In the event that the Trust faces temporary periods of limited liquidity, the Trustee may temporarily delay or suspend altogether, payments or a portion thereof.

(c) In the event that the Trustee concludes that the use of the Payment Sum Percentage in effect at a particular point in time will adversely affect the interests of then Non-Current Direct Asbestos Claimants or Current Direct Asbestos Claimants who have not yet been paid, the Trustee may suspend payments pending a redetermination of the Payment Sum Percentage. The Payment Sum Percentage, as redetermined, shall be the Payment Sum Percentage applicable to all Direct Asbestos Claims.

(d) Consistent with the provisions hereof, the Trustee shall commence the processing of Asbestos Claims as quickly as possible after the Effective Date, and the Trustee shall make payments to holders of Qualified Asbestos Claims and other Direct Asbestos Claims that are determined in accordance with this TDP promptly as funds become available, while maintaining sufficient resources to pay then Non-Current Asbestos Claims in substantially the same manner. Because decisions about payments must be based on estimates and cannot be made precisely, such decisions may have to be revised in light of experience over time, and a claimant who receives payment early in the life of the Trust may receive a smaller or larger percentage of the Allowed Liquidated Value of such claimant's Direct Asbestos Claim than a claimant who receives payment in the middle of or late in the life of the Trust. Therefore, there can be no guarantee of any specific level of payment to claimants; regardless, however, a reduction of the Payment Sum Percentage shall not create any refund obligation on the part of Asbestos Claimants who have received payment. Nevertheless, the Trustee shall use his or her best efforts to

treat similar Direct Asbestos Claims in substantially the same manner, consistent with his/her duties as Trustee in these circumstances and the purposes of the Trust, and given the practical limitations imposed by the inability to predict the future with precision.

**SECTION V  
CLAIMS PROCESSING**

**5.1 Individually Reviewed Claims; Claims Categories.**

(a) Purpose. All Direct Asbestos Claims will be individually reviewed by the Trustee or his agents. Individualized review is intended to result in payments equal to the Allowed Liquidated Value for each claim times the then applicable Payment Sum Percentage, subject to the Trustee's power to change such Payment Sum Percentage as set forth herein with the consent of Trust Advisor and the Legal Representative in accordance with Section 4.3 and Section 3.1 hereof.

(b) Factors. The Trustee's review of a claimant's Direct Asbestos Claim shall be based upon an examination of exposure to asbestos containing materials sold, installed, or removed by API, loss, damages, injury causation, and other factors determinative of claim value according to applicable tort law subject to the limitations contained herein.

(c) Schedule of Disease Categories and Allowed Liquidated Values. The Trustee shall use the schedule of Disease Categories and Allowed Liquidated Values listed in this section to estimate for distribution purposes Asbestos Claims. Using the Categorization Criteria stated for each Disease Category, the Trust will place a claim in the most serious applicable Disease Category.

Unless a Direct Asbestos Claim qualifies for other treatment under the TDP, the Trust shall estimate each Claim at the Allowed Liquidated Value for the Disease Category in which such Direct Asbestos Claim is placed. The Allowed Liquidated Values are based on tort system values and represent equitable settlement values for most of the Asbestos Claims that meet the criteria of a corresponding Disease Category.

Category	Disease Category	Allowed Liquidated Minnesota Value	Allowed Liquidated North Dakota Value
I	Malignant Mesothelioma	\$316,250	\$117,087
II	Lung Cancer	\$137,050	\$44,777
III	Other Cancers	\$73,800	\$16,884
IV	Asbestosis	\$57,200	\$16,500
V	Pleural	\$30,150	\$12,000

Categorization Criteria. To receive an offer for one of the five Disease Categories, an Asbestos Claimant or his or her authorized representative, must provide evidence of exposure to asbestos containing material sold, installed or removed by API and must satisfy the applicable following criteria ("Categorization Criteria"):

Category I: Malignant Mesothelioma

1. The claimant must demonstrate by medical report the existence of malignant mesothelioma; and
2. The proof of claim must establish a 10-year latency period between the date of first exposure to asbestos and the date of diagnosis of the cancer.

Category II: Lung Cancers

1. The claimant must demonstrate by medical report the existence of primary asbestos-related cancer of the lung; and
2. The proof of claim must establish a 10-year latency period between the date of first exposure to asbestos and the date of diagnosis of the cancer.

Category III: Other Cancers

A claim for Other Cancers must satisfy all three of the following:

1. The claimant must demonstrate by medical report the existence of primary asbestos-related cancer of one of the following sites:
  - a. Colorectal;
  - b. Laryngeal;
  - c. Esophageal; or
  - d. Pharyngeal.
2. The claimant must demonstrate by medical report the existence of one of the following:
  - a. Bilateral interstitial lung disease;
  - b. Bilateral pleural disease (thickening or plaques) asbestos related pleural plaques or unilateral diaphragmatic plaque; or
  - c. Pathological evidence of asbestosis; and
3. The proof of claim must establish a 10-year latency period between the date of first exposure to asbestos and the date of diagnosis of the cancer.

Category IV: Asbestosis

1. The claimant must submit a diagnosis of asbestosis by a medical doctor; and
2. The proof of claim must establish a 10-year latency period between the date of first exposure to asbestos and the date of diagnosis of asbestosis.

Category V: Pleural Disease

1. The claimant must document pleural disease (bilateral plaques or thickening) asbestos related pleural plaques or unilateral diaphragmatic plaque diagnosed on the basis of x-ray, CT scan, HRCT scan or pathological evidence; and
2. The proof of claim must establish a 10-year latency period between the date of first exposure to asbestos and the date of diagnosis

Exposure to asbestos containing material sold, installed, or removed by API may be established by work histories, company records, deposition testimony, invoices, affidavits, or other credible evidence acceptable to the Trustee that a claimant worked at a particular facility or was otherwise secondarily exposed (i.e. family member) to API asbestos-related products or services within the time period in which asbestos-containing material sold, installed, or removed by API was present at such facility. The Trustee shall have the right to consider all other appropriate evidence of exposure and may establish appropriate alternative exposure criteria. The Trustee in consultation with the Trust Advisor and the Legal Representative may compile a list of job sites, facilities and other locations where API asbestos-containing materials were present. The Trustee may use this list to establish or characterize exposure and to create a list of sites where exposure criteria are met. The Trustee with the consent of the Trust Advisor and the Legal Representative may modify the list in light of additional evidence or claims processing experience. Holders of approved Minnesota Asbestos Claims shall be entitled to an Allowed Liquidated Minnesota Value. Holders of approved North Dakota Asbestos Claims shall be entitled to an Allowed Liquidated North Dakota Value. In situations where the holder of an Asbestos Claim does not hold either a Minnesota Asbestos Claim or a North Dakota Asbestos Claim, the amount of the approved Claim for distribution purposes shall be determined by the Trustee based on credible comparable settlement data from other states, but in no event shall such claim exceed the Allowed Liquidated Minnesota Value. In determining the applicable state from which to obtain credible comparable settlement data, the Trustee shall be guided by the law of the jurisdiction whose law would be applied in any court designated by the holder of the Asbestos Claim where API was subject to in personam jurisdiction as of January 6, 2005.

(d) Failure to Meet Criteria for a Disease Category. There are no criteria that could fairly include or compensate all meritorious claims involving asbestos-related diseases. As a result, the Trust shall provide compensation if the Trust determines that the claimant has suffered injury or damages from exposure to asbestos-containing material sold, installed, or removed by API. In such cases, the Trust shall be guided by



the Allowed Liquidated Value for other claims in the Disease Category most similar to the evidence presented by the Direct Asbestos Claim; provided, however, that the Liquidated Value of such Direct Asbestos Claim shall not exceed the Allowed Liquidated Value for the most similar Disease Category.

The Trustee may determine that although a particular requirement in the Categorization Criteria for a Disease Category has not been met, in a novel or exceptional Direct Asbestos Claim other factors and evidence may satisfy the objective of that requirement and, therefore, the Direct Asbestos Claim may be considered to be within the Disease Category.

Because the Trustee must assure the substantially equivalent treatment of similar claims, if the Trustee finds that more than an occasional exceptional claim either (a) deserves compensation despite failure to meet the Categorization Criteria for any Disease Category or (b) merits waiver of a particular requirement in the Categorization Criteria for a Disease Category, then the Trustee should add additional Disease Categories or modify the Categorization Criteria for existing Disease Categories. Such additions and modifications shall require the consent of Trust Advisor and the Legal Representative pursuant to section 3.1 herein.

(e) Ordering of Claims. Direct Asbestos Claims will be ordered for processing on a First-In-First-Out ("FIFO") basis. As a general practice, the Trustee shall review its claims files on a regular basis and notify all claimants whose Direct Asbestos Claims are likely to come up for processing in the near future. A claimant's position in the FIFO queue will be determined by the date of receipt by the Trustee of an acceptable proof of claim form accompanied by the processing fee detailed in Section VI. Notwithstanding FIFO processing, the Trustee shall have the right to establish appropriate procedures to evaluate Exigent Health Claims or Extreme Hardship Claims as defined in Section 5.1(l).

(f) Categorizing of Claims by Disease. As a proof of claim is reached in the specified schedule, the Trustee shall evaluate it to determine whether the Direct Asbestos Claim meets the Categorization Criteria for a Disease Category. If the claim is approved based on the criteria set forth in the TDP, the Trustee shall advise the claimant of his determination and propose an estimation of the Claim for distribution purposes together with an offer of payment equal to the Payment Sum Percentage of the applicable Allowed Liquidated Value for the applicable Disease Category. If the Trustee determines that a Direct Asbestos Claim does not meet the Categorization Criteria for a Disease Category and is not compensable, or if a claimant disagrees with the determination made by the Trustee, the claimant may dispute the determination. Upon receipt of written advice from the claimant of such a dispute, the Trustee shall reevaluate the Direct Asbestos Claim in light of the claimant's written statement of the basis for the dispute, any supporting documentation, and all then available documentation and advise the claimant of its determination. If on reevaluation the Trustee determines that the Direct Asbestos Claim qualifies for placement in a Disease Category or in a different Disease Category than the Trustee originally determined, the Trustee shall place the Direct Asbestos Claim in the

Disease Category so determined. Additionally, the Trustee may determine that a novel or exceptional Direct Asbestos Claim is compensable even though it does not meet the criteria for any of the Disease Categories. If the claimant still disputes the Trustee's categorization of the Direct Asbestos Claim or denial of categorization, the claimant may elect binding arbitration or, if requested by the Trustee, must first submit to non-binding mediation of the categorization.

(g) Extraordinary Claims. If API's asbestos activity constituted an exceptionally large portion of a claimant's asbestos exposure, or a claimant's damages are exceptionally large and well beyond the normal range, then such claimant's Direct Asbestos Claim may be classified as an extraordinary Direct Asbestos Claim, and such Direct Asbestos Claim may be estimated in an amount that exceeds the Allowed Liquidated Value for any given Disease Category; provided, however, that the Trustee must first determine that, based on the information then available, all Direct Asbestos Claimants, including all then Non-Current Direct Asbestos Claimants will receive the same Payment Sum Percentage. The Trustee shall determine the basis for classifying claims as extraordinary consistently with this Section 5.1(g). Evaluations of the extraordinary Direct Asbestos Claims can vary depending on factors that affect the severity of damages and values within the tort system, including the degree to which the features of a Direct Asbestos Claim differ from the medical and exposure criteria for a Disease Category, whether the claimant is living or dead (as of the earlier of the filing of the Direct Asbestos Claim or a lawsuit involving the Direct Asbestos Claim), disability, employment status, disruption of household, family or recreational activities, dependencies, special damages, pain and suffering, evidence that the claimant's damages were (or were not) caused by asbestos exposure (for example, alternative causes, strength of documentation of injuries), current settlements and verdicts in the tort system, and industry of exposure. In evaluating Direct Asbestos Claims, the Trustee shall be guided by amounts paid by the Trust to resolve past, similar Direct Asbestos Claims.

(h) Payment. The Trustee shall determine the timing and the appropriate method for making payments consistent with Section 5.1(e), except as herein provided. Such methods may include payment on an installment basis. The Trustee shall obtain the consent of Trust Advisor and the Legal Representative in making his/her first determination of the timing and method for making payments after the Effective Date. The Trustee shall consult with Trust Advisor and the Legal Representative in the event that Trustee wishes to change the timing and method of making payment, and shall provide written notice to Trust Advisor and the Legal Representative of any change that he/she proposes to make.

(i) Disputes Over Trustee's Review. Direct Asbestos Claimants who: (1) reject the Trustee's offer; (2) wish to dispute their eligibility for payment; or (3) wish to dispute their categorization, must do one of the following after mediation if requested by the Trustee: (i) commence binding arbitration as provided in Section 5.2; or (ii) commence litigation as provided in Section 5.2. No lawsuit may be commenced against the Trust if the Direct Asbestos Claimant has elected to proceed with binding arbitration.

(j) Releases. Except to the extent that such a release would impair coverage rights under any Asbestos Insurance Policy and as provided in Section 5.2(c), a holder of a Direct Asbestos Claim who receives payment for a nonmalignancy shall execute and deliver to the Trustee a limited written release in a form satisfactory to the Trustee. An Asbestos Claimant may file a new Direct Asbestos Claim for an asbestos-related malignancy that is diagnosed subsequent to the date of the filing of the first claim. The Trustee shall accept Naig-Pierringer releases historically utilized in Minnesota asbestos personal injury actions. Any additional payments for a malignancy to which such claimant may be entitled shall be reduced by the amount of the prior payment for a nonmalignant disease. Except to the extent that such a release would impair coverage rights under any Asbestos Insurance Policy and as provided in Section 5.2(c), Direct Asbestos Claimants who receive payment for malignancies shall execute and deliver to the Trustee written releases and other documents pursuant to Section 7.6 in a form satisfactory to the Trustee.

(k) Modifications to Assure Substantial Equivalency. The Trustee shall assure the substantially equivalent treatment of Asbestos Claims, to the extent reasonably practicable, and may, in addition to the powers set forth in Section IV of the TDP, and with the consent of Trust Advisor and the Legal Representative, as provided for in Section 3.1 hereof, change, add, or delete Disease Categories, change Categorization Criteria, or increase or decrease the Allowed Liquidated Value for any Disease Category to reflect relevant developments, including, without limitation, changes in the applicable law; provided, however, that any increases in the Allowed Liquidated Value of a Disease Category based upon a change in the applicable law cannot be effected during the first two (2) years after the Effective Date. From time to time, the Trustee shall adjust the Allowed Liquidated Values for inflation, using an appropriate index. In the event of any increase in the Payment Sum Percentage, claimants previously receiving payment during the then preceding ten (10) years may be entitled to receive a payment sufficient to provide such claimants with aggregate payments in the face amount equal to the amount of the Allowed Liquidated Value for such claimant's Disease Category times the increased Payment Sum Percentage. The distribution of such supplemental payments is within the discretion of the Trustee and should be made only to the extent reasonably practicable and shall be done in compliance with Section 4.3.

(l) Exigent Health Claims; Extreme Hardship Claims. The Trustee shall individually evaluate the Allowed Liquidated Value of Exigent Health Claims and Extreme Hardship Claims, as provided in this Section 5.1(1).

A Direct Asbestos Claim qualifies as an exigent health claim ("Exigent Health Claims") if (i) the Direct Asbestos Claim qualifies in the mesothelioma Disease Category and (ii) the claimant was alive when the Direct Asbestos Claim was filed or (iii) the claimant provides: (a) documentation that a physician has diagnosed the claimant as having an asbestos-related illness and (b) a report by a physician who has examined or treated the claimant within one hundred twenty (120) days of the date of the report in which the physician states there is substantial medical certainty that the asbestos-related

disease is terminal. A Direct Asbestos Claim will continue to be an Exigent Health Claim even if a claimant dies after having applied for exigent treatment.

A Direct Asbestos Claim qualifies for payment as an extreme hardship claim ("Extreme Hardship Claim") if the Trustee, in the Trustee's discretion, first determines the Direct Asbestos Claimant needs exceptional financial assistance on an immediate basis based on the claimant's expenses and all sources of available income and the Trust Advisor and the Legal Representative then consent to the treatment of such Direct Asbestos Claim as an Extreme Hardship Claim, as provided in section 3.1 herein.

(m) Auditing and Verification. The Trustee shall conduct random or other audits, or shall devise and implement a mechanism for conducting such audits, in order to verify information submitted by claimants under this Section 5.1, or to satisfy the Trustee as to the reliability of medical evidence.

(n) Statute of Limitations or Repose for Asbestos Claims. The statute of limitations under Minnesota law shall apply to holders of Minnesota Asbestos Claims. The statute of limitations under North Dakota law shall apply to holders of North Dakota Asbestos Claims. In all other circumstances, the statute of limitations that would be applied to the Asbestos Claim in any court designated by the holder of the Asbestos Claim where API was subject to in personam jurisdiction as of January 6, 2005, shall apply.

(o) Effect of Statutes of Limitation and Repose. All claims barred by the applicable statutes of limitations or repose, as determined in Section 5.1 (n) above, at the Petition Date shall remain barred on and after the petition date. The statutes of limitation in respect to claims not so barred shall be tolled as of the petition date by application of the bankruptcy laws without the need of the claimant to take any action whatsoever, until such time as an Asbestos Claimant is free to pursue its remedies under this TDP in a court of competent jurisdiction.

**5.2 Arbitration; Jury Trials.** After completion of any mediation requested by the Trustee, holders of Direct Asbestos Claims may elect to submit their Direct Asbestos Claims to binding arbitration or commence a lawsuit as provided in this Agreement.

(a) Arbitration. If required, the Trustee shall, with the consent of the Legal Representative and Trust Advisor as provided in section 3.1 herein, develop a binding arbitration process. If arbitration becomes necessary, any arbitrators so appointed shall (i) return awards no greater than 125% of the Trustee's last settlement offer to the claimant for the Disease Category in which the Direct Asbestos Claim properly falls or (ii) determine that the Direct Asbestos Claim falls in a higher or lower category and determine an appropriate award no greater than the Allowed Liquidated Value for that category. Arbitrators shall deem the asbestos containing materials sold, installed or removed by API to be defective products capable of causing asbestos-related diseases. Except for the limitations in this Section 5.2, arbitrators shall consider but are not bound by the Allowed Liquidated Value in determining the value of any Direct Asbestos Claim.

Claimants who receive an arbitration award will receive payments and execute and deliver a release in the same manner as a claimant who had accepted a valuation of his Direct Asbestos Claim by the Trust.

Only claimants who do not opt for binding arbitration retain the right to a jury trial to determine the liquidated value of their Direct Asbestos Claims against the Trust. All other claimants shall have and shall be deemed to have irrevocably waived any right to a jury trial, and any and all notices with respect to the filing or liquidation of Direct Asbestos Claims shall contain a provision that clearly and conspicuously explains such jury trial waiver

(b) Litigation Not Authorized By Section 5.2(c) Below. All claims against the Trust must be commenced in Ramsey County District Court, the Bankruptcy Court, to the extent it has jurisdiction, or the United States District for the District of Minnesota, Third Division. All claims and defenses (including, with respect to the Trust, all claims and defenses which could have been asserted by API) that exist under applicable law shall be available to both sides at trial. The Trustee may or may not, in his sole discretion, tender such claims to an Asbestos Insurance Company and/or take such other actions as are authorized under applicable non-bankruptcy law. The positions and admissions of the parties during the compliance with alternative dispute resolution procedures shall not be admissible for any purpose at trial by any party or third party, and they are expressly determined not to be admissions by either party.

If necessary, the Trustee may obtain an injunction from the U.S. District Court for the District of Minnesota staying the litigation of any Direct Asbestos Claim case(s) in any court upon a showing that such litigation will unduly burden the Trust or may prevent the Trust from ensuring that the Direct Asbestos Claimants whose claims have been determined as of such date and all future Direct Asbestos Claimants will receive substantially similar treatment. In addition, nothing provided for herein shall prevent the Trustee from seeking to stay the litigation in favor of final and binding estimation of the Direct Asbestos Claim for all purposes in the U.S. District Court for the District of Minnesota.

A claimant who, in accordance with the TDP, elects to resort to litigation and obtains a judgment for money damages shall have a Direct Asbestos Claim in the amount of the judgment, less the amount of any Non-Compensatory Damages contained therein. Nevertheless, such claimant shall receive an initial payment from the Trust in an amount not to exceed the lesser of: (a) the judgment amount, less any portion thereof representing Non-Compensatory Damages, multiplied by the Payment Sum Percentage; or (b) 125% of the then applicable Payment Sum Percentage of the Allowed Liquidated Value of such Asbestos Claim for the Asbestos Related Disease Category for which such claimant recovered his or her judgment. The balance of the judgment, exclusive of that portion representing Non-Compensatory Damages, if any, will be subordinated to the initial payment in full of all other Current and Non-Current Direct Asbestos Claims. The payment of that portion of the judgment representing such Non-Compensatory Damages

shall be subordinated to the payment in full of all judgment amounts representing awards for compensatory damages.

Following the Effective Date, there shall be a stay against the filing of any action in respect to an Asbestos Claim, except in respect to the submission of a Proof of Claim to the Bankruptcy Court or the Trust, and with respect to the continuation of any pending cases involving Asbestos Claims, until the earlier of (i) 90-days following the conclusion of the Coverage Action, (ii) the agreement of the Trustee of the Trust that the stay should be lifted so that the claimant may proceed, or (iii) entry of an order of the Bankruptcy Court lifting the stay.

(c) Claimant Coverage Action With The Formal Endorsement Of Trust Advisor And Legal Representative The Trust Advisor and the Legal Representative, acting together in the exercise of their sole discretion based on an analysis of the Direct Asbestos Claim, the economics involved in pursuit of an action, the likelihood of insurance coverage, and the potential net benefit to the Trust, may formally endorse an action by the holder of the Direct Asbestos Claim, including, where appropriate, to pursue rights under Minn. Stat § 60A 08, including subdivision 6 thereof, and require the Trustee to tender the defense of any such action, if brought, to one or more insurers for coverage, and shall notify the Direct Asbestos Claimant of such determination. If the Direct Asbestos Claimant declines to bring such an action, he or she shall be treated under the terms of this TDP without regard to this Section. If a Direct Asbestos Claimant agrees with the Trust Advisor and the Legal Representative's determination that such an action should be pursued (a "Claimant Coverage Action"), then

(1) The estimation of the Direct Asbestos Claim under the terms of this TDP for purposes of distribution shall be of no force and effect in a Claimant Coverage Action.

(2) All Claimant Coverage Actions against the Trust must be commenced in Ramsey County District Court or in the United States District Court for the District of Minnesota, Third Division. All such cases shall be venued in St. Paul, Minnesota. All claims and defenses (including, with respect to the Trust, all claims and defenses which could have been asserted by API) that exist under applicable law shall be available to both sides at trial.

(3) The Direct Asbestos Claim shall be tendered to the appropriate Asbestos Insurance Companies for defense of the Claimant Coverage Action and payment, which Asbestos Insurance Company shall retain all of its claim handling rights under its policy, if any, including, without limitation, (a) consent to any settlement of the asserted claim, (b) the cooperation of the Debtor in defense of the claim, (c) the management of the course of the litigation, and (d) such other rights, if any, as are provided under the terms of their respective Asbestos Insurance Policies as if the claim had never been estimated for distribution purposes in connection with the Reorganization Case, all to the extent 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.

(4) All insurance proceeds, net of those amounts agreed to be paid in accordance with Section 5.2(c)(5) hereof, recovered as a part of the Claimant Coverage Action shall be the property of the Trust.

(5) As part of their formal endorsement of a Claimant Coverage Action in respect to a Direct Asbestos Claim, the Trust Advisor and the Legal Representative, acting together (or individually if one has a potential conflict of interest) can make such financial arrangements with the Claimant and counsel to the Claimant as are deemed reasonable and appropriate under the circumstances.

(6) Once such a Claimant Coverage Action has been commenced, the Trustee may, with the consent of the Trust Advisor and the Legal Representative as provided in section 3.1 herein, enter into Miller-Shugart or other agreements as appropriate under applicable non-bankruptcy law. If the Trust Advisor's law firm represents the Claimant in such action, the Trust Advisor's consent is not required.

(7) If a claimant in a Claimant Coverage Action receives a judgment in excess of the gross insurance proceeds recovered for the Trust, the Claimant shall subordinate such excess portion of the judgment to the initial payment in full of all other current and future Direct Asbestos Claims, and the payment of that portion of the judgment representing such Non-Compensatory Damages shall be subordinated to the payment in full of all judgment amounts representing awards for compensatory damages.

(8) The requirement to provide a release as provided in Section 5.1(j) shall not apply until such time as the Claimant Coverage Action is resolved.

(d) Direct Actions. Nothing provided for herein shall in any manner limit the ability of the Trustee to bring actions for coverage against an Asbestos Insurance Company; provided, however, that the amount for which Asbestos Claims are estimated for distribution purposes only in the Reorganization Case pursuant to this TDP shall not be binding on any party in such action.

**5.3 Indirect Asbestos Claims.** Indirect Asbestos Claims asserted against the Trust based upon theories of indemnification or contribution shall be disallowed by the Trust unless and until the holder of an Indirect Asbestos Claim establishes to the satisfaction of the Trustee that (a) the Indirect Asbestos Claim would be allowable under Bankruptcy Code section 502(e) and 509 if asserted as a proof of claim in the Reorganization Case, including without limitation that the Indirect Asbestos Claimant has, itself, paid in full the liability and obligations of API or the Trust to the Direct Asbestos Claimant to whom the Trust would otherwise have had a liability or obligation under the TDP, and (b) the Direct Asbestos Claimant and Indirect Asbestos Claimant have forever released API and the Trust from all liability to the Direct Asbestos Claimant.

In no event shall any Indirect Asbestos Claimant have any rights against API or the Trust superior to the rights of the related Direct Asbestos Claimant, including any rights with respect to the timing, amount or manner of payment. The amount of any Indirect Asbestos Claim shall be limited to the amount that would have been estimated for the corresponding Direct Asbestos Claim under this TDP, less any payment made by the Trust on account of such claim. Moreover, 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 the holder of an Indirect Asbestos Claimant was insured against such Direct Asbestos Claim by the Asbestos Insurance Policy, and then only to the extent of its pro rata share of the proceeds derived from such Policy. Otherwise, the claims of Indirect Asbestos Claimants will be allowable against the Trust and payable pari passu with Direct Asbestos Claims from assets that are not derived from proceeds of Asbestos Insurance Action Recoveries (after the payment of and reserve for Trust Expenses); otherwise, the payment of Indirect Claims shall be subordinate to the payment of Direct Asbestos Claims. The Trust shall not pay any Indirect Asbestos Claimant unless and until the Indirect Asbestos Claimant's aggregate liability for the Direct Asbestos Claim has been fixed, liquidated, and paid by the Indirect Asbestos Claimant by settlement (with an appropriate written release in favor of API and the Trust) or pursuant to a Final Order. In any case where the Indirect Asbestos Claimant has satisfied the Direct Asbestos Claim against API or the Trust by way of a settlement, the Indirect Asbestos Claimant shall obtain for the benefit of API and the Trust a written release from such Direct Asbestos Claimant in form and substance satisfactory to the Trustee. The Trustee may develop and approve a separate claim form for Indirect Asbestos Claims.

## SECTION VI

### CLAIMS MATERIALS; PROCESSING FEE

**6.1 Mailing to Claimants.** As soon as reasonably practicable, but not later than six months following the Effective Date, the Trust shall mail the Claims Materials to each person with a Direct Asbestos Claim (except persons who have Estimated Asbestos Claims) who has asserted a Direct Asbestos Claim or has pending a lawsuit against API or otherwise has been identified to the Trustee as holding a Direct Asbestos Claim that has not been liquidated on or before the Effective Date. For any person holding a Direct Asbestos Claim who is first identified to API or the Trustee any time subsequent to the Effective Date, the Trust shall mail the Claims Materials no later than six months following such identification. The Trust may send Claims Materials to a claimant in care of an attorney representing the claimant, and the requirements of this paragraph will be satisfied if the Trust mails to an attorney a list of all Claims covered by this paragraph plus one copy of the Claims Materials. The Trustee may also establish a webpage for submission of claims and the dissemination of notices and information. The Trustee shall be entitled to establish notice procedures using e-mail and other electronic means provided however that such procedures include protections to assure that parties who do not have access themselves or through their counsel to e-mail receive adequate and timely notice.

**6.2 Claims Materials.** The Claims Materials ("Claims Materials") will be developed by the Trustee. If feasible, the forms used by the Trust to obtain claims information shall be the same or substantially similar to those used by other asbestos claims resolution facilities. To



assist in the processing of claims, the Trustee will develop as part of the Claims Materials a trust claim form ("Claim Form") for submission of claims to the Trust for payment. At a minimum, the Claim Form shall require all relevant information called for in Minnesota Plaintiff's Set 1 Answers to Defendant's Interrogatories, and such other information as the Trustee shall deem necessary for a review of the submitted claim; provided, however, that nothing shall prevent the Trustee from requiring other and additional information than is required on the Claim Form if the Trustee deems, in the exercise of his or her discretion, such additional information is reasonably necessary to make a determination in respect to the submitted claim. The Trust may also obtain information regarding a Claimant from electronic data bases maintained by any other asbestos claims resolution organization, provided that the Trustee informs the claimant that it plans to obtain such information as available from such other organizations unless the claimant objects in writing or provides such information directly to the Trustee. If it obtains information about a Direct Asbestos Claim from another asbestos claims resolution organization, the Trust may use such information to determine independently the value of the Direct Asbestos Claim. The Claims Form shall include a verification executed by the Direct Asbestos Claimant or by his or her attorney sufficient to meet the requirements of the Minnesota Rules of Civil Procedure, and that such claimant and attorney shall be liable to the Trust for all costs, expenses and attorneys' fees incurred by the Trust on account of such attorneys failure to comply with Rule 11.

**6.3 Third Party Services.** Nothing in this Section shall preclude the Trustee from contracting with another asbestos claims resolution organization or other third party providers to provide services to the Trust so long as decisions about the allowability and value of Direct Asbestos Claims are based on the provisions of the TDP, the Schedule of Disease Categories and Allowed Liquidated Values.

**6.4 Eligibility Requirements And Processing Fee.** In order to be eligible for payment under the TDP, a claimant must return the Claims Form with the certifications required by Section 6.2 and all information requested by the Trustee within the nine (9) month period following his or her receipt of the Claims Materials, unless the Trust extends such response period by written notice to one or more claimants. The initial claim form filed by a claimant must be accompanied by a fee of \$200.00 payable to the Trust. A claimant who for any reason re-files a Direct Asbestos Claim previously submitted to the Trust shall not be required to submit an additional processing fee. A Direct Asbestos Claim shall be disallowed automatically if a claimant required to provide claims information fails to pay the filing fee or provide such information within the required period, unless the claimant demonstrates to the satisfaction of the Trustee that such a failure should be excused. The Trustee shall have the power to increase or decrease the amount of the filing fee with the consent of Trust Advisor and the Legal Representative as provided in Section 3.1 hereof. The filing fee shall be refunded by the Trust if the claim is allowed. The Trust may waive the refundable filing fee if it is determined that such a fee would create undue financial hardship on the Direct Asbestos Claimant.

**6.5 Confidentiality.** All materials, records and information submitted by claimants, including that provided with regard to medical audits under Section 7.1 are confidential and submitted solely for settlement purposes.

## SECTION VII

### GENERAL GUIDELINES

**7.1 Monitoring and Verifying Medical Evidence.** The Trustee may refuse to accept medical evidence from doctors or facilities he or she finds to have provided unreliable information or may exercise other remedies, such as seeking sanctions from the Bankruptcy Court including, but not limited to, payment of the costs associated with the audit and any future audit or audits, reordering the priority of payment of the affected claimant's Direct Asbestos Claims, raising the level of scrutiny of additional information submitted from the same source or sources, or prosecuting the claimant or claimant's attorney for presenting a fraudulent Direct Asbestos Claim in violation of federal law, including 18 U.S.C. § 152, or applicable state law. The existence of differing medical opinions in individual cases is expected and anticipated. The fact that qualified physicians may differ on the existence or extent of a claimant's asbestos-related disease is not by itself grounds for the Trustee to refuse to accept evidence of the Direct Asbestos Claim, unless the Direct Claim is based on information from a source determined by the Trustee to be unreliable.

**7.2 Auditing by Legal Representative.** Periodically upon the reasonable request of the Legal Representative, the Trustee shall permit the Legal Representative or its agents to audit all Claim estimations and payments made on account of Direct Asbestos Claim as well as all information regarding the assets of the Trust. The Trust Advisor and the Trustee will cooperate and provide reasonable assistance to the Legal Representative and his/her agents.

**7.3 Non-Compensatory Damages and Other Theories of Liability.** Non-Compensatory Damages associated with Asbestos Claims shall be subordinated, in accordance with the TDP, to payment of all other Asbestos Claims during the entire existence of the Trust, and no payments for such Non Compensatory Damages shall be paid until the compensatory damages of all Asbestos Claims have been paid. Further, the Trust shall not voluntarily (i) pay Asbestos Claims based upon conspiracy, concerted action, or any other theories of liability that do not meet the criteria for eligibility for payment articulated in Section V, or (ii) pay interest on Asbestos Claims except to the extent the Trustee may deem it necessary to satisfy the requirements of Section II of the TDP or to the extent such payment is required pursuant to the Asbestos Claims Estimation Agreement.

**7.4 Releases.** The Trustee shall have the discretion to determine the form and nature of the releases executed by Direct and Indirect Asbestos Claimants in favor of the Trust in order to maximize recovery for claimants against other tortfeasors and Asbestos Insurance Companies without increasing the risk or amount of claims for indemnification or contribution from the Trust. In addition, and as a prerequisite, the claimant shall execute any documents necessary (i) for the Trust to perfect its claims, if any, against insurers of API or any related company to receive indemnity for payments, (ii) to release any Direct Asbestos Claim the claimant may have against the insurer, and (iii) for the Trust to receive and keep any and all payments made by such insurer for payment of such Direct Asbestos Claim.

**7.5 Withdrawal of Claim.** A claimant may withdraw an Asbestos Claim at any time upon written notice to the Trustee and file another Asbestos Claim subsequently, but any Asbestos Claim filed after such withdrawal shall be given a FIFO date based on such subsequent filing. An Asbestos Claim will be deemed to have been withdrawn if the claimant neither accepts, rejects, nor initiates dispute resolution within three months of the Trust's offer of payment or rejection of the Asbestos Claim. Upon written request and good cause, the Trustee may extend this period for an additional three months.

**7.6 Managing Administrative Costs.** Notwithstanding any provision of the TDP to the contrary, the Trustee shall always give appropriate consideration to the cost of investigating and uncovering invalid Asbestos Claims so that the payment of Asbestos Claims is not further impaired by such processes. In issues related to the allowability of Asbestos Claims, e.g., exposure to asbestos or asbestos-containing materials sold, installed, or removed by API and medical evidence of injury, the Trustee shall have the latitude to make judgments regarding the amount of transaction costs to be expended by the Trust so that Asbestos Claims are not further impaired by the costs of additional investigation. Nothing herein shall prevent the Trustee, in appropriate circumstances, from contesting the allowability of any Asbestos Claim whatever the costs.

## SECTION VIII

### MISCELLANEOUS

**8.1 Amendments.** The Trustee may amend, modify, delete, or add to any of the TDP (including, without limitation, amendments to conform these procedures to advances in scientific or medical knowledge, developments in the law, or other changes in circumstances) by the procedure required or by the Trust Agreement consistent with the overall purpose of protecting, preserving and enforcing the rights of Asbestos Claimants. The Trustee may add to or change the Disease Categories or Characterization Criteria, develop subcategories thereto, or increase or decrease the Allowed Liquidated Values, with the consent of the Trust Advisor and the Legal Representative as provided in Section 3.1 hereof. Notwithstanding anything contained herein to the contrary, the TDP shall not be modified or amended in any way that would jeopardize the validity or enforceability of the Injunctions, the Trust's status as a qualified settlement fund, or the compliance of the Trust with the requirements of Bankruptcy Code section 524(g).

**8.2 Severability.** Should any provision contained in the TDP be determined to be unenforceable, such determination shall in no way limit or affect the enforceability and operative effect of any and all other provisions of the TDP.

**8.3 Governing Law.** Except as explicitly provided herein, the TDP shall be governed by, and construed in accordance with, the laws of the State of Minnesota.

**8.4 Attorneys' Fees.** Except in the case of Current Direct Asbestos Claims, attorneys' fees payable in connection with Direct Asbestos Claims paid pursuant to this TDP, whether based on hourly rates or where calculated as a percentage of recovery, shall be the lower of the fee provided in the contract between the Direct Asbestos Claimant and counsel or 33-1/3%

of the recovery, exclusive of costs chargeable to the Direct Asbestos Claimant, which costs may be, but need not be, deducted from the gross amount paid after computation of fees. This recovery shall be measured by the actual payment from the Trust to the Direct Asbestos Claimant and not by the Allowed Liquidated Value of such Direct Asbestos Claim. Legal fees may be paid in conjunction with payments made to Direct Asbestos Claimants by the Trustee. Nothing herein shall be deemed to require the Trustee or Trust Assets to be used to pay attorneys' fees or costs and any such amounts must be paid from the amount distributed by the Trust to the Direct Asbestos Claimant. Notwithstanding the foregoing, if an attorney has been compensated for his or her services on behalf of a Direct Asbestos Claimant pursuant to Section 5-2(c) of the TDP, then there shall be no further fees paid in respect to distributions by the Trust to such Direct Asbestos Claimant.

**8.5 Suit.** The holder of a Direct Asbestos Claim who is a citizen of the State of Minnesota has the option to name the Trust as a party defendant where the only claims against the Trust are for API related personal injury, wrongful death or derivative claims where such case was filed or served in Minnesota. However, the Trust shall not actively participate in the litigation and shall be removed from all service lists. No payment shall be made to any party to such litigation except as otherwise provided in this TDP. In the event a Minnesota citizen opts to name the Trust in an action commenced in a Minnesota state court, the Trust shall not consent to remove the action to any federal court and if requested to do so, shall provide a declaration that it did not consent to any removal provided that the such Direct Asbestos Claimant shall bear all costs and expenses incurred by the Trust with respect thereto. The Direct Asbestos Claimant who commences such a suit against the Trust, shall be obligated to inform the court and the other parties to such litigation that all parties will be bound by the terms of the Plan and the TDP, and such Direct Asbestos Claimant shall be obligated to ensure that no judgment is entered against the Trust in such action.

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