

1 John Kennedy (SBN 156009) (jkennedy@linerlaw.com)
2 LINER GRODE STEIN YANKELEVITZ SUNSHINE REGENSTREIF & TAYLOR LLP
3 1100 Glendon Avenue, 14th Floor
4 Los Angeles, California 90024-3503
5 Telephone: (310) 500-3500
6 Facsimile: (310) 500-3501

7 Joseph D. Frank (Illinois Bar No. 6216085) (jfrank@fgllp.com)
8 FRANKGECKER LLP
9 325 North LaSalle Street, Suite 625
10 Chicago, Illinois 60654
11 Telephone: (312) 276-1400
12 Facsimile: (312) 276-0035

13 Special Counsel for CFB Liquidating Corporation, f/k/a
14 Chicago Fire Brick Company, and WFB Liquidating
15 Corporation, f/k/a Wellsville Fire Brick Company, Joint
16 Debtors in Possession

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19 **IN THE UNITED STATES BANKRUPTCY COURT**
20 **FOR THE NORTHERN DISTRICT OF CALIFORNIA**
21 **OAKLAND DIVISION**

22 **In re:**

23 **CFB LIQUIDATING CORPORATION, f/k/a**
24 **Chicago Fire Brick Company, an Illinois**
25 **corporation, et al.,**

26 **Debtors.**

27 **Chapter 11**

28 **Case No. 01-45483**
Case No. 01-45484

Honorable Roger Efremsky

29 **JOINT CHAPTER 11 PLAN OF CFB LIQUIDATING CORPORATION,**
30 **F/K/A CHICAGO FIRE BRICK COMPANY, AND WFB LIQUIDATING**
31 **CORPORATION, F/K/A WELLSVILLE FIRE BRICK COMPANY,**
32 **AS MODIFIED**

33 CFB Liquidating Corporation, formerly known as Chicago Fire Brick Company (“CFB”) and
34 WFB Liquidating Corporation, formerly known as Wellsville Fire Brick Company (“WFB” and,
35 together with CFB, the “Debtors”) submit this joint chapter 11 plan of liquidation (the “Plan”),
36 pursuant to section 1121(a) of the United States Bankruptcy Code, (11 U.S.C. §§ 101 *et seq.*,
37 hereafter, the “Bankruptcy Code”).

38 **INTRODUCTION**

39 On October 10, 2001, CFB, WFB, and certain of their affiliates filed voluntary petitions for
40 relief under Chapter 11 of Title 11 of the United States Code (as amended, the “Bankruptcy Code”),
41 in the United States Bankruptcy Court, Northern District of California. As its name suggests, CFB
42 was a Chicago, Illinois company founded in 1900 and engaged in the business of manufacturing and

1 distributing refractory products. Some of these products contained asbestos. WFB Company was a
2 Wellsville, Missouri company that also engaged in the business of manufacturing and distributing
3 refractory products.

4 As of the Petition Date, CFB and its affiliates were defendants in numerous personal injury
5 and wrongful death lawsuits pending in various parts of the United States. In those lawsuits, over
6 22,000 individuals asserted Asbestos Personal Injury Claims against CFB and its affiliates resulting
7 from exposure to asbestos-containing products that were manufactured, used or sold by CFB, its
8 affiliates, and their respective predecessors, subsidiaries and former operating divisions.

9 Approximately one year after the bankruptcy filing, in December 2002, CFB, WFB, and their
10 affiliates sold substantially all of their operating assets to Allied Mineral Products, Inc. The proceeds
11 from this sale were used almost exclusively to satisfy debts of senior secured creditors and did not
12 provide any funds from which holders of Asbestos Personal Injury Claims and General Unsecured
13 Claims could recover.

14 During its operations, CFB purchased third-party liability insurance policies from a number of
15 insurers. These Insurance Policies did not contain exclusions from coverage for asbestos liability
16 until 1987, and the Debtors have not yet exhausted the primary and excess Insurance Policies they
17 purchased with coverage periods between November 25, 1959 and January 1, 1987. WFB was also a
18 named insured under these Insurance Policies. These Insurance Policies constitute the most valuable
19 assets remaining in the Debtors' Estates. During their bankruptcy cases, the Debtors have
20 investigated the existence of these Insurance Policies and the amounts of coverage available
21 thereunder, and have negotiated settlements with three of their largest primary insurance carriers, and
22 with their excess insurance carrier that, once approved, will yield in excess of \$16 million for the
23 benefit of the Debtors' Estates and their Creditors. These settlements are incorporated into this Plan.

24 This Plan contemplates the orderly liquidation of the Debtors' remaining assets, including the
25 Debtors' rights, causes of action, and coverage entitlements arising under their Insurance Policies.
26 The Plan further contemplates the distribution of the net proceeds of the Debtors' Estates to their
27 Creditors under the supervision and control of a Liquidating Trust to be established pursuant to this
28 Plan. Contemporaneous with the filing of this Plan, the Debtors have filed their Disclosure
Statement, providing a lengthy discussion of the Debtors' history, businesses, assets, results of
operations, major claims and causes of action, risk factors, and a summary and analysis of this Plan.
Creditors are urged to read both the Plan and the Disclosure Statement for a full explanation of the
Plan and its impact.

ARTICLE 1 DEFINITIONS AND RULES OF CONSTRUCTION

The capitalized terms used herein shall have the respective meanings set forth below. Any
term used but not defined herein shall have the meaning ascribed to that term, if any, in the
Bankruptcy Code. The rules of construction contained in section 102 of the Bankruptcy Code shall
apply to the construction of this Plan. Whenever the context requires, words denoting the singular
number shall include the plural number and vice versa, and words denoting one gender shall include
the other gender and vice versa. All exhibits and schedules attached to this Plan and/or the
Disclosure Statement are incorporated herein.

1 1.1 “ACE” means ACE Insurance Company and its respective past and/or present
2 subsidiaries, parents, affiliates, associated corporations and entities, employees, officers, directors,
3 shareholders, principals, agents, attorneys, representatives, predecessors, successors and assigns,
4 solely in their capacities as such.

5 1.2 “ACE Insurance Policies” means any and all Insurance Policies issued by ACE under
6 which the Debtors are entitled to coverage or otherwise claim coverage, whether or not the Insurance
7 Policies are presently known to the Debtors and/or ACE.

8 1.3 “ACE Settlement Agreement” means the settlement agreement into which ACE and
9 the Debtors have agreed to enter, subject to Court approval.

10 1.4 “Administrative Claim” means any Claim against a Debtor for an Administrative
11 Expense.

12 1.5 “Administrative Claims Bar Date” means, September 30, 2003, with respect to
13 Administrative Claims other than Fee Claims, arising prior to or on that date. For any Administrative
14 Claims other than Fee Claims, arising after September 30, 2003, the Administrative Claims Bar Date
15 shall be thirty (30) days following the Effective Date.

16 1.6 “Administrative Claims Objection Deadline” means the date by which objections to
17 Administrative Claims shall be filed with the Court and served upon the respective Holder(s) thereof,
18 which date shall be ninety (90) days after the Effective Date unless extended by order of the Court.

19 1.7 “Administrative Expense” means any cost or expense of administration of the Case
20 incurred on or before the Effective Date entitled to priority under section 507(a)(2) and allowed under
21 section 503(b) of the Bankruptcy Code, including the actual and necessary expenses of preserving the
22 Debtors’ Estates and/or operating the Debtors’ businesses.

23 1.8 “Affiliated Debtors” means National Refractories & Minerals Corp.; National
24 Refractories & Minerals Inc.; and NAT Liquidating Corp, f/k/a National Affiliated Technologies, Inc.

25 1.9 “Allowed” means with respect to an Administrative Claim, a Priority Tax Claim, an
26 Other Priority Claim, a Fee Claim, a Secured Claim, a General Unsecured Claim or an Interest, or
27 any portion thereof, a Claim that either (a) has been allowed by a Final Order that has not been
28 reconsidered as of the Effective Date, (b) was listed in the Schedules as neither disputed, contingent
nor unliquidated, has not been superseded by a timely Proof of Claim or Interest and for which no
objection has been filed by any party in interest as of the Effective Date, or (c) is set forth in a
timely-filed Proof of Claim or Interest in a liquidated amount, as to which no objection has been filed
on or before the Claims Objection Deadline or within any other period fixed by the Bankruptcy Code
or a Final Order of the Court for the filing of an objection. With respect to a Trust Claim, “Allowed”
means a Claim liquidated and determined to be valid through the Trust Distribution Procedures.

1.10 “Asbestos Personal Injury Claim” means any Claim asserted against either of the
Debtors, or their predecessors or subsidiaries, whenever and wherever arising or asserted, relating to,
or arising by reason of, directly or indirectly, death, physical, emotional, bodily or other personal
injury or damages caused or allegedly caused, in whole or in part, directly or indirectly by asbestos or
asbestos-containing products manufactured, sold, supplied, produced, distributed, released,
advertised, or marketed by the Debtors, or asbestos for which the Debtors are otherwise liable under
any applicable law, whether or not arising or allegedly arising, directly or indirectly, from acts or

1 omissions of the Debtors, or any Person for or with which the Debtors may be liable. An asbestos
2 workers' compensation claim against the Debtors shall not constitute an Asbestos Personal Injury
3 Claim. Notwithstanding the foregoing, an Asbestos Personal Injury Claim shall not be considered a
4 General Unsecured Claim under the Plan.

5 1.11 "Bar Date" means February 19, 2002, which is the date to which the February 18,
6 2002, date fixed by the Court as the last day for timely filing of Proofs of Claim or interest was
7 extended, pursuant to Bankruptcy Rule 9006(a), because Washington's Birthday was observed on
8 February 18, 2002.

9 1.12 "Bar Date Asbestos Personal Injury Claim" means an Asbestos Personal Injury Claim
10 for which a Proof of Claim was filed on or before the Bar Date.

11 1.13 "Bankruptcy Code" means title 11 of the United States Code, 11 U.S.C. § 1101, et seq.

12 1.14 "Bankruptcy Rules" means the Federal Rules of Bankruptcy Procedure, as heretofore
13 and hereafter amended.

14 1.15 "Bituminous" means Bituminous Casualty Corporation and its respective past and/or
15 present subsidiaries, parents, affiliates, associated corporations and entities, employees, officers,
16 directors, shareholders, principals, agents, attorneys, representatives, predecessors, successors and
17 assigns, solely in their capacities as such.

18 1.16 "Bituminous Insurance Policies" means any and all Insurance Policies issued by
19 Bituminous under which the Debtors are entitled to coverage or otherwise claim coverage, whether or
20 not the Insurance Policies are presently known to the Debtors and Bituminous.

21 1.17 "Bituminous Settlement Agreement" means the settlement agreement into which
22 Bituminous and the Debtors have agreed to enter, subject to Court approval.

23 1.18 "Business Day" means any day other than a Saturday, Sunday, or "legal holiday" as
24 that term is defined in Bankruptcy Rule 9006(a).

25 1.19 "Cases" means the bankruptcy cases commenced by the Debtors in the Court on the
26 Petition Date under chapter 11 of the Bankruptcy Code, captioned as Case Nos. 01-45483 and 01-
27 45484.

28 1.20 "Claim" means a claim as defined in section 101(5) of the Bankruptcy Code.

1.21 "Claimant" means the Holder of a Claim.

1.22 "Claim Objection Deadline" means the date by which objections to Claims other than
Administrative Claims, Priority Tax Claims and Asbestos Personal Injury Claims shall be filed,
which date shall be one hundred-twenty (120) days after the Liquidating Trustee files a statement of
determination that funds will be available to pay General Unsecured Claims unless extended by order
of the Court.

1.23 "Class" means a class of Claimants described in Articles 4 and 5 of the Plan.

1 1.24 “Class 3 Funds Account” means a segregated bank account to be maintained and
2 controlled by the Liquidating Trustee, into which the Liquidating Trustee will deposit those funds
3 allocated to pay Allowed Class 3 Claims and an allocated share of Administrative Expense Claims
and incurred and anticipated expenses of the Liquidating Trust (including professional fees and
expenses).

4 1.25 “Class 4 Funds Account” means a segregated bank account to be maintained and
5 controlled by the Liquidating Trustee, into which the Liquidating Trustee will deposit those funds
6 allocated to pay Allowed Class 4 Claims and an allocated share of Administrative Expense Claims
and incurred and anticipated expenses of the Liquidating Trust (including professional fees and
expenses).

7 1.26 “Continental” means Continental Casualty Company and any and all of its direct or
8 indirect parent companies, subsidiaries, affiliates, predecessors, successors, partners, and joint
9 venturers as of the Confirmation Date.

10 1.27 “Continental Insurance Policies” means any and all Insurance Policies issued by
11 Continental under which the Debtors are entitled to coverage or otherwise claim coverage, whether or
not the Insurance Policies are presently known to the Debtors and Continental.

12 1.28 “Collateral” means any property of the Debtors subject to a valid and enforceable lien
to secure the payment of a Claim.

13 1.29 “Confirmation Date” means the date on which the Clerk of the Court enters the
14 Confirmation Order.

15 1.30 “Confirmation Hearing” means the hearing to be held by the Court pursuant to
16 Bankruptcy Code section 1128, scheduled to commence on September 6, 2012 at 11:00 a.m., and as
may be continued from time to time, to consider confirmation of this Plan.

17 1.31 “Confirmation Order” means the order of the Court confirming this Plan.

18 1.32 “Court” means the United States Bankruptcy Court for the Northern District of
19 California, Oakland Division, and/or such other court having jurisdiction over the Cases.

20 1.33 “Cure Claim” means the amounts required to be paid pursuant to section 365(b)(1) of
21 the Bankruptcy Code under any executory contract or unexpired lease that is assumed pursuant to a
Final Order of the Court and that remains unpaid as of the Effective Date.

22 1.34 “Debtors” means, collectively, CFB Liquidating Corporation, formerly known as
23 Chicago Fire Brick Company, and WFB Liquidating Corporation, formerly known as Wellsville Fire
24 Brick Company.

25 1.35 “Disallowed” means, with respect to any Claim, or portion thereof, any Claim or
26 portion thereof against either of the Debtors which: (a) has been withdrawn, in whole or in part, by
27 agreement of the particular Debtor and the Claimant; (b) has been withdrawn, in whole or in part, by
the Claimant; or (c) has been disallowed, in whole or in part, by the Court. In each case, a
Disallowed Claim is disallowed only to the extent of disallowance or withdrawal.

1 1.36 “Disbursing Agent” means the Liquidating Trustee, or any agent engaged by the
Liquidating Trustee to make distributions to Claimants with Allowed Claims.

2 1.37 “Disclosure Statement” means the Disclosure Statement filed with respect to this Plan,
3 as it may be altered, amended or modified from time to time in accordance with the provisions of the
4 Bankruptcy Code and the Bankruptcy Rules.

5 1.38 “Disputed” means, a Claim or Interest to which an objection has been or may be
6 timely filed or deemed filed under applicable law by the Debtors or any other party in interest and for
7 which any such objection has not been: (a) withdrawn, (b) overruled or denied by a Final Order, or
8 (c) granted by a Final Order. For purposes of the Plan, a Claim that has not been Allowed shall be
9 considered to be Disputed, whether or not an objection has been or may be timely filed, if (1) the
10 amount of the Claim specified in the Proof of Claim exceeds the amount of any corresponding Claim
11 scheduled in the Schedules, (2) the classification of the Claim specified in the Proof of Claim differs
12 from the classification of any corresponding Claim scheduled in the Schedules, (3) any corresponding
13 Claim has been scheduled in the Schedules as disputed, contingent or unliquidated, (4) no
14 corresponding Claim has been scheduled in the Schedules, or (5) such Claim is reflected as
15 unliquidated or contingent in the Proof of Claim filed with respect to that Claim.

16 1.39 “Disputed Claim Amount” means the lesser of: (a) the Face Amount set forth in the
17 Proof of Claim filed with the Bankruptcy Court or in the absence of such a filed Proof of Claim, the
18 amount listed on the Debtors’ Schedules relating to a Disputed Claim; and (b) the amount of such
19 Disputed Claim allowed by the Court pursuant to section 502 of the Bankruptcy Code, or zero, if
20 such Disputed Claim has been Disallowed by the Court, provided, however, that, in the event that
21 such Claim has been Disallowed, but the order of disallowance has not yet become a Final Order, the
22 Holder of the Disallowed Claim may request that the Court order the Debtors or the Liquidating
23 Trustee, as the case may be, to reserve cash that would be attributed to such Disputed Claim if it were
24 an Allowed Claim, or a lesser amount, to the extent that the Court, in its sole and absolute discretion,
25 determines such reserve is appropriate under the circumstances.

26 1.40 “Distribution” means the property required by this Plan to be distributed on account of
27 Allowed Claims.

28 1.41 “Effective Date” means a Business Day selected by the Debtors at least fourteen (14)
days after the Confirmation Date and on which (a) the Confirmation Order has become a Final Order,
and (b) all conditions to the effectiveness of this Plan have been satisfied or waived as provided in
Article 14 of this Plan.

1.42 “Estates” means the bankruptcy estates created at the time of the Debtors’ bankruptcy
filings, containing all property of the Debtors pursuant to section 541 of the Bankruptcy Code.

1.43 “Face Amount” means (a) when used in reference to a Disputed Claim, the full stated
amount claimed by the Holder of the Claim in a timely filed Proof of Claim; (b) when used in
reference to an unliquidated Claim, the amount of the Claim as estimated by the Court pursuant to
section 502(c) of the Bankruptcy Code; and (c) when used in reference to an Allowed Claim, the
Allowed amount of the Claim.

1.44 “Fee Application” means an application for the allowance of a Fee Claim.

1 1.45 “Fee Claim” means a Claim against either of the Debtors by a Professional or any
2 other party in interest pursuant to sections 327, 328, 330, 331, 503(b), or 1103 of the Bankruptcy
3 Code or otherwise relating to services performed and expenses incurred after the Petition Date and
4 prior to and including the Effective Date.

5 1.46 “Final Decree” means the final decree entered by the Court on or after the Effective
6 Date and pursuant to Bankruptcy Rule 3022.

7 1.47 “Final Order” means either: (a) an order as to which the time to appeal, petition for
8 writ of certiorari or move for reargument, rehearing, reconsideration, new trial, or to alter or amend
9 findings or judgment has expired and as to which no appeal, petition for writ of certiorari or other
10 proceedings in which a party is seeking reargument, rehearing, reconsideration, new trial, or to alter
11 or amend findings or judgment shall then be pending or (b) in the event that an appeal, writ of
12 certiorari, reargument, rehearing, reconsideration, new trial, or motion to alter or amend findings or
13 judgment thereof has been sought, an order that has been affirmed by the highest court to which such
14 order was appealed, or certiorari has been denied or from which reargument, rehearing,
15 reconsideration, new trial, or motion to alter or amend findings or judgment was sought, and for
16 which the time to take any further appeal, petition for writ of certiorari or move for reargument,
17 rehearing, reconsideration, new trial, or to alter or amend findings or judgment shall have expired,
18 provided, however, that no order shall fail to be a Final Order solely because of the possibility that a
19 motion pursuant to Rule 9024 of the Federal Rules of Bankruptcy Procedure may be filed with
20 respect to such order.

21 1.48 “General Unsecured Claim” means any Claim against either of the Debtors that is not
22 an Asbestos Personal Injury Claim and is neither secured nor entitled to priority under the
23 Bankruptcy Code or any order of the Court.

24 1.49 “Hartford” means Hartford Accident and Indemnity Company and its respective past
25 and/or present subsidiaries, parents, affiliates, associated corporations and entities, employees,
26 officers, directors, shareholders, principals, agents, attorneys, representatives, predecessors,
27 successors and assigns, solely in their capacities as such.

28 1.50 “Hartford Insurance Policies” means any and all Insurance Policies issued by Hartford
under which the Debtors are entitled to coverage or otherwise claim coverage, whether or not the
Insurance Policies are presently known to the Debtors and/or Hartford.

1.51 “Hartford Settlement Agreement” means the settlement agreement into which Hartford
and the Debtors have agreed to enter, subject to Court approval.

1.52 “Holder” means a Person that is the beneficial owner of a Claim or Interest. For
purposes of voting to accept or reject this Plan, a Person must be a Holder as of the Voting Record
Date. For purposes of a Distribution, a Person must be a Holder as of the Effective Date.

1.53 “Indemnified Parties” means (i) the Debtors’ officers and directors; (ii) the Debtors’
Professionals; (iii) the Debtors’ Responsible Individual; (iv) the Disbursing Agent; and (v) the
Settling Insurers.

1.54 “Insurance Policy” means any policy of insurance or indemnification issued by an
insurance company in which the Debtors hold an ownership or beneficial interest, whether known or

1 unknown or under which either of the Debtors is an insured, additional insured or is otherwise
2 entitled to any coverage or benefits.

3 1.55 “Insurance Proceeds Fund” means the total amount of recoveries from the Debtors’
4 liquidation of all rights, causes of action, settlements and claims pertaining to any Insurance Policy in
5 which either of Debtors holds an interest, minus expenses incurred by the Debtors or Liquidating
6 Trust in connection with the operation of the Liquidating Trust and/or the liquidation of these assets.

7 1.56 “Interest” means any “equity security,” as that term is defined in section 101 of the
8 Bankruptcy Code, in the Debtors.

9 1.57 “Liquidating Trust” means the trust established pursuant to Section 8.1 of this Plan to
10 receive the assets of the Debtors’ Estates and adjudicate the Claims asserted against the Debtors’
11 Estates.

12 1.58 “Liquidating Trustee” means the duly appointed initial trustee of the Liquidating Trust
13 or such other individual as is subsequently appointed by the Bankruptcy Court to serve as trustee of
14 the Liquidating Trust.

15 1.59 “Non-Settling Insurer” means any insurer against which the Liquidating Trust holds a
16 Retained Cause of Action and/or that has not settled its potential liability under any Insurance Policy,
17 other than Continental.

18 1.60 “Other Priority Claim” means any Claim that, if Allowed, would be entitled to priority
19 under sections 507(a)(3) through 507(a)(7) of the Bankruptcy Code.

20 1.61 “Person” means and includes any natural person, corporation, limited partnership,
21 general partnership, joint venture, trust, land trust, business trust, unincorporated organization, or
22 other organization, irrespective of whether he, she or it is a legal entity, government agency, political
23 subdivision thereof or other entity, as such term is defined in section 101(15) of the Bankruptcy
24 Code.

25 1.62 “Petition Date” means October 10, 2001.

26 1.63 “Plan” means this Joint Plan of Liquidation, either in its present form or as it may
27 hereafter be altered, amended, or modified from time to time.

28 1.64 “Priority Tax Claim” means any Claim against the Debtors that, if Allowed, would be
entitled to priority in payment under section 507(a)(8) of the Bankruptcy Code.

1.65 “Proof of Claim” means a statement in writing of a Claim on, or consistent with, the
Court’s Official Form 10 proof of claim form, against either of the Debtors filed with the Bankruptcy
Court.

1.66 “Professionals” means those Persons defined as professional persons in sections 327
and 1103 of the Bankruptcy Code and who have been employed pursuant to an order of the Court in
the Case.

1.67 “Pro Rata Share” means the proportion that the Allowed Amount of a Claim in a
particular Class bears to the total Allowed Amount of Claims in the Class.

1 1.68 "Rejection Damage Claim" means a Claim, if any, by a party to a prepetition
2 executory contract or an unexpired lease of non-residential real property with the Debtors, which has
not been assumed by the Debtors pursuant to this Plan or pursuant to a prior Final Order of the Court.

3 1.69 "Released Parties" means the parties set forth in Section 7.3 of the Plan and their
4 respective affiliates, parents, attorneys, representatives, agents, heirs, successors and assigns.

5 1.70 "Responsible Individual" means the Person who has the power and authority to act on
6 behalf of the Debtors in these Cases and among other things, to propose this Plan and to execute
7 settlement agreements on behalf of the Debtors, including the Settlement Agreements; provided,
however, the Responsible Individual, does not have the power to reinstate the Debtors under
applicable non-bankruptcy law.

8 1.71 "Retained Causes of Action" means all causes of action owned by the Estates,
9 including but not limited to any and all Claims, causes of action or rights relating to any Insurance
10 Policies, any other Claims for contribution or indemnification from any third party, and any other
11 Claim or cause of action against any issuer of an Insurance Policy. Provided, however, that Retained
12 Causes of Action shall not include causes of action released pursuant to Sections 7.2, 7.3, 9.1, 9.2, 9.3
or 9.4 of the Plan and/or the Hartford Settlement Agreement, the Bituminous Settlement Agreement,
the ACE Settlement Agreement or the Safety National Settlement Agreement.

13 1.72 "Safety National" means Safety National Casualty Company and its respective past
14 and/or present subsidiaries, parents, affiliates, associated corporations and entities, employees,
officers, directors, shareholders, principals, agents, attorneys, representatives, predecessors,
15 successors and assigns, solely in their capacities as such.

16 1.73 "Safety National Insurance Policies" means any and all Insurance Policies issued by
17 Safety National under which the Debtors are entitled to coverage or otherwise claim coverage,
whether or not the Insurance Policies are presently known to the Debtors and/or Safety National.

18 1.74 "Safety National Settlement Agreement" means the settlement agreement into which
19 Safety National and the Debtors have agreed to enter, subject to Court approval.

20 1.75 "Schedules" means, collectively, the schedules of assets and liabilities and the
21 Statement of Financial Affairs filed by the Debtors as required by section 521 of the Bankruptcy
Code and Bankruptcy Rule 1007, as such schedules and statements may be supplemented or
amended.

22 1.76 "Secured Claim" means a Claim that is secured by a security interest in or lien on
23 property of the Estates to the extent of the value, as of the Effective Date or such other date
24 established by the Court, of such Holder's interest in the Estates' interest in such property, as
25 determined by a Final Order of the Court pursuant to section 506 of the Bankruptcy Code, or as
26 otherwise agreed upon in writing by the Debtors and the Holder. Secured Claims shall include
27 Claims secured by security interests or liens junior in priority to existing security interests or liens,
whether by operation of law, contract, or otherwise, but solely to the extent of the value, as of the
28 Effective Date or such other date established by the Court, of such Holder's interest in the Estates'
interest in such property, after giving effect to all security interests or liens senior in priority.

1 1.77 "Settlement Agreements" means the Ace Settlement Agreement, the Bituminous
2 Settlement Agreement, the Hartford Settlement Agreement and the Safety National Settlement
3 Agreement.

4 1.78 "Settling Insurers" means, collectively, Hartford, Bituminous, Ace and Safety
5 National and, solely to the extent that the Debtors enter into an agreement prior to the Effective Date,
6 Continental.

7 1.79 "Supplemental Bar Date" means July 16, 2012, the date by which each Holder of an
8 Asbestos Personal Injury Claim, who was not aware of the condition(s) giving rise to his or her
9 Asbestos Personal Injury Claim until after the Bar Date, must file a Proof of Claim with the Court.

10 1.80 "Supplemental Bar Date Asbestos Personal Injury Claim" means an Asbestos Personal
11 Injury Claim asserted by a Claimant who (i) was not aware of the condition(s) giving rise to his or her
12 Asbestos Personal Injury Claim until after the Bar Date, and (ii) filed a Proof of Claim with the Court
13 on or before the Supplemental Bar Date.

14 1.81 "Trust Agreement" means the agreement governing the formation and operation of
15 the Liquidating Trust.

16 1.82 "Trust Claim" means an Asbestos Personal Injury Claim filed by the Bar Date or the
17 Supplemental Bar Date.

18 1.83 "Trust Distribution Procedures" or "TDP" means the procedures to liquidate and
19 satisfy Trust Claims, currently in the form attached as Exhibit F to the Disclosure Statement, as the
20 same may be modified or amended.

21 1.84 "Unclassified Claims" means Administrative Claims and Priority Tax Claims.

22 1.85 "Voting Record Date" means May 31, 2012, the date on which the Court authorized
23 solicitation of acceptances of this Plan.

24 1.86 "Wind-Down Account" means an account to be established by the Liquidating Trustee
25 to hold all cash proceeds of the Estates as of the Effective Date and the subsequent cash proceeds
26 received from the liquidation of assets of the Estates and the prosecution or resolution of Retained
27 Causes of Action.

28
ARTICLE 2
SUMMARY OF THE PLAN

This article merely summarizes certain major elements of this Plan. The remaining sections of this Plan deal with each of these subjects in greater detail. Those later sections are controlling, and this summary will not change or be used to construe the other provisions of this Plan. Holders of Claims against, or Interests in the Debtors are encouraged to read this Plan in its entirety.

The Plan contemplates the creation of a Liquidating Trust and the appointment of a Liquidating Trustee to supervise, maintain and liquidate all remaining assets of the Estates, including all claims and causes of action held by the Estates for the benefit of the Debtors' creditors.

1 The Plan classifies Allowed Claims against either of the Debtors and Interests in either of the
2 Debtors as follows:

- 3 • Unclassified Claims - Administrative Claims, and/or Priority Tax Claims;
- 4 • Class 1 Claims - Other Priority Claims;
- 5 • Class 2 Claims - Secured Claims;
- 6 • Class 3 Claims – Bar Date Asbestos Personal Injury Claims;
- 7 • Class 4 Claims- Supplemental Bar Date Asbestos Personal Injury Claims;
- 8 • Class 5 Claims - General Unsecured Claims; and
- 9 • Class 6 Interests - Interests in the Debtors.

10 Holders of Allowed Administrative Claims, Allowed Priority Tax Claims, and Allowed Other
11 Priority Claims will be paid in full in cash on the later of the Effective Date or the date on which such
12 Claims become Allowed.

13 Holders of Allowed Secured Claims, if any, shall receive, at the option of the Liquidating
14 Trustee and in satisfaction of their Claims, the particular property of the Debtors securing the
15 Holder’s Secured Claim, cash in the full amount of the Secured Claim, or such other treatment to
16 which the Holder of the Secured Claim and the Liquidating Trustee shall have agreed in writing. The
17 Debtors are not aware of the existence of any such Claims.

18 All Trust Claims will be liquidated pursuant to the Trust Distribution Procedures. Each
19 Holder of a Class 3 Bar Date Asbestos Personal Injury Claim shall receive a *pro rata* Distribution
20 from the *corpus* of the Class 3 Funds Account in satisfaction of his or her Claim. The Class 3 Funds
21 Account will be comprised of: (a) \$14,023,997.34 of funds transferred into the Insurance Proceeds
22 Fund pursuant to this Plan, to be collected and transferred to the Class 3 Funds Account within sixty
23 (60) days of the Effective Date; (b) fifty percent (50%) of the recoveries from any settlement
24 completed pursuant to Section 9.5 of this Plan, and (c) eighty percent (80%) of all recoveries on
25 account of the Debtors’ Insurance Policies issued by their insolvent insurer, Home Insurance
26 Company, minus an allocated share of the Debtors’ Administrative Expense Claims and payment
27 and/or reserve of all incurred and anticipated expenses of the Liquidating Trust (including
28 professional fees and expenses). Holders of Class 3 Bar Date Asbestos Personal Injury Claims shall
receive their *pro rata* Distributions following the liquidation of all timely-filed Bar Date Asbestos
Personal Injury Claims or at such earlier time as is approved by the Court.

Each Holder of a Class 4 Supplemental Bar Date Asbestos Personal Injury Claim shall receive
a *pro rata* Distribution from the *corpus* of the Class 4 Funds Account in satisfaction of their Claims.
The Class 4 Funds Account will be comprised of (a) \$2.45 million of funds transferred into the
Insurance Proceeds Fund pursuant to this Plan, to be collected and transferred to the Class 4 Funds
Account within 60 days of the Effective Date; (b) 50% of the recoveries from any settlement
completed pursuant to Section 9.5 of this Plan, and (c) 20% of all recoveries on account of the
Debtors’ Insurance Policies issued by their insolvent insurer, Home Insurance Company, minus an
allocated share of the Debtors’ Administrative Expense Claims and payment and/or reserve of all

1 incurred and anticipated expenses of the Liquidating Trust (including professional fees and
2 expenses). Holders of Supplemental Bar Date Asbestos Personal Injury Claims shall receive a pro
3 rata Distribution upon the liquidation of all Class 4 Supplemental Bar Date Asbestos Personal Injury
4 Claims or at such earlier time as is approved by the Court, *provided however*, that a Holder of a
5 Supplemental Bar Date Asbestos Personal Injury Claim shall not receive a greater Distribution on
6 account of his or her Claim than that Person would receive if his or her Claim had qualified as an
7 otherwise identical Bar Date Asbestos Personal Injury Claim.

8 In addition, Section 8.3 of the Plan provides a mechanism whereby the Liquidating Trust may
9 pursue additional recoveries from Continental with respect to Allowed Trust Claims, except to the
10 extent that the Debtors and Continental enter into an insurance buyback agreement prior to the
11 Effective Date, as fully discussed in Sections 8.3(d) and 9.5 herein.

12 Holders of Allowed General Unsecured Claims are not expected to receive or retain any
13 property or distribution on account of their General Unsecured Claims unless all other Classes of
14 claims are paid in full. To the extent any assets are available for distribution to Holders of General
15 Unsecured Claims, they will be distributed to Holders of Allowed General Unsecured Claims on a
16 *pro rata* basis, all as fully described in Article 4 of this Plan.

17 All Interests in the Debtors will be extinguished as of the Effective Date. Holders of Class 6
18 Interests are not expected to receive or retain any property under this Plan on account of those
19 Interests.

20 **ARTICLE 3**

21 **UNCLASSIFIED CLAIMS**

22 **3.1 Administrative Claims**

23 Holders of any Administrative Claim, other than (a) a Fee Claim, (b) a previously Allowed
24 Administrative Claim, (c) the claim of the Pension Benefit Guaranty Corporation, or (d) a liability
25 incurred and paid in the ordinary course of business by the Debtors or pursuant to an order of the
26 Court, were required to file with the Court an application for the allowance of such Administrative
27 Claim on or before September 30, 2003. Failure to timely file such an application shall result in the
28 Administrative Claim being forever barred. Because the Debtors ceased business operations at the
time of their sale, the Debtors do not expect that they have incurred any significant Administrative
Claims other than Fee Claims. To the extent any Person asserts an Administrative Claim accruing
after September 30, 2003, such Person must file an appropriate motion for allowance and payment of
an Administrative Claim within the Administrative Claims Bar Date.

3.2 Fee Claims

Each Professional who holds or asserts an Administrative Claim that is a Fee Claim incurred
prior to the Effective Date shall be required to file with the Court, and shall serve on all parties
required to receive notice, a Fee Application within thirty (30) days after the Effective Date, in
accordance with the requirements of the Bankruptcy Code and the Bankruptcy Rules, including
Bankruptcy Rule 2016. Any objections to Fee Applications must be filed within forty-five (45) days
after the filing and service of the Fee Application. Failure to timely file a Fee Application as required
under this section of this Plan shall result in the Fee Claim being forever barred.

1 3.3 Allowance of Administrative Claims

2 (a) Administrative Claims Other Than Fee Claims. An Administrative Claim
3 other than a Fee Claim that has been timely and properly filed shall become an Allowed
4 Administrative Claim if no objection is filed by the Administrative Claims Objection Deadline. If an
5 objection is filed by the Administrative Claims Objection Deadline, such Administrative Claim shall
6 become an Allowed Administrative Claim only to the extent Allowed by a Final Order. The Pension
Benefit Guaranty Corporation has previously been acknowledged to hold an Administrative Claim
against CFB in the approximate amount of \$2.3 million for which it has received \$359,735.88 in full
satisfaction of the Claim.

7 (b) Fee Claims. An Administrative Claim that is a Fee Claim, and for which a Fee
8 Application has been timely and properly filed and served pursuant to section 3.2 of this Plan, shall
become an Allowed Administrative Claim only to the extent allowed by a Final Order.

9 3.4 Payment of Allowed Administrative Claims

10 Each Holder of an Allowed Administrative Claim shall be paid the amount of such Claim in
11 cash on or as soon as practicable after the Effective Date, or shall receive such other treatment as
12 agreed upon in writing by the Debtors, and the Holder or, following the Effective Date, the
Liquidating Trustee and the Holder. All Allowed Fee Claims and all other Administrative Claims
13 that become Allowed after the Effective Date shall be paid by the Disbursing Agent within fourteen
(14) days after each such Claim is Allowed by a Final Order.

14 3.5 Allowed Priority Tax Claims

15 Each Holder of an Allowed Priority Tax Claim shall be paid the Allowed amount of such
16 Claim pursuant to the provisions of section 1129(a)(9)(C) of the Bankruptcy Code on the Effective
Date or as soon thereafter as is practicable.

17 3.6 United States Trustee Fees

18 The Debtors shall be responsible for remitting timely payment of United States Trustee
19 quarterly fees incurred pursuant to 28 U.S.C. § 1930(a)(6) through the Confirmation Date. Any fees
20 due as of the Confirmation Date will be paid in full on or as soon as practicable after the Effective
Date. After the Confirmation Date, the Disbursing Agent shall pay United States Trustee quarterly
21 fees as they accrue until these Cases are closed by the Court. The Liquidating Trustee shall file with
the Court and serve on the United States Trustee a quarterly financial report, for each quarter (or
22 portion thereof) that the Cases remain open, in a format prescribed by the United States Trustee.

23 **ARTICLE 4**
24 **CLASSIFICATION, TREATMENT, AND IMPAIRMENT OF CLAIMS**

25 Classification in General. A Claim or Interest shall be included in a particular Class, and shall
26 receive the treatment afforded Claims or Interests of such Class, only to the extent any such Claim or
Interest qualifies within the description of that Class. The remainder of any such Claim or Interest
27 shall be included in a different Class or Classes to the extent the remaining Claim or Interest qualifies
for inclusion in such other Class or Classes.

1 Resolution of Classification Disputes. The Bankruptcy Court shall have exclusive jurisdiction
 2 to resolve any dispute concerning the classification of Claims or Interests. Resolution of any such
 3 dispute, however, shall not be a condition precedent to Confirmation.

4 Designation of Classes. All Claims against and Interests in the Debtors, other than
 5 Administrative Expense Claims and Priority Tax Claims, are classified for all purposes, including
 6 voting, confirmation and Distribution pursuant to the Plan, as follows:

CLASS	STATUS	ENTITLED TO VOTE?
Unclassified: Administrative Expense Claims	Unimpaired	No
Unclassified: Priority Tax Claims	Unimpaired	No
Class 1: Other Priority Claims	Unimpaired	No
Class 2: Secured Claims	Unimpaired	No
Class 3: Bar Date Asbestos Personal Injury Claims	Impaired	Yes
Class 4: Supplemental Bar Date Asbestos Personal Injury Claims	Impaired	Yes
Class 5: General Unsecured Claims	Impaired	No
Class 6: Interests	Impaired	No

19 **ARTICLE 5**

20 **SPECIFICATION AND TREATMENT OF CLASSIFIED CLAIMS**

21 **5.1 Class 1—Other Priority Claims**

22 (a) Description. Class 1 consists of any and all Claims entitled to priority under
 23 sections 507(a)(4) through (a)(7) of the Bankruptcy Code. The Claims Registers in the Debtors’
 24 Cases do not include any Class 1 - Other Priority Claims.

25 (b) Treatment. Allowed Class 1 Claims, if any, shall be fully satisfied by payment
 26 in full on the later of (i) the date on which the Claim becomes Allowed, or (ii) on the Effective Date;
 27 or as soon as practicable thereafter.

1 (c) Impairment. Class 1 is unimpaired under this Plan and the Holders of Class 1
2 Claims, if any, are conclusively presumed to have accepted this Plan under section 1126(f) of the
3 Bankruptcy Code.

4 5.2 Class 2—Secured Claims

5 (a) Description. Class 2 consists of any and all Claims that are secured by an
6 unavoidable, legally cognizable interest in property of the Estates. The Claims Registers in the
7 Debtors' Cases do not include any Class 2 Claims and the Debtors are unaware of any Secured
8 Claims that remain outstanding.

9 (b) Treatment. Allowed Class 2 Claims, if any, shall be satisfied, at the option of
10 the Liquidating Trustee, on or as soon as practicable after the Effective Date, by surrender of the
11 collateral securing the Claim, payment of the Class 2 Claim in full, or by such other treatment as to
12 which the Holder of the Allowed Class 2 Claim and the Liquidating Trustee shall have agreed in
13 writing.

14 (c) Impairment. Class 2 is unimpaired under this Plan and the Holders of Class 2
15 Claims, if any, are conclusively presumed to have accepted this Plan under section 1126(f) of the
16 Bankruptcy Code.

17 5.3 Class 3— Bar Date Asbestos Personal Injury Claims

18 (a) Description. Class 3 consists of any and all Bar Date Asbestos Personal Injury
19 Claims.

20 (b) Treatment. Except as provided in Section 8.3, Asbestos Personal Injury
21 Claims shall be liquidated pursuant to the Trust Distribution Procedures approved by this Court.
22 Each Holder of an Allowed Bar Date Asbestos Personal Injury Claim shall receive, in satisfaction of
23 the Holder's Claim, one or more Distributions of cash or its equivalent in amounts equal to the
24 Holder's *ProRata* Share of the amounts to be deposited into the Class 3 Funds Account, comprised
25 of: (a) \$14,023,997.34 of funds transferred into the Insurance Proceeds Fund pursuant to this Plan, to
26 be collected and transferred to the Class 3 Funds Account within 60 days of the Effective Date; (b)
27 50% of the recoveries from any settlement completed pursuant to Section 9.5 of this Plan, and (c)
28 80% of all recoveries on account of the Debtors' Insurance Policies issued by their insolvent insurer,
Home Insurance Company, minus an allocated share of the Debtors' Administrative Expense Claims
and payment and/or reserve of all incurred and anticipated expenses of the Liquidating Trust
(including professional fees and expenses). Except to the extent that the Liquidating Trustee
determines that it is appropriate to make partial or periodic distributions, the Liquidating Trustee shall
commence making distributions on account of Allowed Bar Date Asbestos Personal Injury Claims as
soon as practicable following the liquidation of all timely-filed Bar Date Asbestos Personal Injury
Claims asserted against the Debtors' Estates. Such Holder shall receive up to 100% of the Allowed
amount of its Class 3 Claim from the funds available for Distribution. To the extent that, after
payment of 100% of all Allowed Class 3 Claims and the allocated share of the Debtors'
Administrative Expense Claims and payment and/or reserve of all incurred and anticipated expenses
of the Liquidating Trust (including professional fees and expenses), any portion of the Class 3 Funds
Account remains unused, those funds will be used first to pay Allowed Class 4 Claims on a pro rata
basis, up to 100% of the Allowed amount of Class 4 Claims (when combined with the pro rata
Distribution from the Class 4 Funds Account) and second, to pay Class 5 Claims. To the extent the

1 Liquidating Trust determines that Continental may have financial responsibility for all or part of a
2 Class 3 Claim, the treatment of that portion of the Class 3 Claim for which the Liquidating Trust
determines Continental may be responsible shall be treated in accordance with Section 8.3 hereof.

3 (c) Impairment. Class 3 is impaired under this Plan. Therefore Holders of Class 3
4 Claims are entitled to vote for or against this Plan.

5 5.4 Class 4— Supplemental Bar Date Asbestos Personal Injury Claims

6 (a) Description. Class 4 consists of any and all Supplemental Bar Date Asbestos
7 Personal Injury Claims.

8 (b) Treatment. Except as provided in Section 8.3, Supplemental Bar Date
9 Asbestos Personal Injury Claims shall be liquidated pursuant to the Trust Distribution Procedures
10 approved by this Court. Each Holder of an Allowed Supplemental Bar Date Asbestos Personal Injury
11 Claim shall receive, in satisfaction of the Holder's claim, one or more Distributions of cash or its
12 equivalent in amounts equal to the Holder's *Pro Rata* Share of the amounts to be deposited into the
13 Class 4 Funds Account, comprised of: (a) \$2.45 million of funds transferred into the Insurance
14 Proceeds Fund pursuant to this Plan, to be collected and transferred to the Class 4 Funds Account
15 within 60 days of the Effective Date; (b) 50% of the recoveries from any settlement completed
16 pursuant to Section 9.5 of this Plan, and (c) 20% of all recoveries on account of the Debtors'
17 Insurance Policies issued by their insolvent insurer, Home Insurance Company, minus an allocated
18 share of the Debtors' Administrative Expense Claims and payment and/or reserve of all incurred and
19 anticipated expenses of the Liquidating Trust (including professional fees and expenses). Except to
20 the extent that the Liquidating Trustee determines that it is appropriate to make partial or periodic
21 distributions, the Liquidating Trustee shall commence making distributions on account of Allowed
22 Supplemental Bar Date Asbestos Personal Injury Claims as soon as practicable following the
23 liquidation of all timely-filed Supplemental Bar Date Asbestos Personal Injury Claims asserted
24 against the Debtors' Estates. Such Holder shall receive up to 100% of the Allowed amount of its
25 Class 4 Claim from the funds available for Distribution, **provided, however,** that no Holder of an
26 Allowed Supplemental Bar Date Asbestos Personal Injury Claim shall receive a greater Distribution
27 on account its Claim than that Holder would have received had the Allowed Class 4 Supplemental
28 Bar Date Asbestos Personal Injury Claim been classified as a Class 3 Bar Date Asbestos Personal
Injury Claim. In the event that funds remain in the Class 4 Funds Account after payment of all
Allowed Supplemental Bar Date Asbestos Personal Injury Claims and the allocated share of the
Debtors' Administrative Expense Claims and payment and/or reserve of all incurred and anticipated
expenses of the Liquidating Trust (including professional fees and expenses), any remaining portion
of the Class 4 Funds Account shall be used first to pay Allowed Class 3 Claims on a pro rata basis, up
to 100% of the Allowed amount of Class 3 Claims (when combined with the pro rata Distribution
from the Class 3 Funds Account) and second, to pay Class 5 Claims. To the extent the Liquidating
Trust determines that Continental may have financial responsibility for all or part of a Class 4
Supplemental Bar Date Asbestos Personal Injury Claim, the treatment of that portion of the Class 4
Claim for which the Liquidating Trust determines Continental may be responsible shall be treated in
accordance with Section 8.3 hereof.

(c) Impairment. Class 4 is impaired under this Plan. Therefore Holders of Class 4
Claims are entitled to vote for or against this Plan.

1 5.5 Class 5— General Unsecured Claims

2 (a) Description. Class 5 consists of any and all Claims of general unsecured
3 creditors, excluding Asbestos Personal Injury Claims, Unclassified Claims and those Claims
4 classified in Class 1 or 2.

5 (b) Treatment. It is not anticipated that Holders of Class 5 General Unsecured
6 Claims will receive a Distribution from the Disbursing Agent. However, to the extent any funds are
7 available for Distribution to Holders of Allowed Class 5 General Unsecured Claims; each such
8 Holder shall receive, in satisfaction of the Holder's Claim, periodic Distributions of cash or its
9 equivalent in amounts equal to the Holder's *Pro Rata* Share of all funds available for Distribution.

10 (c) Impairment. Holders of Class 5 General Unsecured Claims are impaired under
11 this Plan and are not expected to receive any Distribution. Therefore Holders of such Claims are
12 presumed to vote against this Plan pursuant to section 1126(g) of the Bankruptcy Code.

13 5.6 Class 6—Equity Interests

14 (a) Description. Class 6 consists of all equity Interests of the Holders of common
15 or preferred shares of the Debtors.

16 (b) Treatment. Holders of Class 6 Interests shall have their Interests canceled on
17 the Effective Date. It is not anticipated that Holders of Class 6 Interests will receive a Distribution
18 from the Disbursing Agent.

19 (c) Impairment. Class 6 Interests are impaired under this Plan and are not
20 expected to receive any Distribution. Therefore Holders of such Interests are presumed to vote
21 against this Plan pursuant to section 1126(g) of the Bankruptcy Code.

22 5.7 Agreement to Less Favorable Treatment

23 Any Holder of an Allowed Claim may agree to less favorable treatment than is provided for
24 such Holder in this Plan. The obligations of the Debtors and/or the Liquidating Trustee under this
25 Plan may be prepaid in full or in part without penalty.

26 5.8 Distributions Only on Account of Allowed Claims

27 Claimants shall receive Distributions only on account of Allowed Claims. No Holder of a
28 Disputed Claim will receive any Distribution on account thereof until, and to the extent that, its
Disputed Claim becomes an Allowed Claim. Until the Claims Objection Deadline, the Liquidating
Trustee, in its sole discretion, may instruct the Disbursing Agent to withhold Distributions otherwise
due under this Article 5 of the Plan, on account of a Claim, to enable the Liquidating Trustee to file
an objection to that Claim. Any Holder of a Disputed Claim that becomes an Allowed Claim after
the Effective Date will receive its initial Distribution from the Disbursing Agent as soon as
practicable after the date of the allowance of such Claim, in accordance with the provisions of this
Article 5 of the Plan.

1 5.9 Postpetition Interest

2 In accordance with section 502(b)(2) of the Bankruptcy Code, the amount of all Allowed
3 Claims against the Debtors shall be calculated as of the Petition Date. Except as otherwise explicitly
4 provided herein or in a Final Order of the Court, no Holder of an Allowed Claim shall be entitled to,
or receive, postpetition interest with respect to any portion of an Allowed Claim.

5 **ARTICLE 6**
6 **TREATMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES**

7 6.1 General Treatment of Executory Contracts and Unexpired Leases

8 By operation of this Plan, any and all prepetition executory contracts and unexpired leases to
9 which either of the Debtors is a party that have not been assumed or rejected prior to the
10 Confirmation Date shall be deemed rejected on the Confirmation Date, except for executory contracts
or unexpired leases that (a) have previously been assumed or rejected pursuant to Final Order of the
11 Court, or (b) are the subject of a motion to assume that is pending as of the Confirmation Date.

12 6.2 Cure Payments and Release of Liability

13 Any Allowed Cure Claim shall be paid in accordance with section 3.4 of this Plan.
14 Notwithstanding the foregoing, to the extent that a party to an executory contract or unexpired lease
has failed to timely object to a proposed Cure Claim amount, that party will be deemed to release any
15 Claims for defaults in excess of any cure amount determined by the Bankruptcy Court in connection
with the Debtors' assumption of that contract or lease.

16 6.3 Bar Date for Rejection Claims

17 If the rejection of an executory contract or an unexpired lease, either by the Debtors or by
18 operation of this Plan, results in damages to the other party or parties to such contract or lease, such
parties must file a Rejection Damage Claim with the Court and serve it upon the Liquidating Trustee
19 by the earlier of (a) thirty (30) days after the Effective Date, or (b) such other deadline as the Court
may set for asserting a Claim for such damages. All Rejection Damage Claims shall be forever
20 barred and shall not be enforceable against the Debtors, the Liquidating Trustee, or their respective
agents, successors, or assigns, unless a Proof of Claim is timely filed and served.

21 6.4 Rejection Claims

22 Any allowable Rejection Damage Claim shall be treated as a General Unsecured Claim
23 pursuant to this Plan, except as limited by the provisions of sections 502(b)(6) and 502(b)(7) of the
Bankruptcy Code and state law mitigation requirements. Nothing contained herein shall be deemed
24 an admission that such rejection gives rise to, or results in, a Claim, or deemed a waiver by the
Liquidating Trustee of any objections to such Claims if asserted.

ARTICLE 7
EFFECT OF CONFIRMING PLAN

1
2 7.1 Binding Effect

3 This Plan shall be binding upon and inure to the benefit of the Debtors, the Liquidating Trust,
4 the Disbursing Agent, all present and future Claimants and Holders of Interests, Hartford, ACE,
5 Bituminous, Safety National, Continental, any and all Non-Settling Insurers and their respective
6 successors and assigns, whether or not they accepted this Plan.

7 7.2 Releases by the Debtors and their Estates

8 Except as otherwise provided in the Plan, on the Effective Date, the Debtors shall release
9 unconditionally, and hereby are deemed to forever release unconditionally: (i) the Debtors' officers
10 and directors, (ii) the Debtors' Professionals, and (iii) the Debtors' Responsible Individual, each
11 solely in their respective capacity as such, from any and all claims, causes of action and liabilities
12 whatsoever (other than the right to enforce the performance of their respective obligations, if any, to
13 the Debtors, under this Plan and the contracts, instruments, releases and other agreements delivered
14 under this Plan or any other agreements entered into during the Cases), whether liquidated or
15 unliquidated, fixed or contingent, matured or unmatured, known or unknown, foreseen or unforeseen,
16 then existing or thereafter arising, in law, equity or otherwise that are based in whole or in part on any
17 act or omission, transaction, event or other occurrence taking place on or prior to the Effective Date
18 in any way relating to the Debtors, the Cases, this Plan or the Disclosure Statement.

19 7.3 Additional Releases Under this Plan

20 **As of the Effective Date, and without the necessity of any further act, in partial**
21 **consideration for the payments made pursuant to this Plan and the settlements incorporated**
22 **therein, and other contracts, assignments, instruments, releases, agreements or documents**
23 **relating thereto, the adequacy and sufficiency of which is acknowledged by the Debtors, their**
24 **Estates, the Liquidating Trust, the Liquidating Trustee and all Claimants that vote in favor of**
25 **Plan confirmation and that receive a Distribution under the Plan, on behalf of themselves and**
26 **their respective successors, assigns, employees, agents, officers, directors, attorneys, and**
27 **representatives (in their capacity as such) (collectively, the “Releasers”), the Releasers release**
28 **and waive any and all claims, liabilities, and causes of action of any kind, nature or description,**
whether matured or unmatured, contingent or absolute, liquidated or unliquidated, relating to
the Debtors or their Estates and/or Cases, that any of the Releasers had, has or may have from
the beginning of time through the Effective Date against: (i) the Debtors, their Estates and
their Responsible Individual, (ii) the Debtors' Officers, Directors and Professionals, each in
their capacities as such; and (iii) Hartford, Bituminous ACE, and Safety National, in their
capacities as the issuers of the Hartford Insurance Policies, the Bituminous Insurance Policies,
the ACE Insurance Policies, and the Safety National Policies, respectively (collectively, the
“Released Parties”), including, without limitation, those arising under Chapter 5 of the Code
and applicable non-bankruptcy law, and any and all tort, subordination, alter-ego, lender
liability, indemnification or contribution theories of recovery, and interest or other costs,
penalties, legal, accounting and other professional fees and expenses, and incidental,
consequential and punitive damages payable to third parties. The releases in favor of the
Released Parties under this Section 7.3 supplement the releases contained in the Hartford
Settlement Agreement, the Bituminous Settlement Agreement, the ACE Settlement Agreement

1 **and the Safety National Settlement Agreement. In addition, the Debtor reserves the right to**
2 **enter into an agreement with Continental prior to the Effective Date, pursuant to which**
3 **Continental will provide additional funds to the Debtors in exchange for certain releases and**
4 **protections, including designation as a Released Party under this Plan.**

5 7.4 Discharge of Claims

6 Pursuant to Section 1141(d)(3) of the Bankruptcy Code, Confirmation will not discharge
7 Claims against the Debtors.

8 7.5 Exculpation and Limitation of Liability

9 None of (i) the Debtors' Officers and Directors, (ii) the Debtors' Professionals, or (iii) the
10 Responsible Individual, each in his or her respective capacities as such, nor any of their respective
11 officers, directors, employees, advisors, attorneys, agents, Professionals or other representatives
12 acting in such capacity on or after the Petition Date, nor the Disbursing Agent, shall have or incur any
13 liability to, or be subject to any right of action by, any Holder of a Claim, or (with respect to such
14 Claims) any of their respective agents, affiliates, or any of their successors or assigns, for any act or
15 omission in connection with, relating to, or arising out of, the Cases, the pursuit of Confirmation of
16 this Plan (or any earlier proposed chapter 11 plans), the consummation of this Plan or the
17 administration of this Plan or assets to be liquidated pursuant to this Plan, except for their bad faith,
18 fraud, willful misconduct or gross negligence, if any, and in all respects shall be entitled to rely
19 reasonably on the advice of counsel with respect to their duties and responsibilities under this Plan.

20 7.6 Indemnification

21 The Liquidating Trust shall indemnify and hold harmless the Indemnified Parties, from and
22 against and with respect to any and all liabilities, losses, damages, claims, costs and expenses,
23 including attorneys' fees arising out of or due to their actions or omissions, or consequences of such
24 actions or omissions, to the fullest extent allowed under applicable state law and other than for acts or
25 omissions resulting from such Indemnified Party's bad faith, fraud, willful misconduct or gross
26 negligence, with respect to the Debtors, their Estates, their Cases or the implementation or
27 administration of this Plan. To the extent an Indemnified Party asserts a claim for indemnification as
28 provided above, the legal fees and related costs incurred by counsel in monitoring and participating in
the defense of such claims giving rise to the asserted right of indemnification shall be advanced to
such Indemnified Party (and such Indemnified Party shall repay such amounts if it is ultimately
determined that such Indemnified Party is not entitled to be indemnified therefore) by the Disbursing
Agent at the direction of the Liquidating Trustee.

7.7 Injunction

The satisfaction, releases and exculpations pursuant to Article 7 of this Plan shall also
act as an injunction against any Person commencing or continuing any action, employment of
process, or act to collect, offset, or recover any claim or cause of action satisfied or released
under this Plan to the fullest extent authorized or provided by the Bankruptcy Code, including,
without limitation, to the extent provided for or authorized by sections 524 and 1141 thereof,
except as otherwise directed by Section 8.3 hereof.

The releases, exculpation and injunction provided in sections 7.2, 7.4 and 7.6 of this Plan
shall not release or enjoin any claims against any of the Persons enumerated therein with

1 respect to (a) fiduciary obligations under ERISA or any controlled group liabilities under Title
2 IV of ERISA, or (b) police or regulatory activities of governmental regulatory agencies.

3 **ARTICLE 8**
4 **MEANS FOR EXECUTION OF THIS PLAN**

5 8.1 Formation of a Liquidating Trust to Liquidate the Debtors' Remaining Assets

6 Except as otherwise provided in this Plan, all the property of the Estates under section 541 of
7 the Bankruptcy Code shall be transferred to the Liquidating Trust on the Effective Date or as soon as
8 practicable thereafter, free and clear of all Claims and Interests, but subject to the obligations and
9 provisions set forth in this Plan and the Confirmation Order. Notwithstanding the foregoing, Claims
10 asserted by Medicare, if any, under The Medicare, Medicaid and SCHIP Extension Act of 2007
11 ("MMSEA") or on account of any Medicare Secondary Payer Act, as amended, liability obligations
12 with respect to the Trust Claims and/or the insurance settlements described in Article 9 below, will
13 attach to the property of the Estates being transferred to the Liquidating Trust.

14 The Liquidating Trust shall be established on the Effective Date and be operated and
15 governed by the Liquidating Trustee. The initial Liquidating Trustee shall be Barry A. Chatz. The
16 Liquidating Trustee shall be the sole representative of the Estates with respect to wind-down
17 activities, consummation of the Plan, objections to Claims, liquidation of Trust Claims and pursuit of
18 all litigation or other actions that are intended to result in recovery to the Estates. On the Effective
19 Date, the Liquidating Trustee shall have standing to pursue all such matters on behalf of, and for the
20 sole benefit of, the Debtors, pursuant to the terms of this Plan. In the event that the Liquidating
21 Trustee resigns or is removed, his or her replacement will be selected pursuant to the terms of the
22 Liquidating Trust Agreement.

23 The Liquidating Trustee shall liquidate all Trust Claims in accordance with the Trust
24 Distribution Procedures, as the same may reasonably be amended, upon approval of the Bankruptcy
25 Court, by the Liquidating Trustee after confirmation. The Trust Distribution Procedures shall govern
26 the submission of documents to support or supplement the Trust Claims filed in the Debtors' Cases,
27 the evidentiary standards by which Trust Claims will be evaluated, the range of payments available to
28 the holders of Trust Claims arising from different diseases and the procedures by which Claimants
may litigate their Claims in the tort system.

On the Effective Date, the Debtors shall transfer to the Liquidating Trust the property of the
Estates, and the Liquidating Trust shall succeed to all of the rights of the Debtors necessary to
protect, conserve and liquidate that property as quickly as reasonably practicable, including, control
over (including the right to waive) any attorney-client privileges, work product privileges,
accountant-client privileges and any other evidentiary privileges relating to the property that, prior to
the Effective Date, belonged to the Debtors pursuant to applicable law. Nothing in this Plan relieves
the Debtors or the Liquidating Trust, as transferee from, and successor to, the Debtors, of any
obligations to Continental or any Non-Settling Insurer, arising under the terms of any Insurance
Policies issued by Continental or any Non-Settling Insurer, including the obligation, if any, to
cooperate in providing access to the Debtors' business records and other files (including files in the
possession of counsel) as may be necessary to assist Continental or any Non-Settling Insurer in
defending against Claims.

1 The liquidation shall conclude prior to the tenth anniversary of the Effective Date unless
2 extended by the Court for cause. Notwithstanding the foregoing, the Court, upon motion of a party in
3 interest on notice and with an opportunity for a hearing, at least six months prior to the tenth
4 anniversary of the Effective Date (or the end of any extended term approved by the Court), may
5 extend for a fixed period (not to exceed three years, inclusive of any prior extensions, without a
6 favorable ruling from the IRS that any further extension would not adversely affect the status of the
7 Liquidating Trust as a “liquidating trust” for federal income tax purposes), the duration of the
8 Liquidating Trust if the Court determines that such extension is necessary to facilitate the liquidation
9 of the remaining assets of the Debtors’ Estates. Notwithstanding the foregoing, at no time shall the
10 Liquidating Trust have any right, power or authority to conduct a trade or business or to operate as a
11 business entity within the meaning of Treasury Regulations § 301.7701-2 or engage in any trade or
12 business as proscribed by Treasury Regulations § 301.7701-4(d).

13 The primary purpose of the Liquidating Trust is to liquidate the remaining assets of the
14 Debtors’ Estates transferred to it, with no objective to continue or engage in the conduct of a trade or
15 business, except to the extent reasonably necessary to, and consistent with, the liquidating purpose of
16 the Liquidating Trust and Treasury Regulations § 301.7701-4(d) and to assume liability for all Trust
17 Claims filed against the Debtors, to pay holders of Allowed Trust Claims in accordance with the
18 Plan, the Liquidating Trust Agreement and the Trust Distribution Procedures, and, to the extent any
19 other funds are available, to pay other Claims.

12 8.2 Powers and Duties of the Liquidating Trustee

13 The Liquidating Trustee shall be empowered to take such actions as are necessary to
14 implement, and consistent with implementing, the Plan. The rights and powers of the Liquidating
15 Trustee shall include, but are not limited to:

- 16 (a) performing the Debtors’ and Liquidating Trust’s obligations under this Plan;
- 17 (b) investing the funds of the Estates in: (i) direct obligations of the United States
18 of America or obligations of any agency or instrumentality thereof backed by the full faith and credit
19 of the United States of America, including funds consisting solely or predominantly of such
20 securities; (ii) money market deposit accounts, checking accounts, savings accounts or certificates of
21 deposit, or other time deposit accounts that are issued by a commercial bank or savings institution
22 organized under the laws of the United States of America or any state thereof; or (iii) any other
23 investments that may be permissible under (A) Section 345 of the Bankruptcy Code, or (B) any Order
24 of the Court entered in the Chapter 11 Case;
- 25 (c) implementing and, when necessary, amending the Trust Distribution
26 Procedures, with Court approval, to liquidate Trust Claims asserted against the Debtors;
- 27 (d) calculating, and directing the Disbursing Agent to pay, all Distributions to be
28 made under this Plan and Orders of the Court to Holders of Allowed Claims;
- 29 (e) filing, prosecuting, compromising or otherwise resolving the Retained Causes
30 of Action, objections to Claims, appeals and any other litigation involving the Debtors, the
31 Liquidating Trust or this Plan;
- 32 (f) employing, supervising and compensating professionals retained by the
33 Liquidating Trust;

1 (g) making and filing tax returns, periodic operating reports, and other documents,
as necessary, on behalf of the Estates and/or the Liquidating Trust;

2 (h) amending this Plan, with Court approval, to the extent necessary and
3 permissible under the Bankruptcy Code;

4 (i) amending the Trust Agreement, with Court approval, except to the extent that
5 such amendment would change the priority of Claims or the Distribution scheme of this Plan;

6 (j) closing the Cases, including seeking entry of a final decree from the Court;

7 (k) winding up the affairs of the Liquidating Trust; and

8 (l) taking any and all other actions necessary or appropriate to implement or
9 consummate this Plan and operate the Liquidating Trust.

10 8.3 Handling of Claims For Which Continental May Have Financial Responsibility

11 The provisions of this Section 8.3 shall modify and supplement the Trust Distribution
12 Procedures and control with respect to the handling of Claims or an allocated portion thereof, for
13 which the Liquidating Trust contends that Continental may have financial responsibility. To the
14 extent there is any conflict between the terms of this Section 8.3 and those of the Trust Distribution
15 Procedures, or any Section of this Plan heretofore or hereafter, the terms of this Section 8.3 shall
16 control. For the avoidance of doubt, this Section 8.3 addresses the rights of the Debtors, Continental,
17 the Liquidating Trust, and those claiming through the foregoing, and is not intended to affect any
18 rights, obligations, or defenses of any other Non-Settling Insurer or of any Settling Insurer.

19 The Liquidating Trust, as a condition precedent to recovering against Continental with respect
20 to any Trust Claim, shall be required to tender to Continental, in writing, a copy of the Proof of Claim
21 and/or claim submissions to the Trust, along with any supporting materials, along with a Notice
22 indicating the liquidated value of the Claim, as determined by the Liquidating Trust, and the allocated
23 percentage of that liquidated value for which the Liquidating Trust contends Continental is
24 responsible (the Liquidating Trust's "Proposal"); provided, however, that the Liquidating Trust shall
25 not present a Proposal to Continental covering more than 660 Claimants during any three-month
26 period, and not more than 2,500 Claims during any calendar year. Within 90 days of receipt of the
27 Notice (during which 90-day period Continental may seek additional information from the
28 Liquidating Trust and the Claimant with respect to the Trust Claim), Continental shall inform the
Liquidating Trust, in writing, whether it accepts or rejects the terms of the Proposal.

The information Continental obtains from the Liquidating Trust pursuant to this Section 8.3
with respect to any Trust Claim shall be used by Continental only for the purpose of evaluating
and/or defending against such Claim, and not shared with any third person or for any other purpose,
provided however that nothing herein shall preclude Continental from obtaining such information
from another source, or from using information obtained independently or that is publicly available,
so long as such information did not come to that source directly or indirectly from Continental.
Nothing herein shall be construed to restrict Continental's sharing of such information with its
retained professionals, other insurers of the Debtors, their reinsurers, or regulators in the ordinary
course of business, to the extent necessary, provided that Continental shall direct its professionals
receiving such information not to share the information with any third parties and Continental shall
request that the other insurers of the Debtors who receive such information agree that such

1 information shall not be shared with any non-regulatory third party.

2 The Liquidating Trust and the Debtors shall assist in the defense of Trust Claims under
3 Section 8.3(b)(ii) and (iii) in complying with reasonable discovery requests.

4 (a) Acceptance. If Continental accepts the Liquidating Trust's Proposal, Continental shall
5 pay the Liquidating Trust the liquidated value of the Claim times Continental's allocated percentage
(or any different amount as may be agreed between the Liquidating Trust and Continental) at the time
6 of the Liquidating Trust's payment to the Claimant.

7 (b) Rejection. If Continental rejects the Liquidating Trust's Proposal, the Liquidating Trust
8 may elect to proceed in only one of the three ways set forth in this Section 8.3(b):

9 (i) Abandon Coverage From Continental. If the Trust determines that the
10 likelihood of recovery against Continental does not justify the cost and risk associated with pursuing
11 such insurance coverage, the Liquidating Trust may elect not to pursue insurance coverage from
12 Continental with respect to the Claim or Claims at issue.

13 (ii) Liquidation Without Continental's Consent. If the Liquidating Trust disputes
14 Continental's rejection of its Proposal, the Liquidating Trust may elect to liquidate and pay the Claim
15 according to the terms of the Trust Distribution Procedures. In that event, the Liquidating Trust
16 reserves the right to recover against Continental the liquidated value of the Claim times Continental's
17 allocated percentage under the terms, and subject to the conditions, of any applicable insurance
18 policy. The Liquidating Trust acknowledges that its decision to liquidate the Claim without the
19 consent of Continental may be deemed to be a "voluntary settlement" under applicable non-
20 bankruptcy law. The Liquidating Trust shall not, on account of conduct occurring prior to the
21 Confirmation Date, seek or recover against Continental any sums for extra-contractual liability, bad
22 faith, or breach of the duty of good faith and fair dealing.

23 (iii) Cede Claim to Claimant. The Liquidating Trust may liquidate the Asbestos
24 Trust Claim and pay that portion of the Claim that it contends is allocable to a Settling Insurance
25 Company to the extent provided for in the Trust Distribution Procedures, and cede to the Claimant
26 the right to (a) pursue a judgment against the Debtors, and (b) pursue coverage on account of such a
27 Claim against Continental for Continental's allocated percentage of such judgment, subject to such
28 Claimant's agreement not to seek or recover against Continental any sums for extra-contractual
liability, bad faith, or breach of the duty of good faith and fair dealing on account of conduct
occurring prior to the date on which the Liquidating Trust cedes such Claimant's Trust Claim to the
Claimant under this Section 8.3(b)(iii). If the Trust elects the alternative set forth in this Section
8.3(b)(iii), it shall in advance so inform Continental, which may seek, at its discretion, to defend or
settle the Claim. Any Claimant that obtains a final judgment against the Debtors following the
procedures set forth herein and establishes coverage for such final judgment under insurance policies
issued by Continental shall recover on account of such judgment only against Continental, on account
of Continental's allocated percentage of liability for the Claimant's Claim. The Claimant's
remaining recoveries, if any, shall be governed by the Trust Distribution Procedures.

(c) No Prejudice in Litigation. Nothing contained in this Plan or the Trust Distribution
Procedures shall modify, limit, impair, or abrogate any term or condition of, or defense in connection
with, any Insurance Policy, Continental's right to contend in any proceeding that the liquidation of a
Claim resolved under the terms of the Trust Distribution Procedures constitutes an unreasonable

1 settlement for which it has no obligation, or otherwise relieve the Liquidating Trustee or the
2 Liquidating Trust from any of the Debtors' duties or obligations under or in connection with any such
3 Insurance Policy. The value at which the Liquidating Trust may liquidate any Claim under the terms
4 of this Plan shall not constitute evidence, or be treated as *res judicata*, collateral estoppel, or
5 preclusive under any other theory or doctrine, regarding the validity or value of such Claim in any
6 dispute with Continental. Nothing filed in the Case or approved by the Court, including the Plan, the
7 Trust Distribution Procedures, the Disclosure Statement concerning the Plan, or any prior version of
chapter 11 plan or disclosure statement, shall constitute evidence, or be treated as *res judicata*,
collateral estoppel, or preclusive under any other theory or doctrine, regarding the Debtors' liability,
the Trust's liability, or the value of any Claim. In any suit brought pursuant to Section 8.3 of the
Plan, Continental shall be entitled to assert all defenses available to Continental in the absence of this
Plan, including a defense that the Debtors are not liable with respect to a Claim.

8 8.4 Compensation and Reimbursement to the Liquidating Trustee

9 The Liquidating Trustee shall be entitled receive an annual stipend of \$25,000 and additional
10 compensation for services rendered relating to the operation of the Liquidating Trust at his or her
11 customary hourly rate. In addition, the Liquidating Trustee may seek reimbursement from the
12 Liquidating Trust for his or her actual, necessary out-of-pocket expenses incurred in the performance
of his or her duties.

13 8.5 Treatment of the Existing Debt Instruments

14 As of the Effective Date, any and all notes held by Holders of any Claims and all agreements,
15 instruments, and other documents evidencing the Claims and the rights of the Holders of the Claims,
16 will be automatically canceled, extinguished, and voided; all obligations of any Person under those
instruments and agreements will be fully and finally satisfied and released; and the obligations of the
Debtors under those instruments and agreements will be discharged.

17 8.6 Treatment of the Existing Interests

18 As of the Effective Date, any and all Interests in the Debtors will be canceled, extinguished
19 and are void, all without further action by any Person. Solely for accepting service of process, the
Liquidating Trust shall be deemed the sole representative of the Debtors.

20 8.7 Implementing Documents

21 Confirmation of this Plan will authorize the Liquidating Trustee and/or the Debtors and their
22 Responsible Individual to execute and deliver, file, or record all implementing documents and related
23 necessary documents, and to take any actions as may be necessary or appropriate in furtherance of
this Plan.

24 **ARTICLE 9**

25 **INCORPORATION OF SETTLEMENT AGREEMENTS WITH INSURANCE CARRIERS**

26 In 2008, the Debtors reached settlements in principle with two of their insurers, Hartford and
27 Bituminous. Subsequently, the Debtors have reached settlements in principle with another primary
28 insurance carrier, ACE, and an excess insurance carrier, Safety National. The Debtors now seek
approval of the Settlement Agreements, including injunctive relief, as part of this Plan, pursuant to

1 sections 363 (b), (f) and (m), 1123(a)(5)(D) and 1123(b)(3)(A) of the Bankruptcy Code. The
2 following summary descriptions of the Settlement Agreements are set forth for the convenience of
3 the reader, and are subject to, and are qualified and controlled by, the actual terms of the Settlement
4 Agreements. In the event of any conflict between the description of the Settlement Agreements set
5 forth herein or any other term of the Plan, and any term of a Settlement Agreement, the Settlement
6 Agreement shall control.

9.1 The Hartford Settlement.

7 The Debtors have agreed to settle their claims and entitlements arising under the Hartford
8 Insurance Policies, under which over \$8 million in potential coverage limits remain. The Debtors and
9 Hartford have agreed that Hartford will pay the Debtors' Estates the amount of \$9,191,305.20 to: (i)
10 repurchase the Hartford Insurance Policies pursuant to section 363(b) of the Bankruptcy Code; (ii)
11 resolve any liability to the Debtors, their Affiliated Debtors and any creditors asserting Trust Claims
12 against the Debtors' Estates under the Hartford Insurance Policies; and (iii) obtain injunctive relief
13 that would prevent Hartford from bearing future liability to the Debtors' Creditors under the Hartford
14 Insurance Policies. As more fully set forth in the Hartford Settlement Agreement, a copy of which is
15 attached as Exhibit B to the Disclosure Statement, the principal terms of the parties' agreement are as
16 follows:

12 (i) Hartford will pay the amount of \$9,191,305.20 to the Debtors or the
13 Liquidating Trust, as appropriate, within thirty (30) days following the Effective Date;

14 (ii) The Hartford Insurance Policies shall be sold and transferred on the
15 Effective Date to Hartford free and clear of all liens, claims, interests and encumbrances pursuant to
16 sections 363(b), (f) and (m) and 1123(a)(5)(d) of the Bankruptcy Code, with any such liens, claims,
17 interests and encumbrances to attach to the settlement proceeds with the same priority and validity
18 as they held previously relating to the Hartford Insurance Policies;

17 (iii) The Debtors and/or the Liquidating Trust shall dedicate not less than
18 \$9,027,674 of the total amount being paid by Hartford, for the exclusive benefit of Holders of Class
19 3 Claims;

19 (iv) On and after the Effective Date, the Debtors, their Estates and the
20 Liquidating Trustee shall refrain from filing any suit or legal action against Hartford relating to the
21 Hartford Insurance Policies, except to the extent necessary to enforce the terms of the Hartford
22 Settlement Agreement;

22 (v) Upon receipt of the settlement payment, the Debtors shall release,
23 remise, acquit and forever discharge Hartford of and from any and all claims or causes of action
24 relating to or arising out of the Cases against Hartford with respect to any Insurance Policies, known
25 or unknown, under which the Debtors may claim to be insured or entitled to benefits;

25 (vi) Hartford, shall release, remise, acquit and forever discharge the
26 Debtors of and from any and all Claims or causes of action relating to or arising out of the Cases
27 against the Debtors with respect to any Insurance Policies, known or unknown, under which the
28 Debtors may claim to be insured or entitled to benefits;

1 (vii) The Debtors and Hartford each agree not to pursue any claims against
2 each other that, contrary to the parties' intent, are not released pursuant to the terms of the Hartford
3 Settlement Agreement and/or the Plan;

4 (viii) Hartford shall not seek reimbursement for any payments it is obligated
5 to make under the terms of the Agreement, whether by way of a Claim for contribution, subrogation,
6 indemnification or otherwise, from anyone other than Hartford's reinsurers in their capacity as
7 reinsurers unless a third party pursues a contribution, subrogation or indemnification claim against
8 Hartford relating to any of the Insurance Policies it issued; and

9 (ix) Hartford shall be a Released Party entitled to the benefits of Section
10 7.3 of this Plan.

11 9.2 Settlement with Bituminous Casualty Corporation

12 In conjunction with this Plan, the Debtors has also agreed to settle their claims and
13 entitlements arising under the Bituminous Insurance Policies, under which over \$1 million in
14 potential coverage limits remain. The Debtors and Bituminous have agreed that Bituminous will pay
15 the Debtors' Estates \$1,585,394.63 to: (i) repurchase the Bituminous Insurance Policies pursuant to
16 section 363(b) of the Bankruptcy Code; (ii) resolve any liability to the Debtors, their Affiliated
17 Debtors and any creditors asserting Trust Claims against the Debtors' Estates under the Bituminous
18 Insurance Policies; and (iii) obtain injunctive relief that would prevent Bituminous from bearing
19 future liability to the Debtors' Creditors under the Bituminous Insurance Policies. As more fully set
20 forth in the Bituminous Settlement Agreement, a copy of which is attached as Exhibit C to the
21 Disclosure Statement, Bituminous will pay the Debtors the amount of \$1,585,394.63, of which not
22 less than \$1,566,994.63 would be required to be preserved for the exclusive benefit of Class 3
23 Claimants. The principal terms of the Bituminous Settlement Agreement, are as follows:

24 (i) Bituminous will pay the amount of \$1,585,394.63 to the Debtors or
25 the Liquidating Trust, as appropriate, within thirty (30) days following the Effective Date;

26 (ii) The Bituminous Insurance Policies shall be sold and transferred on the
27 Effective Date to Bituminous free and clear of all liens, claims, interests and encumbrances pursuant
28 to sections 363(b), (f) and (m) and 1123(a)(5)(d) of the Bankruptcy Code, with any such liens,
claims, interests and encumbrances to attach to the settlement proceeds with the same priority and
validity as they held previously relating to the Bituminous Insurance Policies;

(iii) The Debtors and/or the Liquidating Trust shall dedicate not less than
\$1,566,994.63 of the amount being paid by Bituminous, for the exclusive benefit of Holders of Class
3 Claims;

(iv) On and after the Effective Date, the Debtors, their Estates and the
Liquidating Trustee shall refrain from filing any suit or legal action against Bituminous relating to
the Bituminous Insurance Policies, except to the extent necessary to enforce the terms of the
Bituminous Settlement Agreement;

(v) Upon receipt of the settlement payment, the Debtors shall release,
remise, acquit and forever discharge Bituminous of and from any and all Claims or causes of action
relating to or arising out of the Cases against Bituminous with respect to any Insurance Policies,
known or unknown, under which the Debtors may claim to be insured or entitled to benefits;

1 (vi) Bituminous shall release, remise, acquit and forever discharge the
2 Debtors of and from any and all Claims or causes of action relating to or arising out of the Cases
3 against the Debtors with respect to any Insurance Policies, known or unknown, under which the
4 Debtors may claim to be insured or entitled to benefits;

5 (vii) The Debtors and Bituminous each agree not to pursue any claims
6 against each other that, contrary to the parties' intent, are not released pursuant to the terms of the
7 Bituminous Settlement Agreement and/or the Plan;

8 (viii) Bituminous shall not seek reimbursement for any payments it is
9 obligated to make under the terms of the Agreement, whether by way of a Claim for contribution,
10 subrogation, indemnification or otherwise, from anyone other than Bituminous' reinsurers in their
11 capacity as reinsurers unless a third party pursues a contribution, subrogation or indemnification
12 Claim against Bituminous relating to any of the Insurance Policies it issued; and

13 (ix) Bituminous shall be a Released Party entitled to the benefits of Section
14 7.3 of this Plan.

15 9.3 Settlement with ACE Insurance Company.

16 In conjunction with this Plan, the Debtors have agreed to settle their claims and entitlements
17 arising under the ACE Insurance Policies, under which over \$750,000 in potential coverage limits
18 remain. The Debtors and ACE have agreed that ACE will pay the Debtors' Estates \$797,296.54 to:
19 (i) repurchase the ACE Insurance Policies pursuant to section 363(b) of the Bankruptcy Code; (ii)
20 resolve any liability to the Debtors, their Affiliated Debtors and any creditors asserting Trust Claims
21 against the Debtors' Estates under the ACE Insurance Policies; and (iii) obtain injunctive relief that
22 would prevent ACE from bearing future liability to the Debtors' Creditors under the ACE Insurance
23 Policies. As more fully set forth in the ACE Settlement Agreement, a copy of which is attached as
24 Exhibit D to the Disclosure Statement, ACE will pay the Debtors \$797,296.54, of which not less than
25 \$700,000 will be required to be preserved for the exclusive benefit of Class 3 Claimants. The
26 principal terms of the ACE Settlement Agreement, are as follows:

27 (i) ACE will pay the amount of \$797,296.54 to the Debtors or the
28 Liquidating Trust, as appropriate, within forty-five (45) days after the date upon which ACE is
notified in writing by Chicago Fire Brick that the Confirmation Order has been entered and has
become a Final Order;

(ii) The ACE Insurance Policies shall be sold and transferred on the
Effective Date to ACE free and clear of all liens, claims, interests and encumbrances pursuant to
sections 363(b), (f) and (m) and 1123(a)(5)(d) of the Bankruptcy Code, with any such liens, claims,
interests and encumbrances to attach to the settlement proceeds with the same priority and validity
as they held previously relating to the ACE Insurance Policies;

(iii) The Debtors shall dedicate not less than \$700,000.00 of the amount
being paid by ACE, for the exclusive benefit of Holders of Class 3 Claims;

(iv) On and after the Effective Date, the Debtors, their Estates and the
Liquidating Trustee shall refrain from filing any suit or legal action against ACE relating to the ACE
Insurance Policies, except to the extent necessary to enforce the terms of the ACE Settlement
Agreement;

1 (v) Upon receipt of the full amount of the settlement payment from ACE,
2 the Debtors, shall release, remise, acquit and forever discharge ACE of and from any and all claims
3 or causes of action relating to or arising out of the Cases against ACE with respect to any Insurance
Policies, known or unknown, under which the Debtors may claim to be insured or entitled to
benefits;

4 (vi) ACE shall release, remise, acquit and forever discharge the Debtors of
5 and from any and all claims or causes of action relating to or arising out of the Cases against the
6 Debtors with respect to any Insurance Policies, known or unknown, under which the Debtors may
claim to be insured or entitled to benefits;

7 (vii) The Debtors and ACE each agree not to pursue any claims against
8 each other that, contrary to the parties' intent, are not released pursuant to the terms of the ACE
Settlement Agreement and/or the Plan;

9 (viii) ACE shall not seek reimbursement for any payments it is obligated to
10 make under the terms of the Agreement, whether by way of a Claim for contribution, subrogation,
11 indemnification or otherwise, from anyone other than ACE's reinsurers in their capacity as
reinsurers unless a third party pursues a contribution, subrogation or indemnification Claim against
ACE relating to any of the Insurance Policies it issued; and

12 (ix) ACE shall be a Released Party entitled to the benefits of Section 7.3 of
13 this Plan.

14 9.4 The Safety National Settlement.

15 The Debtors have agreed to settle their claims and entitlements arising under the Safety
16 National Insurance Policies, under which \$20 million in potential coverage limits are alleged by the
Debtors to remain. As discussed more fully in the Disclosure Statement, Safety National has raised
17 several legal arguments that, Safety National asserts, prevent the Debtors from triggering and/or
exhausting these coverage limits. After extensive arms' length negotiations, the Debtors and Safety
18 National have agreed that Safety National will pay the Debtors' Estates the amount of \$4,900,000.00
to: (i) repurchase the Safety National Insurance Policies pursuant to sections 363(b), (f) and (m) of
19 the Bankruptcy Code; (ii) resolve any liability to the Debtors, their Affiliated Debtors and/or any
creditors asserting Trust Claims allegedly covered by the Safety National Insurance Policies; and (iii)
20 obtain injunctive relief that would prevent Safety National from bearing future liability to the
Debtors' Creditors under the Safety National Insurance Policies. As more fully set forth in the Safety
21 National Settlement Agreement, a copy of which is attached as Exhibit E to the Disclosure Statement,
the principal terms of the parties' agreement are as follows:

22 (i) Safety National will pay the amount of \$4,900,000.00 to the Debtors
23 or the Liquidating Trust thirty (30) days after the occurrence of all the Conditions Precedent as that
24 term is defined in the Safety National Settlement Agreement;

25 (ii) The Safety National Insurance Policies shall be sold and transferred to
26 Safety National free and clear of all liens, claims, interests and encumbrances pursuant to sections
363(b), (f) and (m) and 1123(a)(5)(d) of the Bankruptcy Code, with any such liens, claims, interests
27 and encumbrances to attach to the settlement proceeds with the same priority and validity as they
held previously relating to the Safety National Insurance Policies;
28

1 (iii) On and after the Effective Date, the Debtors, their Estates and the
2 Liquidating Trustee shall refrain from pursuing any claim against Safety National relating to the
3 Safety National Insurance Policies, except to the extent necessary to enforce the terms of the Safety
4 National Settlement Agreement;

5 (iv) Upon receipt of the settlement payment, the Debtors shall release,
6 remise, acquit and forever discharge Safety National of and from any and all claims or causes of
7 action relating to or arising out of the Safety National Insurance Policies, known or unknown, under
8 which the Debtors may claim to be insured or entitled to benefits;

9 (v) Safety National, shall release, remise, acquit and forever discharge the
10 Debtors of and from any and all claims or causes of action relating to or arising out of the Cases
11 against the Debtors with respect to any Insurance Policies, known or unknown, under which the
12 Debtors may claim to be insured or entitled to benefits;

13 (vi) The Debtors and/or the Trust will use their best efforts to obtain from
14 the Secretary of Health and Human Services a letter exempting the Trust, Safety National and the
15 other Settling Insurers from MMSEA reporting;

16 (vii) Safety National shall not seek reimbursement for any payments it is
17 obligated to make under the terms of the Agreement, whether by way of a claim for contribution,
18 subrogation, indemnification or otherwise, from anyone other than Safety National's reinsurers in
19 their capacity as reinsurers unless a third party pursues a contribution, subrogation or
20 indemnification claim against Safety National relating to any of the Insurance Policies it issued; and

21 (viii) Safety National shall be a Released Party entitled to the benefits of
22 Section 7.3 of this Plan.

23 9.5 Additional Settlements

24 As of the time of the filing of this Plan, the Debtors have not yet reached settlements with any
25 of their other insurance carriers. As set forth in Section 8.3(d) of this Plan, the Debtors have
26 continued to engage in settlement discussions with Continental. The Debtors have agreed to provide
27 Continental with the option to enter into an agreement prior to the Effective Date similar in form to
28 the Debtors' settlement agreements with Hartford, ACE and Bituminous, so long as Continental pays
not less than its remaining coverage limits in settlement of any and all potential Claims against
Continental and to repurchase the Continental Insurance Policies pursuant to 11 U.S.C. § 363.

To the extent that the Debtors resolve their claims against Continental or any other Non-
Settling Insurer after the Effective Date, the Debtors and/or the Liquidating Trust may apply to the
Court or the United States District Court for the Northern District of California, as appropriate, for an
order approving a subsequent settlement with any other insurance carrier.

ARTICLE 10 METHOD OF DISTRIBUTION

10.1 Means of Cash Payment

Cash payments made pursuant to this Plan will be in U.S. funds, by the means agreed to by
the Liquidating Trustee and payee, or, in the absence of an agreement between the Liquidating

1 Trustee and payee, by check or other commercially reasonable means in the Liquidating Trustee's
sole discretion.

2 10.2 Timing of Distributions

3 On the Effective Date or as soon thereafter as is practicable, the Liquidating Trustee shall pay
4 Allowed Administrative Expense Claim liabilities of the Debtors from the unencumbered funds in the
5 Debtors' Estates and those additional funds from settlements with the Settling Insurers made
6 available to pay Administrative Expense Claims. The Liquidating Trustee shall make a single
7 distribution on account of allowed Supplemental Bar Date Asbestos Personal Injury Claims after all
8 Supplemental Bar Date Asbestos Personal Injury Claims filed against the Debtors have been
liquidated or as otherwise approved by the Court, and shall make a single distribution on account of
allowed Bar Date Asbestos Personal Injury Claims after all Bar Date Asbestos Personal Injury
Claims filed against the Debtors have been liquidated, or as otherwise approved by the Court.

9 10.3 Fractional Cents

10 Any other provision of this Plan to the contrary notwithstanding, no payments of fractions of
11 cents will be made. Whenever any payment of a fraction of a cent would otherwise be called for, the
actual payment may reflect a rounding of such fraction to the nearest whole cent (up or down).

12 10.4 Delivery of Distributions

13 Other than with respect to Trust Claims, the Disbursing Agent shall make Distributions to
14 Holders of Allowed Claims: (i) at the addresses set forth on the Proofs of Claim filed by the Holders;
15 (ii) at the addresses set forth in any written notice of address change delivered to the Liquidating
Trustee after the date of any related Proof of Claim; (iii) at the addresses reflected in the Schedules if
16 no Proof of Claim has been filed and the Debtors or the Liquidating Trustee has not received a
written notice of a change of address; or (iv) at the last known address of the Holder if no Proof of
17 Claim has been filed. With respect to Trust Claims, the Disbursing Agent shall make Distributions to
Holders of Trust Claims: (i) at the addresses set forth on the Proofs of Claim filed by the Holders of
18 Trust Claims; or (ii) at the addresses set forth in any written notice of address change delivered to the
Liquidating Trustee after the date of any related Proof of Claim or in any subsequent claims
19 communication with the Liquidating Trust. If any Holder's Distribution is returned as undeliverable,
no further Distributions to the Holder will be made unless and until the Liquidating Trustee is
20 notified of the Holder's then-current address, at which time all missed Distributions will be made to
the Holder without interest to the extent funds remain available. Amounts in respect of undeliverable
21 Distributions made through the Liquidating Trustee will be returned to the Disbursing Agent until the
22 Distributions are claimed.

23 10.5 Distributions in Complete Satisfaction

24 The Distributions and other treatments provided for each Claim under this Plan shall be in
25 complete satisfaction, discharge, and release of each such Claim.

26 10.6 Escheat

27 Holders of Claims shall have 180 days from the check date to negotiate the Distribution
checks issued in satisfaction of their Claims. Despite any reference to "single distribution" elsewhere
28 herein, payment on such checks shall be stopped and the funds shall escheat to the Estates for

1 distribution to the other creditors within such creditor's class under the Plan who have cashed their
2 distribution checks.

3 **ARTICLE 11** 4 **CLAIMS RESOLUTION**

5 11.1 Objections to Claims

6 Following the Effective Date, the Liquidating Trustee will have the sole authority (subject to
7 the provisions of Section 8.3 hereof) to object to the allowance of any Claims filed with the Court and
8 to prosecute and/or resolve any objections asserted before or after the Effective Date. The
9 Liquidating Trustee will use reasonable efforts to prosecute objections to Claims as warranted.
10 Objections to Administrative Claims and Priority Tax Claims must be filed by the Administrative
11 Claims Objection Deadline. Objections to Fee Claims must be filed within forty-five (45) days of the
12 filing and service of the particular Fee Application. Objections to Asbestos Personal Injury Claims
13 shall be made in accordance with the Trust Distribution Procedures described in Section 8.1 of this
14 Plan. Objections to all other Claims must be filed by the Claims Objection Deadline unless such
15 deadline is extended by order of the Court. If an objection is filed against a Claim, such Claim will
16 become a Disputed Claim. Disputed Claims may become Allowed Claims by entry of a Final Order
17 allowing the Claim in whole or in part.

18 **ARTICLE 12** 19 **RETENTION AND PROSECUTION OF CLAIMS**

20 12.1 Retention of All Causes of Action, Defenses, and Counterclaims

21 On and after the Effective Date, and subject to Section 16.19, the Debtors shall assign to the
22 Liquidating Trust the Retained Causes of Action held by the Estates, to be pursued by the Liquidating
23 Trustee as the appointed representative of the Estates in accordance with section 1123(b)(3) of the
24 Bankruptcy Code. Thereafter, the Liquidating Trustee shall be authorized to investigate, prosecute,
25 settle and compromise any Retained Cause of Action. Subject to Section 8.3 of the Plan, the
26 Retained Causes of Action expressly include, but are not limited to: (i) all rights and Claims under
27 any Insurance Policy in which the Debtors hold an ownership or beneficial interest, including but not
28 limited to the Insurance Policies issued by: Home Insurance Company; Continental; and/or their
affiliates; (ii) all Claims and causes of actions against any third party for contribution or
indemnification; and (iii) all other Claims and causes of action held by the Estates. For the avoidance
of doubt, the Debtors do not intend to waive or release any Claims held by the Estates except as
expressly set forth in Sections 7.2, 7.3, 8.3, 9.1, 9.2, 9.3, 9.4 or 9.5 of this Plan as well as the Hartford
Settlement Agreement, Bituminous Settlement Agreement, ACE Settlement Agreement and/or the
Safety National Settlement Agreement and shall not waive or release any Claims by failing to
identify them in this Plan or the Disclosure Statement. Subject to the provisions of Section 8.3 of the
Plan, the Liquidating Trustee shall also retain and may prosecute and enforce all defenses,
counterclaims, and rights against or with respect to all Claims asserted against the Debtors, the
Estates, or the Liquidating Trustee.

29 12.2 Setoffs

30 The Debtors or, after the Effective Date, the Liquidating Trustee, may set off against any
31 Claim, and any Distributions to be made pursuant to this Plan on account of such Claim, Claims of
32 any nature whatsoever that the Debtors may have or have had against the Holder of the Claim;

1 provided, however, that neither the failure to do so nor the allowance of any Claim hereunder will
2 constitute a waiver or release by the Debtors or Liquidating Trustee of any Claim that the Debtors or
Liquidating Trustee may have against the Holder.

3 **ARTICLE 13**
4 **VOTING AND EFFECT OF REJECTION BY**
5 **ONE OR MORE CLASSES OF CLAIMS**

6 13.1 Impaired Classes to Vote

7 Classes 3 and 4, as impaired classes of Claims under the Plan, will be entitled to vote to
8 accept or reject this Plan. Classes 1 and 2, left unimpaired by the Plan, are not entitled to vote
9 because they are conclusively presumed to have accepted the Plan under section 1126(f) of the
10 Bankruptcy Code. Class 5 General Unsecured Claims and Class 6 Interests, although impaired, are
11 not expected to receive or retain any property on account of their Interests and are therefore presumed
12 to have rejected the Plan under section 1126(g) of the Bankruptcy Code. For purposes of voting to
13 accept or reject this Plan, a Person is a Holder as of the Voting Record Date. Because Asbestos
14 Personal Injury Claims are unliquidated and will be resolved through the Trust Distribution
15 Procedures, all Holders of timely-filed Asbestos Personal Injury Claims shall be deemed to hold
16 Allowed Claims in the amount of \$1.00 solely for purposes of voting to accept or reject the Plan,
17 notwithstanding any requirement imposed under Bankruptcy Rule 3018. A Holder of an Allowed
18 Claim as of the Voting Record Date may vote to accept or reject this Plan. A Holder of a Claim as to
19 which an objection has been filed that has not been temporarily allowed for purposes of voting on this
20 Plan may not vote.

21 13.2 Acceptance by Classes of Claims or Interests

22 A class of Claims or Interests will have accepted this Plan if votes are cast to accept the Plan
23 by at least two-thirds in amount and more than one-half in number of the Allowed Claims in the class
24 actually voting to accept or reject this Plan.

25 13.3 Section 1129(b) Cramdown

26 Because Holders of Class 5 Claims are deemed to reject this Plan pursuant to section 1126(g)
27 of the Bankruptcy Code, the Debtors request that the court confirm the Plan notwithstanding the
28 requirements of section 1129(a)(8) of the Bankruptcy Code, because the plan does not discriminate
unfairly, and is fair and equitable with respect to the treatment of Class 5 Claims in accordance with
the requirements of section 1129(b) of the Bankruptcy Code. The Debtors assert that this Plan
provides for fair and equitable treatment of all Classes of Claims, that the only sources of funds
available to creditors are the proceeds from the transactions detailed in Sections 9.1 through 9.4 of
the Plan and the Debtors' rights against Continental and their insolvent insurance carrier, all of which
is being allocated to pay Administrative Expense Claims or Asbestos Personal Injury Claims, each of
which the Debtors assert are covered by one or more of the Insurance Policies that form the basis of
the Debtors' settlements with its Settling Insurers. Finally, in accordance with the requirements of
section 1129(b)(ii), no holder of a Claim or Interest junior to Holders of Class 5 Claims will receive
or retain under the Plan, on account of such junior Claim or Interest, any property under this Plan.

1 (d) all actions, documents and agreements necessary to implement the provisions
2 of the Plan shall be reasonably satisfactory to the Debtors, and such actions, documents and
3 agreements shall have been effectuated or executed and delivered;

4 (e) at least sixty (60) days have passed since the Supplemental Bar Date.

5 (f) all other actions required by Article 14 of the Plan to occur on or before the
6 Effective Date shall have occurred.

7 14.3 Waiver of Conditions

8 The conditions to the confirmation and consummation of this Plan as set forth above may be
9 waived in whole or in part by the Debtors, with the consent of each the Settling Insurers, upon
10 approval of the Court, or in the case of Section 14.2(e) may be waived only by Continental in its sole
11 discretion.

12 **ARTICLE 15**

13 **RETENTION OF JURISDICTION**

14 15.1 Jurisdiction

15 Until the Case is closed, the Court will retain jurisdiction as is legally permissible under
16 applicable law, including under sections 105(a) and 1142 of the Bankruptcy Code, including that
17 jurisdiction necessary to ensure that the purpose and intent of this Plan are carried out and to hear and
18 determine all Claims and Interests and objections thereto that could have been brought before the
19 entry of the Confirmation Order. The Court will retain jurisdiction to hear and determine all matters
20 with respect to Claims against and Interests in the Debtors and to enforce all Retained Causes of
21 Action that may exist on behalf of the Debtors or their Estates, over which the Court otherwise has
22 jurisdiction, including the Retained Causes of Action. Nothing contained in this Plan will prevent the
23 Liquidating Trustee from taking any action as may be necessary in the enforcement of any cause of
24 action that may exist on behalf of the Debtors and that may not have been enforced or prosecuted by
25 the Debtors.

26 15.2 Examination of Claims and Interests

27 Following the Confirmation Date, the Court will retain jurisdiction to decide disputes
28 concerning the classification and allowance of any Claim or Interest and the re-examination of
Claims that have been allowed for the purposes of voting, and the determination of any objections as
may be filed to Claims. The failure by the Debtors to object to, or to examine, any Claim for the
purposes of voting will not be deemed a waiver of the Debtors' right or the right of the Liquidating
Trustee to object to, or to re-examine, the Claim in whole or in part.

29 15.3 Determination of Disputes

30 The Court will retain jurisdiction after the Confirmation Date to determine all: (i) questions
31 and disputes regarding title to the assets of the Debtors; (ii) disputes concerning the allowance of
32 Claims and Interests, except as otherwise provided in the Trust Distribution Procedures or Section 8.3
33 hereof; and (iii) all causes of action, controversies, disputes, or conflicts, whether or not subject to
34 any pending action as of the Confirmation Date, in which the Debtors or Liquidating Trustee seek to
35 recover assets or otherwise pursue their rights pursuant to the provisions of the Bankruptcy Code.

15.4 Additional Purposes

The Court will retain jurisdiction after the Effective Date for the following additional purposes:

(a) to hear and determine any modification of this Plan pursuant to section 1127 of the Bankruptcy Code, to cure any defect or omission or reconcile any inconsistency in this Plan, the Disclosure Statement, or any order of the Court, including the Confirmation Order, in such a manner as may be necessary or appropriate to carry out the purposes and effects thereof;

(b) to assure the performance by the Liquidating Trustee of his or her obligations to make Distributions under this Plan;

(c) to issue injunctions, enter and implement other orders and take such other actions as may be necessary or appropriate to execute, interpret, implement, consummate, or enforce the terms and conditions of this Plan and the transactions contemplated thereunder, the Confirmation Order, or any other order of the Court, or to maintain the integrity of this Plan following Confirmation;

(d) to hear and determine disputes arising in connection with the execution, interpretation, implementation, consummation, or enforcement of this Plan, the Confirmation Order, any transactions or payments contemplated hereby, or any agreement, instrument or other document governing or relating to any of the foregoing;

(e) to construe and apply any findings of fact and/or conclusions of law made in the Confirmation Order;

(f) to adjudicate matters arising in the Cases, including matters relating to the formulation and consummation of this Plan;

(g) to enter any orders, including injunctions, as are necessary to enforce the title, rights, and powers of the Debtors and/or the Liquidating Trustee and to impose any limitations, restrictions, terms and conditions on the title, rights, and powers as the Court may deem necessary;

(h) to hear and determine any dispute involving or affecting the validity and enforceability of the discharges, releases, injunctions, and exculpatory relief set forth in Article 7 of this Plan;

(i) to enter a Final Decree closing the Cases;

(j) to correct any defect, cure any omission, or reconcile any inconsistency in this Plan or the Confirmation Order as may be necessary to carry out the purposes and intent of this Plan;

(k) to enter, implement, or enforce such orders as may be appropriate in the event the Confirmation Order is for any reason stayed, reversed, revoked, modified, or vacated;

(l) to hear and allow applications for fees and expenses of Professionals pursuant to sections 330, 331, 503(b), 1103 and 1129(a)(4) of the Bankruptcy Code;

(m) to adjudicate any adversary proceedings brought by the Debtors, or the Liquidating Trustee, whether or not such adversary proceedings have been commenced before or after the Effective Date;

1 (n) to decide issues concerning federal tax reporting and withholding that arise in
connection with the confirmation or consummation of this Plan;

2 (o) to decide issues concerning state, local, and federal taxes in accordance with sections
3 346, 505 and 1146 of the Bankruptcy Code;

4 (p) to adjudicate any issues concerning assumption or rejection of any executory contracts
and unexpired leases, including any disputes concerning Rejection Damage Claims or Cure Claims;

5 (q) to hear and determine any and all objections to any Claims, including Administrative
6 Claims, or Interests, including the allowance, classification, priority, secured status, compromise,
7 estimation, or payment thereof;

8 (r) to hear and determine any litigation or causes of action belonging to the Debtors or
their successors and assigns, the Estates or to the Liquidating Trust;

9 (s) to consider and, to the extent appropriate, approve proposed amendments to the Trust
10 Distribution Procedures; and

11 (t) to hear and determine any other matter related hereto and not inconsistent with the
12 Bankruptcy Code and title 28 of the United States Code.

13 **ARTICLE 16**
14 **MISCELLANEOUS**

15 16.1 Notices

16 All notices in connection with this Plan, including any notices concerning a change of address
for a Holder of a Claim or Interest, should be delivered by overnight mail or United States certified
17 mail, postage prepaid, return-receipt requested, addressed to the Debtors at the following address:

18 Joseph D. Frank
19 Jeremy C. Kleinman
20 FrankGecker LLP
325 North LaSalle Street
21 Suite 625
Chicago, Illinois 60654

22 16.2 Asserting and Curing Defaults Under the Plan

23 If the Debtors and or Liquidating Trustee default under the provisions of this Plan, any
creditor or party in interest wishing to assert a default shall provide the Liquidating Trustee with
24 written notice of the alleged default. The Liquidating Trustee shall have thirty (30) days from receipt
of written notice to cure the alleged default. If the default is not cured, any creditor or party in
25 interest may then file with the Court and serve on counsel for the Liquidating Trustee a motion to
26 compel compliance with the applicable provision of this Plan. The Court, on finding a material
default, may issue orders compelling compliance with the pertinent provisions of this Plan.
27
28

1 16.3 Initial Liquidating Trustee of the Liquidating Trust

2 The initial Liquidating Trustee of the Liquidating Trust shall be Barry A. Chatz, subject to the
3 provisions and requirements of the Liquidating Trust Agreement, a copy of which is attached to the
Disclosure Statement as Exhibit A.

4 16.4 Compliance with Tax Requirements

5 In connection with this Plan, the Liquidating Trustee will comply with any withholding and
6 reporting requirements imposed by federal, state, and local taxing authorities, and Distributions will
be subject to the withholding and reporting requirements.

7 16.5 Modification or Revocation of this Plan: Generally

8 The Debtors reserve the right to modify this Plan either before or after entry of the
9 Confirmation Order to the fullest extent permitted under section 1127 of the Bankruptcy Code and
10 Bankruptcy Rule 3019, including but not limited to modifications necessary to negotiate the
11 resolution of any objections to Confirmation of this Plan. The Debtors may withdraw this Plan at any
12 time before the Confirmation Date, or thereafter prior to the Effective Date. This Plan may also be
13 amended by the Liquidating Trustee after the Effective Date as provided in section 1127 of the
14 Bankruptcy Code. The Debtors and/or Liquidating Trustee may not, however, modify Section 8.3 of
this Plan, or any other provision that shall affect the rights of Continental, without the written consent
of Continental. The Debtors and/or Liquidating Trustee also may not modify any provision that
would affect the rights of any of the Settling Insurers hereunder, without the written consent of each
of the affected Settling Insurers.

15 16.6 Modification or Revocation of this Plan: Ancillary Documents

16 Notwithstanding any reference herein to documents in the forms annexed to this Plan, and
17 without limiting the preceding paragraph, the Debtors may revise those forms by filing such revised
forms with the Court on or prior to the Confirmation Date.

18 16.7 Effect of Withdrawal or Revocation of Plan

19 If the Debtors revoke or withdraw this Plan before the Confirmation Date, or if the
20 Confirmation Date or the Effective Date does not occur, then this Plan will be null and void. In such
21 event, nothing contained in this Plan will be deemed to constitute a waiver or release of any Claims
22 by or against the Debtors or any other Person, or to prejudice in any manner the rights of the Debtors
or any Person in any further proceedings involving the Debtors.

23 16.8 Due Authorization

24 Each and every Holder of an Allowed Claim who elects to participate in the Distributions
25 provided for in this Plan warrants that it is authorized to accept the Distributions provided for in this
26 Plan in consideration of such Claim or Interest and that there are no outstanding commitments,
27 agreements, or understandings, express or implied, that may or can in any way defeat or modify the
rights conveyed or obligations undertaken by it under this Plan.

1 16.9 Implementation

2 The Debtors and Liquidating Trustee will be authorized and directed to take all necessary
3 steps, and perform all necessary acts, to consummate the terms and conditions of this Plan.

4 16.10 Term of Injunctions or Stays

5 All injunctions or stays provided for in the Cases under sections 105 or 362 of the Bankruptcy
6 Code or otherwise, and extant on the Confirmation Date (excluding any injunctions or stays
7 contained in this Plan or the Confirmation Order), will remain in full force and effect until the
8 Effective Date unless otherwise provided herein or in the Confirmation Order.

9 16.11 Integration Clause

10 This Plan, together with the Hartford Settlement Agreement, the Bituminous Settlement
11 Agreement, the ACE Settlement Agreement and the Safety National Settlement Agreement, each
12 incorporated herein by reference, constitute a complete, whole, and integrated statement of the
13 binding agreement among the Debtors, each of the Claimants and Holders of Interests, Settling
14 Insurers, Continental, their respective successors and assigns and other parties in interest upon the
15 matters herein. Parol evidence shall not be admissible in an action regarding this Plan or any of its
16 provisions.

17 16.12 Headings

18 The headings in this Plan are for convenience of reference only, and shall not limit or
19 otherwise affect the meanings of this Plan.

20 16.13 Severability of Plan Provisions

21 If any term or provision of this Plan is held by the Court to be invalid, void, or unenforceable
22 before the Confirmation Date, the Court, at the request of the Debtors, will have the power to alter
23 and interpret the term or provision to make it valid or enforceable to the maximum extent practicable,
24 consistent with the original purpose of the term or provision held to be invalid, void, or
25 unenforceable, and the term or provision will then be applicable as altered or interpreted.
26 Notwithstanding any such holding, alteration, or interpretation, the remainder of the terms and
27 provisions of this Plan will remain in full force and effect and will in no way be affected, impaired, or
28 invalidated by the holding, alteration, or interpretation. The Confirmation Order will constitute a
judicial determination and will provide that each term and provision of this Plan, as it may have been
altered or interpreted in accordance with the foregoing, is valid and enforceable pursuant to its terms.

16.14 Governing Law

Unless a rule of law or procedure is supplied by federal law (including the Bankruptcy Code
and the Bankruptcy Rules), the laws of the State of Illinois shall govern the construction and
implementation of this Plan and any agreements, documents, and instruments executed in connection
with this Plan, and any corporate governance matters and causes of action arising under state law
with respect to the Debtors, without giving effect to the principles of conflicts of law thereto.

1 16.15 Computation of Time Period

2 If any deadline established under this Plan falls on a day that is not a Business Day, the
3 deadline shall be the next Business Day after such day. The provisions of Bankruptcy Rule 9006(a)
4 otherwise govern the computation of any applicable time period under this Plan.

4 16.16 Plan Terms Control

5 In the event of any inconsistency or conflict between the terms, conditions, definitions, and
6 provisions of this Plan and the Disclosure Statement, the terms, conditions, definitions, and
7 provisions of this Plan shall control.

7 16.17 Offer of Compromise

8 The terms and conditions embodied in this Plan shall not be deemed to be an admission of
9 liability of the Debtors or any other Person, and shall not be admissible by or against the Debtors or
10 the Liquidating Trustee in any proceeding or action, other than one to enforce the provisions of this
11 Plan.

11 16.18 Binding Effect

12 The rights, duties, and obligations of any Person named or referred to in this Plan shall be
13 binding upon and shall inure to the benefit of such Person and his, or its respective successors and
14 assigns.

14 16.19 Insurance Neutrality

15 Notwithstanding anything to the contrary in the Confirmation Order, the Plan, the Trust
16 Distribution Procedures or any settlement agreement, nothing in the Confirmation Order, the Plan,
17 Trust Distribution Procedures or any settlement agreement (including any other provision that
18 purports to be preemptory or supervening), shall in any way operate to impair, or have the effect of
19 impairing, either (a) an insurers' legal, equitable or contractual rights, if any, in any respect,
20 including rights and arguments as to jurisdiction and venue, except to the extent that such insurer's
21 rights are expressly impaired or limited in a settlement agreement to which it is party, or (b) the legal,
22 equitable or contractual rights of the Debtors and/or the Liquidating Trust against the Debtor's
23 Insurers, if any, in any respect, except (i) to the extent that such rights are expressly impaired or
24 limited in a settlement agreement to which the Debtors and/or the Liquidating Trust are parties;
25 and/or (ii) as expressly provided in Section 7.3 herein. The rights of the Non-Settling Insurers shall
26 be determined under the Non-Settling Insurers' policies and under applicable state law, both at law
27 and in equity. For the sake of convenience the parties refer to this section 16.19 in other sections of
28 this Plan to emphasize insurance neutrality but such reference should not be construed as applying to
only those provisions since it is intended to apply to each provision of this agreement.

25 16.20 Judgment Reduction

26 If a Non-Settling Insurer asserts that it has a Claim against a Settling Insurer, (i) such Claim
27 shall only be asserted as a defense or counterclaim against the Trust or the Holder of an Asbestos
28 Personal Injury Claim in litigation involving such Non-Settling Insurer, and the Trust or the Holder
of the Asbestos Personal Injury Claim, as applicable, may assert the legal or equitable rights, if any,
of the Settling Insurer in response thereto, and (ii) to the extent such Claim is determined to be valid

1 by the court presiding over the litigation, the liability (if any) of such Non-Settling Insurer to the
2 Trust or the Holder of the Asbestos Personal Injury Claim, as applicable, shall be reduced dollar for
dollar by the amount so determined of such Claim.

3 **ARTICLE 17**
4 **APPOINTMENT OF RESPONSIBLE INDIVIDUAL**

5 17.1 Responsible Individual

6 Bradley Sharp, of Development Specialists, Inc., has been appointed as, and is designated as,
7 the Responsible Individual.

8 Dated: June 1, 2012

CFB LIQUIDATING CORPORATION,

9 f/k/a CHICAGO FIRE BRICK COMPANY
10 and

11 WFB LIQUIDATING CORPORATION, f/k/a
12 WELLSVILLE FIRE BRICK COMPANY

13 By: Joseph D. Frank
14 One of their attorneys

15 Joseph D. Frank
16 Jeremy C. Kleinman
17 FRANKGECKER LLP
18 325 North LaSalle Street, Suite 625
19 Chicago, Illinois 60654
(312) 276-1400
jfrank@fgllp.com
jkleinman@fgllp.com

20 John Kennedy
21 LINER GRODE STEIN YANKELEVITZ SUNSHINE
22 REGENSTREIF & TAYLOR LLP
23 1100 Glendon Avenue, 14th Floor
24 Los Angeles, California 90024-3503
25 Telephone: (310) 500-3500
26 Facsimile: (310) 500-3501
27 jkennedy@linerlaw.com
28