

**UNITED STATES BANKRUPTCY COURT  
FOR THE NORTHERN DISTRICT OF ILLINOIS  
EASTERN DIVISION**

<b>IN RE</b>	)	<b>Chapter 11 Case</b>
	)	<b>Case No. 98 B 01004</b>
<b>M.H. DETRICK CO.,</b>	)	<b>Judge John D.</b>
<b>Schwartz</b>	)	<b>No Hearing Set</b>
<b>Debtor.</b>	)	

**EXHIBIT 3**

**M.H. DETRICK CO.  
ASBESTOS -RELATED PERSONAL INJURY  
CLAIMS RESOLUTION PROCEDURES**

Dated: April 24, 2002

ASBESTOS-RELATED PERSONAL INJURY CLAIMS  
RESOLUTION PROCEDURES

**INTRODUCTION**

These Asbestos-Related Personal Injury Claims Resolution Procedures (“the API Claims Resolution Procedures”) have been prepared in connection with the Plan of Reorganization (the “Plan”), under Chapter 11 of the United States Bankruptcy Code, for M.H. Detrick Company (“Detrick” or “Debtor”) and the M.H. Detrick Co. Asbestos Trust Agreement (the “Asbestos Trust”) adopted pursuant to such Plan. The Plan was filed in the United States Bankruptcy Court for the Northern District of Illinois and styled M.H. Detrick Co., Case No. 98 B 01004 (Judge Schwartz).

The API Claims Resolution Procedures provide for processing, liquidating, paying and satisfying, absolutely and finally, all valid Asbestos-Related Personal Injury Claims and Demands and the accompanying Asbestos In Building Claims Resolution Procedures (the “AIB Claims Resolution Procedures”) provide for processing, liquidating, paying and satisfying, absolutely and finally, all valid Asbestos In Buildings Damage Claims and Demands as provided in and required by the Plan and Trust Agreement.<sup>1</sup> The Trustee<sup>2</sup> of the Trust shall implement and administer these Claims Procedures in accordance with the Asbestos Trust.

Pursuant to the Plan, an Asbestos Trust is established which, among other things, will administer and resolve Asbestos-Related Personal Injury Claims and Demands and Asbestos In Buildings Claims and Demands against Detrick. The Trustee of the Asbestos Trust is responsible to perform his duties in accordance with the Asbestos Trust and to implement the Claims Resolution Procedures.

Detrick manufactured, used, sold and distributed asbestos containing products from 1939 through 1964. The asbestos containing products included:

- (i) block insulation
- (ii) Detrick “MW” block insulation
- (iii) Griptex Mineral Wool Block
- (iv) MW Insulating Cement
- (v) Super 711
- (vi) Hilite Insulating and Finishing Cement
- (vii) Insulating cement
- (viii) Detrick T-60 Insulating Cement
- (ix) Detrick T-60 Finishing Cement
- (x) Utility Thermal Finish Cement
- (xi) Utility Insulating Finishing Cement
- (xii) MHD Finishing Cement
- (xiii) Pyroscat Fire Proofing Cement

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<sup>1</sup>The API Claims Resolution Procedures and the AIB Claims Resolution Procedures shall when referred to jointly be hereafter referred to as the “Claims Resolution Procedures”).

<sup>2</sup>Trustee shall refer to the Individual Trustee in the Asbestos Trust Agreement.

- (xiv) 7M Asbestos Cement
- (xv) Permiseal
- (xvi) Therman Coat
- (xvii) Asbestos Rope
- (xviii) Detroc asbestos board
- (xix) Calcrete 30
- (xx) Refractory cement T20 and T22
- (xxi) Detrick Casing Cement
- (xxii) Casing Cement T10
- (xxiii) Duriseal Protective Coatings Type T-178,S-678,T-278 and S-778
- (xxiv) Detrick Boiler Wall Coatings T-178, S-678, T-278 and S-778
- (xxv) Monoseal
- (xxvi) Bonding Cement
- (xxvii) Detrick Plastic Insulation
- (xxviii) Hitherm
- (xxix) Asbestolux

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## **ARTICLE I**

### **Definitions**

Unless the context otherwise requires, the following terms shall have the following meanings when used in initially capitalized form in these API Claims Resolution Procedures (as hereinafter defined). Such meanings shall be equally applicable to both the singular and plural forms of such terms. Any term used in capitalized form that is not defined in these Claims Resolution Procedures but that is defined in the Plan or the Asbestos Trust, shall have the meaning ascribed to such term in those documents.

**1.1. "Asbestos"** shall mean and refer to chrysotile, amosite, crocidolite, tremolite asbestos, anthophyllite asbestos, actinolite asbestos, and any of these minerals that have been chemically treated and/or altered.

**1.2 "Asbestos-Related Personal Injury Claim"** means those Claims, by whomever brought and in whatever procedural posture such claims may arise, against the Debtor, or any current or former subsidiaries or affiliates (or another person, firm, corporation or other Entity for or with which Detrick is or may be liable), and whether in the nature of or sounding in tort, contract, warranty or any other theory of law, equity or admiralty for, relating to or arising by reason of, directly or indirectly, bodily injury, personal injury, mental injury or anguish, shock, fright, emotional distress, sickness, or any other illness, disease or condition, increased risk of harm, and/or death caused, or allegedly caused, directly or indirectly, in whole or in part, by the presence of, or exposure to, asbestos, asbestos fiber or dust, or asbestos-containing products, including but not limited to all Claims, debts, obligations or liabilities for compensatory damages (such as loss of consortium, wrongful death, survivorship, proximate, consequential, general and special damages) and punitive damages.

**1.3 "Asbestos-Related Personal Injury Contribution Claims"** means those Claims for contribution, reimbursement, indemnity or subrogation (as those terms may be defined pursuant to the law of the relevant jurisdiction) that are: (a) held by Entities (i) who have been or may be defendants or respondents in an action or proceeding seeking damages for Asbestos-Related Personal Injury Claims or (ii) seeking reimbursement or payment of settlements paid by or on behalf of co-defendants or litigation or defense costs, including without limitation legal fees, incurred in connection with litigation involving Asbestos-Related Personal Injury Claims; and (b) asserted against the Debtor for (i) reimbursement of all or any portion of any damages any such Entity has paid or may pay to the Entities asserting such Asbestos-Related Personal Injury Claims or (ii) reimbursement of related litigation or defense costs.

**1.4 "Bankruptcy Code"** shall mean title 11 of the United States Code, as now in effect or as amended.

**1.5 "Bankruptcy Court"** means to the extent of any reference made pursuant to section 157 of title 28 of the United States Code, the unit of such District Court constituted as the United States Bankruptcy Court of the Northern District of Illinois pursuant to section 151 of

title 28 of the United States Code.

**1.6 "Business Day"** shall mean any day other than a Saturday Sunday or a legal holiday as defined in Bankruptcy Rule 9006(a).

**1.7 "Confirmation Order"** means the order or orders of the Bankruptcy Court and/or the District Court confirming this Plan and issuing the injunctions set forth in Article 16 of the Plan and the Permanent Channeling Injunction.

**1.8 "Demand"** "*Demand*" or "*Demands*" means a demand, as that term is defined in Section 524 (g)(5) of the Bankruptcy Code, including without limitation, a demand for payment, present or future, that was not an Asbestos-Related Claim during the Chapter 11 Case of Detrick, arises out of the same or similar conduct or events that gave rise to the Asbestos-Related Claims, and is to be paid by the Asbestos Trust.

**1.9 "Effective Date"** means the date which is the first Business Day on which all conditions to the effectiveness of this Plan, and as further set forth in Section 11.2 of the Plan, have been satisfied or waived.

**1.10 "Final Order"** means an order, ruling or judgment that is: (a) no longer subject to review, reversal, modification or amendment by appeal or writ of certiorari, under applicable Court rules or statutes; and (b) not subject to any stay or injunction against its effectiveness or enforcement.

**1.11 "Fixed Payment Amount"** shall mean the amount paid to each claimant in full satisfaction of their claims and demands against Detrick, as determined by the Trustee and the TAC. The Trustee, with the consent of the TAC, may pay different disease categories different amounts of compensation but always a Fixed Payment Amount in recognition of the severity of the disease and injury. The Trust with the consent of the TAC may pay a cancer claim a multiple of up to 10 times the amount paid to a pleural claim and may fix appropriate multiples of the amount paid to other asbestos claims for other disease categories.

**1.12 "Person" or "Entity"** means any individual, corporation, partnership, joint venture, association, joint stock company, limited liability company, estate, entity, trust, trustee, unincorporated organization, government, governmental unit (as defined in section 101(27) of the Bankruptcy Code), agency or political subdivision thereof, the United States Trustee or any other entity; provided, however, for purposes of the Permanent Channeling Injunction as defined in Section 1.1(64) of the Plan and made applicable by Section 16.2 thereof, the definition of "Person" or "Entity" shall not include the United States Trustee.

**1.13 "Petition Date"** means January 13, 1998.

**1.14 "Reasonable Evidence"** shall mean and refer to evidence sufficient to present jury issue under the tort system of one of the Applicable Jurisdictions.

**1.15 "Reorganized Debtor"** shall mean the Debtor as it may exist immediately after the Confirmation Date.

## ARTICLE 2

### **PURPOSE AND INTERPRETATION**

**2.1 Purpose.** The API Claims Resolution Procedures are adopted pursuant to the Asbestos Trust. They are designed, as applied herein, to provide prompt payment to valid Asbestos-Related Personal Injury Claims and provide reasonable assurance that the Trust will value and be in a financial position to pay present Asbestos-Related Personal Injury Claims and Future Asbestos-Related Personal Injury Demands in a substantially similar manner.

**2.2 Interpretation.** Nothing in these API Claims Resolution Procedures shall be deemed to create a substantive right for any Claimant. The API Claims Resolution Claims Procedures are procedural only and may be amended, deleted, modified, changed or added to pursuant to the terms of the Asbestos Trust and these API Claims Resolution Procedures.

**2.3 Overview.** The process for determining the validity of and the amount to be offered for each Personal Injury Claim and whether a Claim meets the criteria for payment established by the Trust will be established in these Asbestos-Related Personal Injury Claims Resolution Procedures.

In general, each claimant who the Trust determines meets the criteria for payment will be offered the established Fixed Payment Amount and if adopted by the Trust, such amount as will be paid based upon the then existing asbestos disease suffered by the Claimant. Claimants who file a Claim based upon one disease category may not file another claim thereafter based upon a different disease category.

If the claimant rejects the Trust's offer of the Fixed Payment Amount, the claimant may elect to have the validity and amount of his or her Claim determined by the tort system; valid Contribution and Indemnity Claims also will be resolved in a manner provided for in these Asbestos Claims Procedures; provided, however, that the Trust's obligation to defend or pay any such claims resolved by the tort system shall in all respects be subject to the Asbestos Trust and these Asbestos-Related Personal Injury Claims Resolution Procedures.

No claimant shall be entitled to any payment from the Trust in excess of the Fixed Payment Amount in effect at the time the Claim is submitted for payment. If monies become available in the Trust that would provide each claimant in excess of \$500.00 the Trustee, at his or her discretion, may disburse an amount greater than the Fixed Payment Amount of all claims after appropriate amendment of these procedures.

## ARTICLE 3

### **ESTIMATION OF CLAIM AMOUNTS**

**3.1 General.** The Trust will pay holders of Claims of asbestos related diseases caused by Detrick products and business activities, from the Trust Assets only, the Fixed Payment Amount (the "Payment") as determined by the Trustee and approved by the TAC pursuant to this Section III, in full satisfaction of each Claim and consistent with the objectives of paying holders of similar Claims and Demands in a substantially similar manner.

**3.2 Initial Determination of Fixed Payment Amount.** There is substantial uncertainty regarding Detrick's total liability to present and future Detrick Asbestos-Related Personal Injury Claimants, uncertainty of the total value of the Trust's assets, whether those assets will be sufficient to pay all Asbestos-Related Personal Injury Claims, and the uncertainty of when any such assets will be available. Prior to making any distributions to claimants the Asbestos Trust must, consistent with Sections 3.2 of the Asbestos Trust, make a determination of the aggregate value of present and foreseeable future asbestos claims, of the cash available for distributions, and of such other factors necessary to determine the Fixed Payment Amount of each claim that the Asbestos Trust can afford to pay to holders of Asbestos-Related Personal Injury Claims. Subject to Sections 3.2 and 3.3 below, the Trust shall pay the Fixed Payment Amount of each claim allowed under these procedures.

**3.3 Adjustment of Fixed Payment Amount.**

3.3.1 In light of the expected limited assets of the Trust, the projected number of claims, and the cost and expense of administering the Claims Procedures, the Trustee shall establish a Fixed Payment Amount for Claims or a Fixed Payment Amount related to disease categories and may pay all claims equal Fixed Payment Amounts, or may pay all claims in each disease category a Fixed Payment Amount based upon the disease with such amounts varying dependent upon the nature of the disease category and/ or the severity of the disease. Consistent with the Asbestos Trust, and subject to Section 3.2.3 below, the Trust may evaluate and change the Fixed Payment Amount. Any such evaluation shall be performed in a flexible and pragmatic manner that takes into account the relevant circumstances, including the practical limitations imposed by the inability to predict with precision the future assets and liabilities of the Trust, the costs involved in preparing such evaluations, and any other factors the Trust considers relevant. Any such adjustments shall also take into consideration the projected number of demands.

3.3.2 In the event the Trust, after any periodic re-evaluation under Section 3.2 of the Asbestos Trust, determines that the Fixed Payment Amount should be changed either by increasing or decreasing the amount, such change shall be applied to all unpaid present claimants and all Demands. The Trust shall not attempt to recover from any paid claimant or claimant's representative the difference between the amount paid to the claimant and the then prevailing Fixed Payment Amount, and no paid claimant or

claimant's representative will have any obligation to return to the Trust any such differential. In the event the Fixed Payment Amount is increased, the Trust shall not be required to equalize payments to claimants who have already been paid unless in the discretion of the Managing Trustee and in light of the complexity and costs of doing so, it is reasonable and practicable to equalize the prior payments with the increased Fixed Payment Amount.

3.3.3 The Trust shall consult with the TAC concerning any proposal for determining or adjusting the Fixed Payment Amount, or for paying different disease categories different amounts of Fixed Payment Amounts, and shall supply the results of any analysis performed by or on behalf of the Trust or by consultants or other professionals. The proposed adjustment shall take effect unless affirmatively objected to by the TAC within thirty (30) days after notice of the adjustment has been provided to all TAC members. In case of such affirmative objection, such action would require the concurrence by two of the three members, or if less than three members, by a majority.

**3.4 Periodic Reporting Requirement.** The Trustee shall be required to report to the TAC the financial condition of the Trust, number of claims paid, number of claims filed, number of unpaid claims and such other information as the TAC from time to time may require (i) quarterly during the first three years of the Trust, (ii) semi-annually during the fourth through fifth years and (iii) annually for the remaining duration of the Trust.

**3.5 Access to Financial Information.** Subject to entry into an appropriate confidentiality agreement where applicable, the Asbestos Trust shall make available to the TAC any investment banking or other financial, accounting or statistical information available to the Asbestos Trust upon the request of any member of the TAC.

**3.6 Amendments to Procedures Involving the Fixed Payment Amount.** The procedures set forth herein governing the Fixed Payment Amount may be amended, altered, or adjusted with the consent of the TAC to reflect the changed circumstances, greater information, and/or improved procedures by the Trust; provided, however, that no amendment to these Asbestos Claims Resolution Procedures shall be inconsistent with the provisions of Sections 3.2 and 3.4 of the Asbestos Trust.

**ARTICLE 4**

**Intentionally Omitted**

## ARTICLE 5

### **CLAIMS PROCESSING, MONITORING AND VERIFYING**

5.1 **Claims Materials.** Not later than twenty-four (24) months after the Confirmation of the Plan, unless such time is extended by the TAC, the Asbestos Trust shall make materials necessary to file claims with the Asbestos Trust ("Claims Materials") available to each person with an Asbestos-Related Personal Injury Claim who (a) has a pending lawsuit against Detrick, as of the Petition Date to the extent that the names and addresses of all such claimants, or their counsel, are in a data based form available to the Trust; (b) filed a proof of claim with the Court, or (c) has otherwise been identified to the Asbestos Trust as holding a Detrick Asbestos-Related Personal Injury Claim and to each attorney who has been identified by the TAC as representing clients having Asbestos-Related Personal Injury Claims. The Asbestos Trust may make the Claims Materials available to any person holding a Detrick Asbestos-Related Personal Injury Claim who identifies his or herself in writing to the Trust, as soon as practicable under the circumstances following such identification. The Asbestos Trust may make the Claims Materials available to a claimant in care of an attorney representing the claimant. The Asbestos Trust shall, to the extent practical, make Claims Materials available in electronic or data base form or on the Internet. The Asbestos Trust shall place a notice in an appropriate trade publication, such as *Mealeys Asbestos Report* or *Andrews Publication*, that Claims Materials are available.

5.2 **Claims Information.** The Claims Materials will include a copy of instructions, and a claim form. To the extent feasible, the claim forms used by the Asbestos Trust shall not require more than the minimum limited information necessary to process a claim including but not limited to: the claimant's first, middle and last name; social security number; address, including zip code; and phone number and such information to qualify the claim for payment in accordance with these procedures and the Trust. The Trustee at his discretion may supplement such claims information with information obtained from electronic data bases maintained by any other claims resolution facility.

5.3 **Claims Filing.** The Asbestos Trust may require that the filing by any entity of more than ten (10) claims at one time be filed electronically or in data bases only. The Asbestos Trust may impose a charge for the filing on paper of more than ten (10) claims. To the extent possible the Asbestos Trust shall require claims be filed electronically or in data bases. For purposes of Claims Filing, electronic filing shall mean the filing of documents through e-mail or computer filing, and data bases shall mean that all claims be filed in a form that complies with the information that is required under these claims procedures.

5.4 **Order of Claims.** Claims may be processed in the order in which they are received. The Trustee may also create separate queues for individually filed claims and multiple filed claims and may also allocate payment pro rata among filers of multiple claims in a manner calculated to fairly permit payment to a reasonable number of parties and to prevent a few early filers to receive all distributions. Payment shall be in the order in which the TAC has approved. If at any time the Asbestos Trust has insufficient funds available to pay any Claim or Demand, the Asbestos Trust may suspend payment until such time as the Asbestos Trust has additional monies. No Claim or Demand shall be preferred over any other for purposes of payment, unless otherwise specified herein. Pursuant to the provisions of Sections 5.7.1 below, a claimant may be treated by the Trust, as having

established an asbestos injury if the claimant has received an offer of payment from another asbestos claims resolution facility, provided such other asbestos claims resolution facility was previously consented to by the TAC for this purpose.

Subject to the Trust's right and authority to modify, revise and/or change payment priority procedures, asbestos claims will be paid in the following manner and payment priority:

With respect to multiple claims filings (i.e. by law firms):

1. Cancer Claims, whenever filed, that have entered the tort system, shall be paid before non cancer claims and Demands ("Other Claims"). Cancer Claims shall be paid in the order in which such claims were first asserted in a lawsuit against any asbestos defendant ("Litigated Cancer Claims"), whether or not before the Petition Date of the Detrick case. A non Litigated Cancer Claim shall be paid when it becomes a Litigated Cancer Claim or otherwise as a Non Litigated Claim (see below).

2. Non Cancer Claims shall be paid after, and only when all Litigated Cancer Claims filed with the Trust at such payment date have been paid. Non Cancer Claims shall be paid in the order in which such claims were first asserted in a lawsuit ("Litigated Non Cancer Claims") against any asbestos defendant, whether or not before the Petition Date of the Detrick case.

3. All asbestos claims filed with the Trust which have not been asserted in any filed lawsuit (Non Litigated Claims") shall be paid only after all Litigated Cancer Claims and Litigated Non Cancer Claims which have been filed to that date have been paid. Non Litigated Claims may subsequently become litigated claims by the filing of a lawsuit asserting asbestos injury against any asbestos defendant in which case they shall become Non Cancer Litigated Claims or Cancer Litigated Claims as may be the appropriate classification. Non Litigated Claims, when capable of being paid, shall be paid by random selection by computer program.

4. Required evidence of status as a "litigated" claim may be limited to, for example, supplying the name of the jurisdiction in which the case was filed, an index number and the date of filing of the action.

With respect to individual filed, pro se, claims:

1. Individual Litigated Cancer Claims shall be paid by the earliest date of filing of a lawsuit against an asbestos defendant and providing a copy of the lawsuit with the court index number with the date of filing and other evidence of commencement of a pro se action satisfactory to the Trust. Non Litigated Individual Cancer Claims shall not be paid until they have become Individual Litigated Cancer Claims or otherwise shall be paid as Individual Non Litigated Claims.

2. Litigated Individual Non Cancer Claims shall be paid by the earliest date of filing of a lawsuit against an asbestos defendant and providing a copy of the lawsuit with the court index number with the date of filing and other evidence of commencement of a pro se action satisfactory to the Trust.

3. Individual Non Litigated Claims shall be paid after all other claims have been paid

and shall be paid by random selection by computer program.

Monies to pay Multiple Claims versus Individual Claims shall be allocated at the beginning of each payment cycle pro rata according to the number of claims of each category.

**5.5 Time to File Claims.** The Claims Materials shall have a notice of a period in which to file claims (the "Open Period"). The Trustee, at his or her discretion, may direct the Asbestos Trust to return claims which are not filed within the Open Period, and may at his or her discretion direct that such late filed claims not be considered by the Asbestos Trust until the next Open Period. The Trustee need not open the Asbestos Trust process for presentment of claims more frequently than once bi-annually.

**5.6 Incomplete Information.** Incomplete or inaccurate claim forms received during an "Open Period" will be, at the discretion of the Trustee, removed from the then current claims cycle payment process. Claimant will not receive payment during the current claims cycle. The Asbestos Trust will notify the Claimant of removal from the payment cycle and request that the Claimant provide a new fully completed and accurate claims form for submission during the next Open Period for payment in the next claims cycle. Failure to provide a fully completed and accurate claims form during the next "Open Period" will result in an automatic disallowance of the Claim.

**5.7 Evidence of Injury.**

5.7.1 Affidavit of Payment for Asbestos Injury. Each claim shall be accompanied by a notarized affidavit of claimant or claimant's counsel, if any, attesting to the fact that claimant has received compensation from an asbestos claims facility or Asbestos Trust approved by the TAC (an "Affidavit of Injury"), or some other manner of attestation satisfactory to the Trustee and consistent with methods of filing claims electronically.

5.7.2 If no Affidavit of Injury is produced pursuant to Section 5.7.1, the Asbestos Trust shall require the submission of x-rays, laboratory tests, medical examinations or reviews, other medical evidence or any other Reasonable Evidence that shows that the claimant has suffered an injury resulting from exposure to Detrick asbestos. A claimant may, but not need, supplement this information with more current medical evidence. In addition to the data required above, the Trust, after consultation with the TAC, may require that additional evidence be provided or may waive the requirement for further medical evidence entirely.

5.7.2.1 Proof of Validity Under Applicable Law. Where no Affidavit of Injury is filed, the Asbestos Trust may require such additional evidence of injury, if any, under applicable substantive law as the Trustee in the exercise of his or her discretion may determine is appropriate to balance the goal of paying only valid claims with the goal of preventing the excessive expenditure on claim processing.

5.7.2.2 Modification of Evidentiary Requirements. The Trustee may from time to time review the nature of the documentation and other evidence the Asbestos Trust will require to establish a Claim, and in the exercise of his or her discretion

may modify such requirements to the extent he deems advances in medical knowledge, change in claim filing patterns, or the goal of preventing excessive expenditure on claims handling make such modification appropriate with the advice and consent of the TAC.

5.7.2.3 Other Data Banks. In lieu of actually receiving the medical and exposure evidence discussed in 5.7.2 above, the Trustee may, subject to the provisions of Section 2.1.3.7 of the Asbestos Trust, utilize the data bank of any other asbestos claims resolution facility or settlement facility, provided the decision to use the claims' information from such other claims resolution or settlement facility has received the prior consent of the TAC. To minimize costs, this procedure shall be utilized whenever possible to verify a Claim where no affidavit of payment for asbestos injury is provided.

5.7.3 Proof of Exposure. In light of the limited resources of the Detrick Asbestos Trust and the cost and expense of processing claims, the Asbestos Trust may, with the advice and consent of the TAC, make certain assumptions about exposure to Detrick Products based upon the known geographic distribution of the product ("Detrick Distribution Grid"). For all claims received from claimants in states within any such Detrick's Distribution Grid, the Detrick Asbestos Trust may assume exposure to Detrick Asbestos Products.

5.7.3.1 Claimants outside the Detrick Distribution Grid may provide proof of Detrick exposure through sworn affidavit to the fact of Detrick exposure.

5.7.3.2 If no affidavit of exposure is produced, the Asbestos Trust shall require further information concerning exposure and shall apply presumptions based upon job site, occupation, dates of employment, and other factors as the Trustee in his discretion may from time to time determine are appropriate to balance the goal of paying only claimants exposed to Detrick asbestos-containing products.

5.7.4 Statistical Sampling. The goal of preventing excessive expenditure on claim processing balanced with the goal of paying only claimants' affected by Detrick products shall be achieved by the Trustee through the use of standard statistical sampling techniques that will determine the validity of payments for claims not accompanied by proper affidavits as described in section 5.7.1, submitted by both law firms and individuals. Any such requirements and presumptions should be calculated to yield findings with respect to exposure and injury that would be permissible under the Federal Rules of Evidence. For this purpose, the Asbestos Trust may require further evidence of exposure and injury.

5.7.5 If after reviewing the Claim submitted, the Asbestos Trust determines that the Claim meets the Trust's criteria, the Asbestos Trust shall tender payment in the amount of the established Fixed Payment Amount. Deposit of the payment check or the failure to deposit the payment check within the designated time frame shall constitute a release of the Asbestos Trust of any and all liability without further execution of any documents.

5.7.6 If the claimant does not deposit the check within three (3) months date of issue of the check, unless that time is extended by the Trust, the check shall be canceled and all claims of that claimant will be deemed to be satisfied. The failure to deposit the check shall also constitute a release of all claims against Detrick and the Detrick Trust. A claimant may also elect to withdraw a Claim at any time.

5.7.7 If the Asbestos Trust determines that a Claim does not meet

Asbestos Trust criteria for payment, it must so notify the claimant and, the claimant may dispute such determination. Upon receipt of written advice from the claimant of such a dispute, coupled with the claimant's written statement of the basis for the dispute and any supporting documentation within such time period established by the Asbestos Trust and communicated to the claimant, the Asbestos Trust shall reevaluate the claim in light of all then available documentation and advise the claimant of its reevaluation. If on the reevaluation the Asbestos Trust determines that the Claim qualifies for payment, the Asbestos Trust shall tender a check for the Fixed Payment Amount.

5.7.8 With the consent of the TAC the Trustee may modify, alter or delete any of the provisions of Article 5 hereof and of the requirements of Evidence of Injury set forth in this section 5.7. These procedures and requirements shall be applied, and modified, in a manner consistent with the goals of allowing electronic and computer filing of claims and minimizing all costs and expenses in distributing payments to holders of Asbestos-Related Claims.

**5.7.8 Acceptance and Payment of Claims on Modified Procedures.**

Notwithstanding any to the contrary in the Claims Resolution Procedures, including specifically requirements and procedures specified in Section 5.7 herein, with the unanimous consent of the TAC, and in effort to promote the distribution of as much payment and compensation to claimants as possible and to minimize transaction and claims processing costs, the Asbestos Trust may establish minimal standards for the qualification and acceptance of claims and may waive or delete compliance with any of the provisions of Section 5.7 hereof.

**5.8 Audit Procedures.** Audit procedures shall not be employed with respect to a specific claim but only to general claims filing problems; except pursuant Section 5.7.2 above.

**5.9 Litigation.** Only claimants who reject the Trust's Fixed Payment Amount pursuant to Sections 3.2 and 3.3 above retain the right to commence or continue an action through trial against the Asbestos Trust to determine the validity and the liquidated value, if any, of their Claims or Demands. The Asbestos Trust may, but will not be required to appear in any action brought by a claimant against the Asbestos Trust nor shall the Asbestos Trust be subject to party discovery or levy and execution on any judgment. No punitive damage claim may be asserted against the Asbestos Trust and pursuant to the Plan of Reorganization and/or Confirmation Order and the Asbestos Trust shall not pay any punitive damage claims awarded to a claimant. A judgment creditor shall not be eligible for payment from the Detrick Asbestos Trust until all claimants and all Demands have been paid 100% of the tort system value of their claims.

**5.10 Payment of Claims and Resolution of Disputed Claims.** If a claim meets the criteria for payment of Claims, the Asbestos Trust will pay the established Fixed Payment Amount in accordance with the provisions of these procedures. Any claim that is disputed will be paid at the discretion of the Trustee in accordance with the provisions in these procedures.

## ARTICLE 6

**6.1 Creation of Three Funds.** The Asbestos Trust shall establish three separate funds for the payment of Asbestos Related Claims asserted against the Trust, to be designated Fund A, fund B and Fund C.

6.1.1 Fund A. Fund A will pay the established Fixed Payment Amount of the Asbestos-Related Personal Injury Claimants and Asbestos-Related Personal Injury Contribution Claims. All monies paid into Fund A will be paid to Asbestos-Related Personal Injury Claimants and Asbestos-Related Personal Injury Contribution Claims. Asbestos-Related Personal Injury Claimants and Asbestos-Related Personal Injury Contribution Claims may choose to contribute their payment to an appropriate charity, by not cashing their check. Fund A will be funded with periodic deposits at the time payment is issued and upon the passage of 90 days thereafter, the Detrick Asbestos Trust may close the account into which Fund A was deposited and treat all checks that have not been deposited as an election by the claimant under Section 5.7.6. Any monies remaining in Fund A during a periodic distribution, as a result of the non-negotiated checks that were paid to Claimants, will then be irrevocably transferred to Fund C and distributed pursuant thereto.

6.1.2 Fund B. Payment of Fixed Payment Amount. Fund B will pay Asbestos in Buildings Claims and Asbestos-Related Building Contribution Claims and will be funded solely from a pro rata allocation of assets in the Asbestos Trust based upon the advice of the Trustee's professionals and advisors as to the projected total amount of number and value of asbestos personal injury claims and Asbestos In Building claims. Only one Asbestos in Buildings Claim and/or Asbestos in Building Contribution Claim shall be allowed per Entity or Governmental Unit and shall paid a Fixed Payment Amount in an amount determined by the Trustee (the "Fixed Payment Amount") and consented to and approved by the TAC but not greater than the amount paid to the holder of a cancer claim. The aggregate amount payable to any one claimant regardless of the number of buildings owned, controlled, or managed, directly or indirectly, including all Persons or Entities affiliated with a Claimant whose Asbestos In Buildings Claim(s) or Asbestos-Related Building Contribution Claims are allowed shall not exceed 5 times the amount of the Fixed Payment Amount payable to the holder of an Asbestos Personal Injury cancer claim. Fund B will be funded with periodic deposits at the time payment is issued and upon the passage of 90 days thereafter, the Detrick Asbestos Trust may close the account into which Fund B was deposited and treat all checks that have not been deposited as an election by the claimant under Section 4.14 of the Asbestos In Buildings Claims Resolution Procedures. Any monies remaining in Fund B during a periodic distribution, as a result of the non-negotiated checks that were paid to Claimants, will then be irrevocably transferred to Fund C and distributed pursuant thereto.

The Asbestos Trust may determine based upon claims filed and lawsuits commenced against Detrick and other professional advice that there is no reasonable basis to expect any Asbestos in Buildings Claims Or any Asbestos-Related Building Contribution Claims in which case the Asbestos Trust need not reserve any money for Fund B.

6.1.3 Fund C. If and when all claimants due to receive money from Fund A have been paid during any Claims Period, the balance remaining in Fund A in accordance with Section 6.1.1 will be deposited into Fund C to be donated periodically to one or more charitable organizations or entities designated by the Asbestos Trust with the approval of the TAC.

## ARTICLE 7

**7.1 Dismissal of Lawsuits.** In order to conserve the assets of the Trust, holders of Claims and Demands, and when Demands become cognizable claims, are enjoined from filing future litigation against Detrick, or the Trust, may not proceed in any manner against the Asbestos Trustor Detrick in any state or federal court, and are required to pursue their claims against the Asbestos Trust solely as provided in these Asbestos Claims Procedures; provided, however, in the event a holder of any such claim, or a holder of a Demand within 180 days after such Demand becomes a cognizable claim under applicable law, gives written notice of rejection pursuant to the Plan, and of these Procedures and election to proceed with litigation pursuant to Section 5.9 hereof to the Asbestos Trust at c/o F. Sylvester Miniter, III, Managing Trustee, P.O. Box 1199, Leeds, AL 35094.

**7.2 No Requirement to Appear.** Except as provided herein, the Asbestos Trust shall not be required to enter an appearance in any court as to any claim, nor shall it be subject to discovery or to default judgment or levy and execution on any judgment and under no circumstances shall the Asbestos Trust be required to pay claims, whether for asbestos-related conditions or for contribution or indemnification, except in accordance with these Asbestos-Related Personal Injury Claims Resolution Procedures.

### **7.3 Litigation between Asbestos Trust Beneficiaries.**

**7.3.1 Right to Introduce Evidence.** In any litigation between Asbestos Bodily Injury Claimants and other asbestos manufacturers, all parties retain their respective rights provided by applicable law in state or federal courts in the appropriate jurisdiction.

**7.3.2** Third-party claims may be asserted against the Asbestos Trust for the sole purpose of listing the Asbestos Trust on a verdict form in those jurisdictions where such procedures apply.

### **7.4 Contribution and Indemnity Claims.**

(a) **Right to Pursue Contribution and Indemnity Claims Retained.** Co-defendants shall have the right to pursue contribution and indemnity only where (1) allowed by applicable local law and (2) no set-off credit is allowed by applicable local law. The Co-defendant shall not be eligible to assert a contribution or indemnity claim until it has paid the entire amount due to the claimant.

(b) **Processing, Valuation and Payment of Contribution Claims.** The Asbestos Trust may establish forms for filing Contribution and Indemnity Claims. Contribution and Indemnity Claims made to the Asbestos Trust may in the discretion of the Trustee be processed in order of their receipt by the Trust, without reference to any list established for Claims of Asbestos Personal Injury Claimants. Contribution and Indemnity Claimants shall be paid the Fixed Payment Amount for each claim paid prior to the Petition Date or for which such Claimant asserts a claim that arose after the Petition Date with respect to which such Claimant for contribution or indemnity is entitled to contribution or indemnity and shall be paid with respect to claims and Demands paid pursuant to these Procedures only on or after payment to the holder of any Claim or Demand paid under these Procedures and only to the extent such Claimant is entitled to contribution or indemnity under applicable law.

**ARTICLE 8**  
**Asbestos Trust Decisions Final**

All decisions made by the Asbestos Trust with respect to determining Fixed Payment Amount, order of payment, amount and timing of payment, and any other matters covered by these Asbestos Claims Procedures shall be final and binding, and not subject to review.

**ARTICLE 9**  
**MISCELLANEOUS**

9.1 **Amendments.** The Trustee may amend, modify, delete, or add to any of these Claims Procedures (including without limitation, amendments to conform these procedures to advances in scientific or medical knowledge or other changes in circumstances) provided he first consult with and obtain the consent of the TAC. Notwithstanding anything contained herein to the contrary, these Claims Procedures shall be modified or amended in any way that would jeopardize the validity or enforceability of the Permanent Channeling Injunction.

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

9.3 **Governing Law.** The Claims Procedures shall be governed by and construed in accordance with, the laws of the State of Delaware.

9.5 **Attorneys' Fees.** Attorneys' fees payable in connection with Asbestos Trust Claims liquidated and paid through these Asbestos Claims Procedures where calculated as a percentage of recovery, shall be the lower of the fee provided in the contract between claimant and counsel or 25%, exclusive of costs chargeable to the claimant. The recovery shall be measured by the actual payments from the Asbestos Trust to the claimant.

9.6 **Asbestos Trust Not to be Treated as Bankrupt.** From and after the Effective Date, and for procedural purposes only, under no circumstances (other than the commencement by the Asbestos Trust of formal bankruptcy proceedings) shall the Asbestos Trust be treated as a bankrupt or insolvent defendant, nor shall the Asbestos Trust be considered a Person who cannot be made a party for lack of personal jurisdiction. Notwithstanding anything to the contrary herein, nothing in these Claims Procedures shall affect the Injunction(s) under the Plan.