

**UNITED STATES BANKRUPTCY COURT**

**DISTRICT OF VERMONT**

<b>IN RE:</b>	}	
<b>RUTLAND FIRE CLAY COMPANY,</b>	}	
<b>d/b/a Rutland Products</b>	}	<b>Case No. 99-11390-cab</b>
<b>RUTLAND, INC.</b>	}	<b>Case No. 99-11391-cab</b>
<b>d/b/a Rutland Products</b>	}	
<b>d/b/a Rutland Inc. of Illinois</b>	}	
	}	
<b>Debtors in Possession.</b>	}	
	}	

**EXHIBIT 3**

**ASBESTOS BODILY INJURY CLAIMS  
RESOLUTION PROCEDURES**

Dated: 10/13/, 2000

ASBESTOS BODILY INJURY CLAIMS  
RESOLUTION PROCEDURES

**INTRODUCTION**

These Asbestos Bodily Injury Claims Resolution Procedures (“the Claims Procedures”) have been prepared in connection with the Plan of Reorganization (the “Plan”), under Chapter 11 of the United States Bankruptcy Code, for Rutland Fire Clay Company and Rutland, Inc. (Collectively, “Rutland”) and the Creditors Trust Agreement (the “Creditors Trust”) adopted pursuant to such Plan. The Plan was filed in the United States Bankruptcy Court for the District of Vermont and styled Rutland Fire Clay Company, et al., Case No. 99-11390-cab, et. al.

The Claims Procedures provide for processing, liquidating, paying and satisfying, absolutely and finally, all valid Asbestos Bodily Injury Claims and Demands and all Asbestos In Building Damage Claims and Demands as provided in and required by the Plan and Trust Agreement. The Trustee<sup>1</sup> of the Trust shall implement and administer these Claims Procedures in accordance with the Trust Agreement.

Pursuant to the Plan, a Creditors Trust is established which, among other things, will administer and resolve Asbestos Bodily Injury Claims against Rutland. The Managing Trustee of the Creditors Trust is responsible to perform his duties in accordance with the Asbestos Trust and to implement these Procedures.

Rutland manufactured, made and sold a variety of asbestos containing products since the 1920's which included the following: (a) asbestos cement or boiler covering, (b) wallboard joint cement (c) No-Tar-In, (d) Roofing Cement No. 4, (e) Roofing Cement No. 7, (f) Aluminum asphalt coating or mobile home coating, (g) refractory cement, (h) stove lining and (k) Kwik-Kote, all of which contained asbestos chrysotile.

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<sup>1</sup>Trustee shall refer to the Individual Trustee in the Creditors Trust Agreement.

## **ARTICLE I**

### **Definitions**

Unless the context otherwise requires, the following terms shall have the following meanings when used in initially capitalized form in these Claims 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 Procedures but that is defined in the Plan or the Trust Agreement, 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 Bodily Injury Claim"** means (a) any claim or demand (including, but not limited to, any Claim or Demand) whenever and wherever arising or asserted (including, but not limited to, any claim or demand of an Unknown Asbestos Bodily Injury Claimant) against the Debtor, its successors or subsidiaries, or its present, former or future officers, directors, stockholders or employees and (b) any debt, obligation or liability (whether or not reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured or unsecured), whenever and wherever arising or asserted, of the Debtor, its successors or subsidiaries, or its present, former or future officers, directors, stockholders or employees (including, but not limited to, all thereof in the nature of or sounding in tort, contract, warranty, or any other theory of law, equity or admiralty); in either case (a) or (b) for, relating to, or arising by reason by directly or indirectly, physical, emotional, bodily or other personal injury or damages (whether or not diagnosable before the Confirmation of this Plan or the close of the Reorganization Cases) caused or allegedly caused, in whole or in part, directly or indirectly, by Asbestos-containing products that were manufactured, sold, supplied, produced, distributed or in any way marketed by the Debtor, whether or not arising or allegedly arising, directly or indirectly, from acts or omissions of the Debtor, its predecessors or subsidiaries, or its present, former, or future officers, directors, stockholders or employees, or another Person or Governmental Unit for or with which the Debtor or its successors is or may be liable, including, but not limited to, any claim, demand, debt, obligation or liability for compensatory or other damages (including, but not limited to, loss of consortium, proximate, consequential, general and special damages), punitive damages, reimbursement, indemnity, warranty, contribution or subrogation. The foregoing claims, demands, debts, obligations and liabilities include, but are not limited to, claims that may or may not presently constitute "claims" within the meaning of Section 101(5) of the Bankruptcy Code and demands that may or may not constitute "demands" within the meaning of Section 524(g)(5) of the Bankruptcy Code.

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

**1.4 "Bankruptcy Court"** shall mean the United States Bankruptcy Court for the District of Vermont, Southern Division, or such other court having jurisdiction over the Chapter 11 Case

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

**1.6 "Confirmation Order"** shall mean the order of the Bankruptcy Court confirming the Plan in accordance with Chapter 11 of the Bankruptcy Code.

**1.7 "Demand"** means a demand for payment, present or future, that (a) was not a claim during the proceedings leading to the confirmation of this Plan, (b) arises out of the same or similar conduct or events that gave rise to Asbestos Claims and (c) pursuant to this Plan, is to be paid by the Asbestos Trust.

**1.8 "Effective Date"** shall mean the first (1st) Business Day following the date upon which the Confirmation Order becomes a Final Order, subject to the provisions of Article X, Section 11.2, of the Debtor's Plan of Reorganization.

**1.9 "Final Order"** shall mean (i) an order of the Bankruptcy Court as to which the time to appeal, petition for *certiorari*, or move for reargument or rehearing has expired and as to which no appeal, petition for *certiorari*, or other proceedings for reargument or rehearing shall then be pending or as to which any right to appeal, petition for *certiorari*, reargue, or rehearing shall have been waived in writing, in form and substance satisfactory to Proponent or, (ii) in the event that an appeal, writ of *certiorari*, reargument, or rehearing thereof has been sought, such order of the Bankruptcy Court shall have been affirmed by the highest court to which such order was appealed, or *certiorari* has been denied, or from which reargument or rehearing was sought, and the time to take any further appeal, petition for *certiorari* or move for reargument or rehearing shall have expired; provided, that no order shall fail to be a Final Order solely because of the possibility that a motion pursuant to Rule 60 of the Federal Rules of Civil Procedure, as made applicable by Rule 9024 of the Bankruptcy Rules, may be filed with respect to such order.

**1.10 "Fixed Payment Amount"** shall mean the amount paid to each claimant in full satisfaction of their claims and demands against Rutland, as determined by the Trustee and the TAC.

**1.11 "Person"** shall mean a person as described in 11 U.S.C. § 101(41).

**1.12 "Petition Date"** shall mean the date on which the voluntary petition was filed by the Debtor commencing the Chapter 11 Case; to wit; November 18, 1996.

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

**1.14 "Reorganized Debtor"** shall mean the Debtors as they may exist immediately after the Confirmation Date.

## ARTICLE 2

### PURPOSE AND INTERPRETATION

**2.1 Purpose.** The Claims Procedures are adopted pursuant to the Trust Agreement. They are designed to provide prompt payment to valid Asbestos Bodily Injury Claims and provide reasonable assurance that the Trust will value and be in a financial position to pay present Asbestos Bodily Injury Claims and Future Asbestos Bodily Injury Demands in a substantially similar manner.

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

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

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 Creditors Trust and these Asbestos Bodily 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 Rutland products, 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 Rutland's total liability to present and future Rutland Bodily Injury claimants, uncertainty of the total value of the Trust's assets, whether those assets will be sufficient to pay all Bodily Injury Claims, and the uncertainty of when any such assets will be available. Prior to making any distributions to claimants the Trust must, consistent with Sections 3.2.1.2 and 3.2.4 of the Trust Agreement, 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 Trust can afford to pay to holders of Bodily 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 and may pay all claims equal Fixed Payment amounts. Consistent with the Trust Agreement, 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 3.2.1.2 of the Trust Agreement, 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 adjusting the Fixed Payment Amount 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 forty-five (45) 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 Trust shall make available to the TAC any investment banking or other financial, accounting or statistical information available to the 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 Procedures shall be inconsistent with the provisions of Sections 3.2 and 3.4 of the Trust Agreement.

**3.7 Abandonment of the Fixed Payment Amount Procedure.** If at any time in the future, the Trustee determines that sufficient funds are available to pay each claimant a Fixed Payment Amount greater than \$500.00, the Trustee may with the advice and consent of the TAC, establish a *pro rata* payment schedule based on asbestos disease categories, to be established by the Trustee and the TAC at the time this contingency occurs, and may amend the Asbestos Bodily Injury Claims Procedures accordingly, with TAC approval.



**ARTICLE 4**

**Intentionally Omitted**

## ARTICLE 5

### CLAIMS PROCESSING, MONITORING AND VERIFYING

5.1 **Claims Materials.** As soon as reasonably practicable but not later than twenty-four (24) months after the Confirmation of the Plan, the Trust shall make materials necessary to file claims with the Trust ("Claims Materials") available to each person with a Bodily Injury Claim who (a) has a pending lawsuit against Rutland, as of the Petition Date; (b) filed a proof of claim with the Court, or (c) has otherwise been identified to the Trust as holding a Rutland Bodily Injury Claim and to each attorney who has been identified by the TAC as representing clients having asbestos bodily injury claims. The Trust shall make the Claims Materials available to any person holding a Rutland Bodily Injury Claim who identifies his or herself in writing to the Trust, as soon as practicable under the circumstances following such identification. The Trust may make the Claims Materials available to a claimant in care of an attorney representing the claimant. The Trust shall, to the extent practical, make Claims Materials available in electronic or data base form. The 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 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. 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 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 Trust may impose a charge for the filing on paper of more than ten (10) claims. To the extent possible the 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 will be processed in the order in which they are received. Payment shall be in the order in which the claims are processed and approved. If at any time the Trust has insufficient funds available to pay any Claim or Demand, the Trust may suspend payment until such time as the 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.

**5.5.1 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 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 Trust until the next Open Period. The Trustee need not open the trust process for presentment of claims more frequently than once bi-annually.

**5.5.2 Omitted**

**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 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 trust approved by the TAC (an "Affidavit of Injury").

**5.7.2** If no Affidavit of Injury is produced pursuant to Section 5.7.1, the 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 Rutland 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 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 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 Trust Agreement, 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 Rutland Trust and the cost and expense of processing claims, the Trust may, with the advice and consent of the TAC, make certain assumptions about exposure to Rutland Products based upon the known geographic distribution of the product ("Rutland Distribution Grid"). For all claims received from claimants in states within any such Rutland's Distribution Grid, the Rutland Trust may assume exposure to Rutland Asbestos Products.

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

5.7.3.2 If no affidavit of exposure is produced, the 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 Rutland 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 Rutland 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 Trust may require further evidence of exposure and injury.

5.7.5 If after reviewing the Claim submitted, the Trust determines that the Claim meets the Trust's criteria, the Trust shall tender payment in the amount of the established Fixed Payment Amount. Deposit of the payment check shall constitute a release of the 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, 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 Rutland and the Rutland Trust. A claimant may also elect to withdraw a Claim at any time.

5.7.7 If the Trust determines that a Claim does not meet 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 Trust and communicated to the claimant, the Trust shall reevaluate the claim in light of all then available documentation and advise the claimant of its reevaluation. If on the reevaluation the Trust determines that the Claim qualifies for payment, the Trust shall tender a check for the Fixed Payment Amount.

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 Trust to determine the validity and the liquidated value, if any, of their Claims or Demands. The Trust may, but will not be required to appear in any action brought by a claimant against the Trust nor shall the Trust be subject to party discovery or levy and execution on any judgment. No punitive damage claim may be asserted against the Trust and pursuant to the Plan of Reorganization and Confirmation Order the Trust shall not pay any punitive damage claims awarded to a claimant. A judgment creditor shall not be eligible for payment from the Rutland 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 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 Trust shall establish three separate funds for the payment of 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 Bodily Injury Claimants. All monies paid into Fund A will be paid to Bodily Injury Claimants. Bodily Injury Claimants 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 Rutland Trust may close such account 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.** Fund B will pay Asbestos Property Damage Expenses, and shall be funded solely from insurance proceeds.

**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 will be deposited into Fund C to be donated periodically to one or more charitable organizations or entities designated by the 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 Rutland, or the Trust, may not proceed in any manner against the Trust or Rutland in any state or federal court, and are required to pursue their claims against the 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, Section \_\_\_\_\_ and of these Procedures and election to proceed with litigation pursuant to Section 5.9 hereof to the Trust at c/o F. Sylvester Miniter, III, Managing Trustee, 144 Broomsedge Lane, Kiawah Island, South Carolina 29455

**7.2 No Requirement to Appear.** Except as provided herein, the 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 Trust be required to pay claims, whether for asbestos-related conditions or for contribution or indemnification, except in accordance with these Asbestos Bodily Injury Claims Resolution Procedures.

### **7.3 Litigation between 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 Trust for the sole purpose of listing the 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 Trust may establish forms for filing Contribution and Indemnity Claims. Contribution and Indemnity Claims made to the Trust may in the discretion of the Managing 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 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**  
**Trust Decisions Final**

All decisions made by the 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 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 Trust to the claimant.

9.6 **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 Trust of formal bankruptcy proceedings) shall the Trust be treated as a bankrupt or insolvent defendant, nor shall the 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.

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