

IN THE UNITED STATES DISTRICT COURT  
FOR THE WESTERN DISTRICT OF PENNSYLVANIA

IN RE: )  
          ) Case No. 91-468 WWB (PGH)  
H. K. PORTER COMPANY, INC., )  
          ) Chapter 11  
Debtor.                         ) Civil Action No. 98-815

ORDER CONFIRMING PLAN

AND NOW, this 25th day of June, 1998, the Fourth Amended Creditors Committee Plan of Reorganization for H. K. Porter Company, Inc., with modifications as of April 27, 1998 (the "Plan")<sup>1</sup>, having been proposed and filed and it appearing that a hearing was held on due and proper notice on April 15, 1998 to approve the Disclosure Statement to accompany the Plan (the "Disclosure Statement") and it appearing that the Order approving the Disclosure Statement was entered on May 7, 1998, and it further appearing that the Orders establishing the voting procedures and the form of Ballots for Classes 4, 5 and 6 were entered on January 16, 1998 and January 27, 1998, and it further appearing that the form of Ballots for Classes 2, 3 and 7 were approved by Order of Court dated April 24, 1998, and it further appearing that due and proper notice of the Confirmation Hearing was given per the Certification of Service duly filed on May 21, 1998, and it further appearing that proper notice of the Debtor's intent to assume certain insurance policies was given to the affected

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<sup>1</sup> Unless otherwise specified, capitalized terms and phrases used herein have the meanings assigned to them in the Plan or in the Settlement Agreement (as hereafter defined). Any term used in this Order that is not defined in the Plan, in the Settlement Agreement or in the Order, but that is used in the Bankruptcy Code or the Bankruptcy Rules, shall have the meaning assigned to that term in the Bankruptcy Code or the Bankruptcy Rules.

parties, and it further appearing that proper notice has been given, pursuant to Section 1123(b)(3)(A) of the Bankruptcy Code and Bankruptcy Rule 9019 of the motion to approve the Settlement Agreement, dated as of May 1, 1998, executed by the Committee, the Debtor, George Cass as Legal Representative of Holders of Personal Injury Demands against the Debtor, and the Evans Defendants and the exhibits attached thereto and the letter of credit described therein (the "Letter of Credit") (the Settlement Agreement, together with the exhibits attached thereto and the Letter of Credit referred to therein, collectively referred to as the "Settlement Agreement"), and upon consideration of the Affidavits of Mark A. Peterson, Philip Pahigian, Esquire and such other affidavits as may be included in the record, the representations of Counsel and such other evidence provided at the Confirmation Hearing, the Court makes the following findings of fact and conclusions of law:

### **I. Findings of Fact<sup>2</sup>**

A. **Jurisdiction and Venue.** On February 15, 1991, H. K. Porter filed a Voluntary Petition for relief under Chapter 11 of the Bankruptcy Code. The Debtor was and is qualified to be a debtor under Section 109(a) of the Bankruptcy Code. H. K. Porter is a corporation organized and existing under the laws of the State of Delaware with its principal place of business in Pittsburgh, Pennsylvania. Accordingly, venue in the Western District of Pennsylvania for the Chapter 11 case was proper as of the Petition Date pursuant to 28

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<sup>2</sup> This Order constitutes the Court's findings of fact and conclusions of law under Fed. R. Civ. P. 52, as made applicable by Fed. Rules Bankr. P. 7052 and 9014. Any finding of fact shall constitute a finding of fact even if it is stated as a conclusion of law, and any conclusion of law shall constitute a conclusion of law even if it is stated as a finding of fact.

U.S.C. §1408 and continues to be proper. By Order of the District Court dated June 5, 1998, the standing reference effected by Order of Court dated October 16, 1984 in accordance with 28 U.S.C. §157(a), was withdrawn for the limited purpose of giving jurisdiction to the District Court to determine whether the Plan shall be confirmed and whether to approve the settlement of the Adversary Proceeding entitled *Committee of Unsecured Creditors of H. K. Porter Company, Inc. vs. Thomas Mellon Evans, et al.* and that these limited matters shall be heard, considered and determined jointly by the District Court and the Bankruptcy Court.

B. Notice. Due and sufficient notice of the Plan, the Debtor's intent to assume and assign certain insurance policies, the approval of the Settlement Agreement and approval of other settlements incorporated in the Plan, and the Confirmation Hearing was given to all creditors, participants and other parties in interest per the Certificate of Service filed by the Committee on May 21, 1998.

C. Compliance with Requirements of the Bankruptcy Code. The Plan complies with all applicable requirements for confirmation set forth in Sections 524(g), 1122, 1123, 1129(a), and 1129(d) of the Bankruptcy Code. The Plan also complies with all requirements of Section 1129(b) as to Classes 8 and 9 in that the Plan does not discriminate unfairly, and is fair and equitable with respect to each of Class 8 and Class 9. Specifically, the Plan, as to Class 8, complies with Section 1129(b)(2)B(ii) and, as to Class 9, complies with Section 1129(b)(2)(C)(i).

The Reorganized Debtor and the Asbestos Trust each constitute a newly organized successor of the Debtor under the Plan for purposes of sections 524(g)(3)(A), 1125(e) and 1145(a) of the Bankruptcy Code. The New Porter Common Stock being issued by the Reorganized Debtor under the Plan is exempt from the registration requirements of the securities laws within the meaning of section 1145(a)(1) of the Bankruptcy Code.

D. Settlement of Evans Litigation. Approval of the Settlement Agreement is a condition precedent to confirmation of the Plan. The incorporation of the Settlement Agreement in the Plan effectuates a global settlement which in substance provides, *inter alia*, for (a) the dismissal, with prejudice, of the Evans Litigation on the Effective Date, (b) the transfer to the Debtor, on the Effective Date, by the Evans Defendants of valuable consideration, consisting of (i) \$20,000,000.00 cash, (ii) a promissory note payable over twenty (20) years in the principal amount of \$11,000,000 plus accrued interest, payable at the rate of 7% per annum and (iii) a letter of credit in support of the promissory note, (c) the establishment of the Asbestos Trust for the benefit of holders of Asbestos Claims and Demands, (d) the issuance of the Asbestos Permanent Channeling Injunction pursuant to Section 524(g) enjoining any Entity from taking legal action against the Debtor, the Reorganized Debtor, or any of the Evans Defendants or assets with respect to a Claim or Demand channeled to the Asbestos Trust for treatment, (e) the issuance of the Section 105(a) Injunction, (f) releases in favor of the Evans Defendants from the Reorganized Debtor, the Committee, and from each creditor voting on the Plan and indicating a release on the ballots provided therefor and (g) rights of set-off against the promissory note and indemnification from the Reorganized Debtor in favor of the Evans Defendants to supplement the contractual

releases, the Section 105(a) Injunction and the Asbestos Permanent Channeling Injunction. This settlement, as embodied in the Settlement Agreement, is an integral part of the Plan and each element therein constitutes a critical component of the Plan, consistent with Section 1123(b)(3)(A) and Bankruptcy Rule 9019, which settlement is fair and equitable and is in the best interests of the Debtor and its estate, the Reorganized Debtor, the Asbestos Trust, and holders of Claims and Demands.

The Committee, the Debtor, the Personal Injury Futures Representative, the Property Damage Futures Representative and the Co-Defendant Futures Representative have represented that the settlement, as incorporated in the Plan, provides the most expeditious and equitable vehicle for enabling the Debtor to pay its creditors, the holders of present and future Asbestos Claims against the Debtor, and to emerge from bankruptcy as a company in the business of maximizing and managing money for the benefit of future asbestos claimants without significant future asbestos-related litigation. The contribution of the Evans Defendants to the Debtor is an essential and integral part of this reorganization and greatly maximizes the return to creditors under the Plan. The releases and injunctions were insisted upon and heavily negotiated by and among the Settling Parties, and constitute one of the most fundamental aspects of the global settlement incorporated in the Plan. The releases and injunctions will effectively bar any further action by any Entity, including present and future claimants, against the Evans Defendants (except as may otherwise be provided for in the Plan), and these third-party releases and injunctions constitute an essential element of the Settlement Agreement and the Plan.

The terms of the Settlement Agreement satisfy the controlling standards in this Circuit because the Evans Settlement contains terms that minimize the costs to the Debtor's estate that necessarily accompany a protracted litigation, while providing for a demonstrable, certain monetary return to holders of Asbestos Claims against the Reorganized Debtor -- under circumstances where the outcome of such recovery was uncertain.

The Evans Settlement provides both present creditors and future claimants with a workable mechanism for monetary recovery through the establishment of the Reorganized Debtor and the Asbestos Trust. Moreover, the Evans Settlement is manifestly reasonable in that it is inextricably intertwined with the other Plan provisions that enable the Debtor to emerge from Chapter 11 with a viable scheme for managing its overwhelming asbestos-related liability, and for providing distributions to non-asbestos creditors consistent with the requirements of Bankruptcy Code.

The Court has considered that the Evans Settlement has been recommended by the Debtor, the Committee and the Futures Representatives, after considering the complex issues involved, the relative strengths and weaknesses of legal positions and the time and expense involved in prosecuting the Evans Litigation, and finds that the Debtor, the Committee, and the Personal Injury Futures Representative have exercised reasonable business judgment, consistent with their fiduciary duties, in agreeing to the Evans Settlement.

**E. Section 524(g) - The Asbestos Trust and the Asbestos Permanent Channeling Injunction.** At the time of filing of the Chapter 11 case, the Debtor had been

named as a defendant in tens of thousands of personal injury, wrongful death, and property damage actions seeking recovery for damages allegedly caused by the presence of, or exposure to, asbestos and asbestos-containing products. In accordance with Section 524(g) of the Bankruptcy Code, the Asbestos Permanent Channeling Injunction is to be implemented in connection with the establishment of the Asbestos Trust pursuant to the Plan. The Asbestos Trust is:

- (i) to assume the Debtor's liabilities with respect to Asbestos Claims and Demands within the meaning of Section 524(g) of the Bankruptcy Code;
- (ii) to be funded in part by the New Porter Common Stock and the obligation of the Reorganized Debtor to make future payments;
- (iii) to own all of the voting shares of the Reorganized Debtor; and
- (iv) to use its assets and income to pay Asbestos Claims and Demands.

With respect to the Debtor's asbestos-related liabilities:

- (i) in the absence of the confirmation of the Plan, the Debtor is likely to be subject to substantial future Demands for payment arising out of the same or similar conduct or events that gave rise to the Asbestos Claims and Demands that are addressed by the Asbestos Permanent Channeling Injunction;
- (ii) the actual amounts, numbers and timing of the future Demands cannot be determined;
- (iii) pursuit of such Demands outside the procedures prescribed by the Plan is likely to threaten the Plan's purpose to deal equitably with Asbestos Claims and future Demands;
- (iv) the terms of the Asbestos Permanent Channeling Injunction sought to be implemented pursuant to the Plan, including all provisions barring actions against the Protected Parties, pursuant to Section 524(g)(4)(A) of the Bankruptcy Code, are

set forth in the Plan and were disclosed in the Disclosure Statement supporting the Plan;

(v) the Plan establishes, in Classes 4 and 5 thereof, separate classes of claimants whose Claims are to be addressed by the Asbestos Trust;

(vi) the holders of Class 4 and 5 Claims, each voting as a separate class, have both voted, by at least 75 (75%) percent of those voting, in favor of the Plan;

(vii) the Asbestos Trust is designed to provide reasonable assurance that the Asbestos Trust will value, and be in a financial position to pay, Asbestos Claims and Demands that involve similar claims in substantially the same manner;

(viii) the Futures Representatives were appointed as part of the proceedings leading to issuance of the Asbestos Permanent Channeling Injunction for the purpose of protecting the rights of Entities that might subsequently assert Demands that are addressed in the Asbestos Permanent Channeling Injunction and transferred to and paid by the Asbestos Trust;

(ix) the Protected Parties are appropriate third parties, as that term is applied in Section 524(g)(4)(A)(ii) of the Bankruptcy Code, and consist of (a) the Debtor, (b) the Reorganized Debtor, (c) any Entity that, pursuant to the Plan or after the Effective Date, becomes a direct or indirect transferee of, or successor to, any assets of the Debtor, the Reorganized Debtor, or the Asbestos Trust (but only to the extent that liability is asserted to exist by reason of it becoming such a transferee or successor); (d) any Entity that, pursuant to the Plan or after the Effective Date, makes a loan to the Reorganized Debtor or the Asbestos Trust or to a successor to, or transferee of, any assets of the Debtor, the Reorganized Debtor or the Asbestos Trust (but only to the extent that liability is asserted to exist by reason of such Entity becoming such a lender or to the extent any pledge of assets made in connection with such a loan is sought to be upset or impaired); (e) any Entity to the extent he, she, or it is alleged to be directly or indirectly liable for the conduct of, Claims against, or Demands on, the Debtor, the Reorganized Debtor or the Asbestos Trust on account of Asbestos Claims, or Demands, including, without limitation, any of the Evans Defendants (as defined in the Settlement Agreement, a copy of which is attached to the Plan as Exhibit 1.1.47); and

(x) identifying each Protected Party is fair and equitable with respect to Entities that might subsequently assert Demands against any such Protected Party, in light of the benefits provided, or to be provided, to the Asbestos Trust by or on behalf of the Debtor and any such Protected Party.



Pursuant to the Asbestos Trust and pursuant to Article 10 of the Plan, as of the Effective Date, the Trustee and the Trust Advisory Committee shall be deemed to be a party in interest within the meaning of Section 1109(b) of the Bankruptcy Code.

## II. Conclusions of Law

In addition to the foregoing Findings of Fact, set forth below are various conclusions of law:

A. **Jurisdiction.** Jurisdiction over this matter is proper pursuant to 28 U.S.C. Section 157 and 28 U.S.C. Section 1334 and the Order dated June 5, 1998 withdrawing the reference.

B. **Approval of the Settlements, Discharges, Releases and Injunctions Provided under the Plan.** Pursuant to Sections 105 and 1123(b)(3) of the Bankruptcy Code and Bankruptcy Rule 9019(a), the settlements, compromises, releases, discharges and injunctions set forth in the Plan and implemented by this Order shall be, and hereby are, approved as an integral part of the Plan and are fair, equitable, reasonable and in the best interests of each of the Debtor and its estate, the Reorganized Debtor, the Asbestos Trust and holders of Claims, Demands and Equity Interests. In approving the releases, settlements and compromises of and from such potential claims, the Court has considered: (a) the balance of the likelihood of success of the claims asserted by the Debtor and/or the Committee or other claimants against the likelihood of success of the defenses or counterclaims possessed by the

Evans Defendants, other claimants or other potential defendants; (b) the complexity, cost and delay of litigation that would result in the absence of these releases, settlements and compromises; and (c) that the Plan, which gives effect to the releases, settlements and compromises, is the product of extensive arm's-length negotiations among the Debtor, the Committee, the Futures Representatives and numerous other parties in interest.

Pursuant to Section 1123(b)(3)(A) of the Bankruptcy Code and Bankruptcy Rule 9019(a), the Settlement Agreement shall be, and hereby is, approved. In approving the Settlement Agreement, the Court has considered many factors, including the following four criteria in striking the balance between the value of the compromise reached and the value of the claim being compromised: (1) the probability of success in litigation; (2) likely difficulties in collection; (3) complexity of litigation involved, and expense, inconvenience and delay necessarily attending it; and (4) the paramount interest of the creditors. The Settlement Agreement is in the best interests of the Debtor's estate and its creditors and is a fair and equitable compromise of the claims asserted in the Evans Litigation.

All settlements, compromises, releases, discharges and injunctions of claims and causes of action against or in favor of non-Debtor entities as set forth in the Plan, which are approved herein as an integral part of the Plan and are fair, equitable, reasonable and in the best interests of the Debtor, its estate, the Reorganized Debtor, and holders of Claims, Demands and Interests shall be, and hereby are, effective and binding on all persons and entities who, prior to the Confirmation Date of the Chapter 11 case, may have had standing

to assert such claims or causes of action, and no person or entity will possess such standing to assert such claims or causes of action after the Effective Date.

C. Compliance with Section 524(g) of the Bankruptcy Code and Issuance of the Asbestos Permanent Channeling Injunction. As set forth in Section I.E. of this Order, the Plan complies in all respects with the applicable requirements of Section 524(g) of the Bankruptcy Code. On and as of the Effective Date, the Asbestos Trust Documents are hereby approved and the Asbestos Permanent Channeling Injunction is hereby issued and is valid and enforceable.

D. Issuance of an Injunction Pursuant to Section 105(a) of the Bankruptcy Code. In consideration for the global settlement reached with the Evans Defendants settling the Evans Litigation, the Section 105(a) Injunction is hereby issued and is valid and enforceable.

E. Compliance with Section 1129 of the Bankruptcy Code. As set forth in Section I.C. of this Order, the Plan complies in all respects with the applicable requirements of Section 1129(a), (b) and (d) of the Bankruptcy Code.

### III. Order

1. Accordingly, the Court hereby **ORDERS, ADJUDGES AND DECREES** that the Plan a copy of which is attached hereto as an Exhibit and made a part hereof and each of its provisions shall be, and hereby are, confirmed in each and every respect pursuant to Section 1129 of the Bankruptcy Code. All objections to the Plan, other than those withdrawn with prejudice prior to, or on the record at, the Confirmation Hearing, shall be, and hereby are, overruled.

2. It is further **ORDERED, ADJUDGED AND DECREED** that in connection with the creation of the Asbestos Trust and to supplement the injunctive effect of a discharge under Section 524 of the Bankruptcy Code, the Asbestos Permanent Channeling Injunction shall be, and hereby is, issued and approved as of the Effective Date. Pursuant to the Asbestos Permanent Channeling Injunction all Entities are hereby permanently and forever stayed, restrained and enjoined from taking any action for the purpose of, directly or indirectly, collecting, recovering, or receiving payment of, on, or with respect to any Asbestos Claim or Demand (other than actions brought to enforce any right or obligation under the Plan, any Exhibits to the Plan, or any other agreement or instrument between the Debtor or the Reorganized Debtor and the Asbestos Trust, which actions shall be in conformity and compliance with the provisions hereof), including:

(a) commencing, conducting, or continuing in any manner, directly or indirectly, any suit, action, or other proceeding (including, without express or implied limitation, a judicial, arbitral, administrative, or proceeding in any other forum)

against or affecting any Protected Party or any property or interests in property of any Protected Party;

(b) enforcing, levying, attaching (including, without express or implied limitation, any prejudgment attachment), collecting, or otherwise recovering by any means or in any manner, whether directly or indirectly, any judgment, award, decree, or other order against any Protected Party or any property or interests in property of any Protected Party;

(c) creating, perfecting, or otherwise enforcing in any manner, directly or indirectly, any encumbrance against any Protected Party or any property or interests in property of any Protected Party;

(d) setting off, seeking reimbursement or, contribution from, or subrogation against, or otherwise setting off or recouping in any manner, directly or indirectly, any amount against any liability owed to any Protected Party or any property or interests in property of any Protected Party; and

(e) proceeding in any manner adverse to any Protected Party or the property of any Protected Party in any place with regard to any matter that is subject to resolution pursuant to the Asbestos Trust, except in conformity and compliance therewith.

On and after the Effective Date, the Protected Parties, including the Asbestos Trust, shall obtain the benefits of the Asbestos Permanent Channeling Injunction.

3. It is further **ORDERED, ADJUDGED AND DECREED** that in connection with the global settlement of the Evans Litigation, the Section 105(a) Injunction shall be, and hereby is, issued and approved. Pursuant to the Section 105(a) Injunction, all Entities are hereby permanently and forever stayed, restrained and enjoined from taking any legal action or instituting any other proceeding of any kind for the purpose of collecting, recovering or receiving payment or any other form of relief of recovery from an Evans' Defendant with respect to any of the following:

(a) any and all claims (including Claims), obligations, rights, causes of action, demands (including Demands) and/or liabilities, of whatever nature, present or future, foreseen or unforeseen, now existing or hereafter arising, including but not

limited to any Asbestos Claim and any Non-Asbestos Lung Disease Claim, which any Person or Entity may assert or be entitled to assert, directly or indirectly arising out of, relating to, in connection with, or based upon:

- (i) the subject matter of the Evans Litigation;
  - (ii) the acts, omissions, operations, products or business activities of the Debtor or any of its predecessors;
  - (iii) any of the Evans Defendants' alleged status or liability as a successor to or affiliate of the Debtor; and
  - (iv) the Debtor's Chapter 11 case;
- (b) any and all claims (including Claims) or demands (including Demands) against any of the Evans Defendants alleged to be directly or indirectly liable for the conduct of, claims (including Claims) against, or demands (including Demands) on the Debtor to the extent such alleged liability of such Evans Defendant arises by reason of such Evans Defendant's ownership of a financial interest in any of the following:

- (i) the Debtor, a past or present affiliate of the Debtor, or a predecessor in interest of the Debtor;
- (ii) such Evans Defendant's involvement in the management of the Debtor or a predecessor in interest of the Debtor, or service as an officer, director or employee of the Debtor or a "Related Party," as defined in Section 524(g)(4)(A)(iii) of the Bankruptcy Code, of the Debtor;
- (iii) such Evan's Defendant's involvement in a transaction changing the corporate structure, or in a loan, dividend, spin-off, acquisition, disposition or other financial transaction affecting the financial condition, of the Debtor or of a "Related Party," as is defined in Section 524(g)(4)(A)(iii) of the Bankruptcy Code, of the Debtor, including but not limited to, involvement in providing financing (debt or equity) or advice to an entity involved in such a transaction, or acquiring or selling an financial interest in an entity as party of such a transaction.

4. It is further **ORDERED, ADJUDGED AND DECREED** that, on the Effective Date, all Existing Porter Common Stock issued and outstanding or held in the

Debtor's treasury shall be deemed canceled and extinguished and no consideration shall be delivered with respect thereto.

5. It is further **ORDERED, ADJUDGED AND DECREED** that, as of the Effective Date, pursuant to the Delaware General Corporation Law, as applicable, sections 1123(a) and 1142(b) of the Bankruptcy Code and any other applicable law, the Debtor, the Reorganized Debtor or the Asbestos Trust shall be, and hereby are, authorized to effectuate the Plan transactions and make all filings and recordings in connection therewith, all as contemplated by the Plan, and in each case in accordance with applicable terms of the Plan and this Order.

6. It is further **ORDERED, ADJUDGED AND DECREED** that, pursuant to section 1142(b) of the Bankruptcy Code and section 303 of the Delaware General Corporation Law, the Debtor, the Reorganized Debtor or the Trustee, as the case may be, shall be, and hereby are, authorized to effectuate the Plan and the Plan transactions and to take any actions or commence any proceedings provided for or contemplated by the Plan documents or this Order, all without further action by respective directors, stockholders and beneficiaries of the Debtor, the Reorganized Debtor or the Asbestos Trust, as the case may be.

7. It is further **ORDERED, ADJUDGED AND DECREED** that, pursuant to section 1142(b) of the Bankruptcy Code and section 303 of the Delaware Corporation Law, the Debtor, the Reorganized Debtor or the Trustee shall be, and hereby are, authorized to (i)

cause to be filed with the Delaware Secretary of State or other applicable state or local official any and all certificates, agreements or plans of merger, consolidation, dissolution, liquidation or amendment necessary or appropriate to effectuate the Plan transactions, including but not limited to, the creation and establishment of the Asbestos Trust, and (ii) take or cause to be taken all such other actions including the making of appropriate filings or recordings as may be required under appropriate provisions of the Delaware General Corporation Law or any other applicable law, or as any of the responsible officers of the Debtor, the Reorganized Debtor or the Asbestos Trust may determine are necessary or appropriate in connection with the Plan transactions. Each federal, state and local governmental agency or department is authorized and directed to accept the filing of any Plan document. Without limiting the generality or effect of the foregoing, this Order shall be, and hereby is, declared to be in recordable form and shall be accepted by any filing or recording officer or authority of any applicable governmental authority or department without any further orders.

8. It is further **ORDERED, ADJUDGED AND DECREED** that, each of the responsible officers of the Debtor, the Reorganized Debtor or the Asbestos Trust shall be, and hereby is, authorized to execute, deliver, file and have recorded the applicable Plan documents including the Settlement Agreement, the Asbestos Trust Agreement and the Asbestos Claims Resolution Procedures (collectively, the "Plan Documents"), and to take such other actions on behalf of such Debtor, the Reorganized Debtor or the Asbestos Trust as such person may determine to be required under appropriate provisions of the Delaware General Corporation Law or any other applicable law in connection with the Plan



transactions, and, without limiting the generality or effect of the foregoing, a responsible officer of the Debtor, the Reorganized Debtor or the Asbestos Trust shall be, and hereby is, authorized to certify or attest to any of the foregoing actions. The execution of any such document or the taking of any such action shall be, and hereby is, deemed conclusive evidence of the authority of such person to so act.

9. It is further **ORDERED, ADJUDGED AND DECREED** that the Settlement Agreement is hereby approved.

10. It is further **ORDERED, ADJUDGED AND DECREED** that the substantial consummation of the Plan, within the meaning of Section 1127 of the Bankruptcy Code, shall be deemed to have occurred on the Effective Date.


11. It is further **ORDERED, ADJUDGED AND DECREED** that following the entry of this Order, exclusive jurisdiction over the Chapter 11 case shall be referred back, for all purposes, to the Bankruptcy Court, pursuant to 28 U.S.C. §§ 157 and 1334, and shall remain in the Bankruptcy Court in accordance with Plan provisions, provided however, that exclusive jurisdiction shall remain in this District Court for any proceeding involving the validity, application, construction or modification of the Asbestos Permanent Channeling Injunction, pursuant to Section 524(g)(2) of the Bankruptcy Code, in accordance with Article 9 of the Plan.

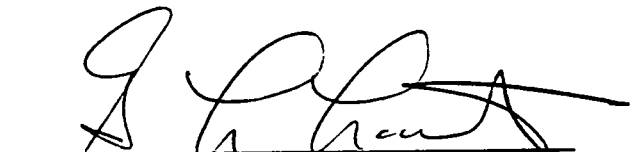
12. It is further ORDERED, ADJUDGED AND DECREED that pursuant to Bankruptcy Rules 2002(f)(7) and 3020(c), the Committee shall be, and hereby is, directed to give notice of the entry of this Order by serving a copy of this Order, without exhibits, on all holders of Claims or Interests and on such other parties in interest who were served with notice of the Confirmation Hearing, no later than 10 days after the Confirmation Date.

**THE DISTRICT COURT AND THE BANKRUPTCY COURT, HAVING PARTICIPATED IN AND JOINTLY PRESIDED AT THE CONFIRMATION HEARING, HAVING DETERMINED THAT THE PLAN FULLY COMPLIES WITH SECTIONS 524(g) AND 1129 OF THE BANKRUPTCY CODE AND HAVING REVIEWED THE PROPOSED FINDINGS OF FACT AND CONCLUSIONS OF LAW SET FORTH ABOVE, HEREBY JOINTLY EXECUTE THIS ORDER AND SHALL CAUSE ENTRY HEREOF ON THE DOCKET OF THE DISTRICT COURT.**

**IT IS SO ORDERED.**

Dated: Pittsburgh, Pennsylvania  
June 25, 1998  
at 2:15 p..m.

  
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WARREN W. BENTZ  
United States Bankruptcy Judge

  
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GARY L. LANCASTER  
United States District Judge

Dated: Pittsburgh, Pennsylvania  
June 25, 1998  
at 2:15 p..m.