

C.E. Thurston & Sons, Inc

**ASBESTOS RELATED CLAIMS AND DEMANDS TRUST
DISTRIBUTION PROCEDURES**

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C.E. THURSTON & SONS, INC.

**ASBESTOS RELATED CLAIMS AND DEMANDS TRUST DISTRIBUTION
PROCEDURES**

The C.E. Thurston & Sons, Inc. Asbestos Related Claims and Demands Trust Distribution Procedures (“TDP”) contained herein provide for resolving all Asbestos Related Claims and Demands, as defined in the Plan of Reorganization of C.E. Thurston & Sons, Inc. under Chapter 11 of the United States Bankruptcy Code, dated as of _____ (the “Plan Filing Date”) (as such plan may be amended, modified, or supplemented from time to time, the “Plan”), (hereinafter for all purposes of this TDP defined as the “Asbestos Related Claims and Demands”) as provided in and required by the Plan and C.E. Thurston & Sons, Inc. Asbestos Trust Agreement (the “Trust Agreement”). The Plan and Trust Agreement establish the C.E. Thurston & Sons, Inc. Asbestos Related Claims and Demands Trust (the “Trust”). The Trustee of the Trust (the “Trustee”) shall implement and administer this TDP in accordance with the Trust Agreement. Capitalized terms used herein and not otherwise defined shall have the meanings assigned to them in the Plan and the Trust Agreement.

The TDP addresses personal injury Asbestos Related Claims or Demands related to or caused by the presence of or exposure to asbestos or asbestos-containing products (“Asbestos Claims”) in Part I; personal injury claims or demands, other than Asbestos Claims, claims in Part II (“Other Toxic PI Claims”); Asbestos Related Claims or Demands, other than Asbestos Claims or Other Toxic PI Claims, that allege damage to property or to the environment in Part III (“Environmental Claims”); and all other Asbestos Related Claims and Demands, not otherwise classified or addressed in Sections I-III (“Other Claims”), including without limitation claims that arose out of Thurston’s attempts to manage and resolve tort claims for asbestos-related

personal injury, including claims (a) for contribution asserted by third parties likewise defending various asbestos-related personal injury claims; (b) for defense costs; and (c) based upon insurance coverage disputes in Part IV (“Defense Costs”).

Introduction

1.1 Purpose. This TDP has been adopted pursuant to the Trust Agreement. It is designed to provide fair and equitable treatment for all Asbestos Related Claims and Demands that may presently exist or may arise in the future in substantially the same manner.

1.2 Interpretation. Nothing in this TDP shall be deemed to create a substantive right for anyone asserting an Asbestos Related Claim or Demand (“Claimant”).

Overview

2.1 Trust Goals. The goal of the Trust is to treat all Claimants equitably. This TDP furthers that goal by setting forth procedures for processing and paying Claims against the Trust with the intention of paying all Claimants over time as equivalent a share as possible of the value of their Claims based on historical values, where such a history exists, for substantially similar Claims in the civil courts.

Miscellaneous

3.1 Amendments. Except as otherwise provided herein, the Trustee may amend, modify, delete, or add to any provisions of this TDP (including, without limitation, amendments to conform this TDP to advances in scientific or medical knowledge or other changes in circumstances), provided the Trustee first obtains the consent of the Trust Advisory Committee and the Legal Representative pursuant to the Consent Process set forth in Sections 6.7(b) and 7.7(b) of the Trust Agreement, except that the right to adjust the Payment Percentage is governed by Section 6.2.

3.2 Severability. Should any provision contained in this TDP be determined to be unenforceable, such determination shall in no way limit or affect the enforceability and operative effect of any and all other provisions of this TDP. Should any provision contained in this TDP be determined to be inconsistent with or contrary to C.E. Thurston's obligations to any insurance company providing insurance coverage to C.E. Thurston in respect of Asbestos Related Claims and Demands as defined herein, the Trust may, with the consent of the Trust Advisory Committee and the Legal Representative, amend this TDP and/or the Trust Agreement to make the provisions of either or both documents consistent with the duties and obligation of C.E. Thurston to said insurance company.

3.3 Governing Law. Except for purposes of determining the liquidated value of any Asbestos Related Claim or Demand, administration of this TDP shall be governed by, and construed in accordance with, the laws of the Commonwealth of Virginia. Except as provided in Section 9.4 with respect to Asbestos Related Claims subject to the Alabama Wrongful Death Statute, the law governing the liquidation of Asbestos Related Claims in the case of Expedited Review, arbitration or litigation in the civil courts shall be the law of the Claimant's Jurisdiction.) For these purposes, the "Claimant's Jurisdiction" is the jurisdiction in which the claim was filed (if at all) against C.E. Thurston in the civil courts prior to the Petition Date. If the Claim was not filed against C.E. Thurston in the civil courts prior to the Petition Date, the Claimant may elect as the Claimant's Jurisdiction the jurisdiction where the Claimant would litigate the Claim; provided, however, that the Trust as successor to C.E. Thurston's liability for Asbestos Claims retains all objections to the exercise of jurisdiction and venue that C.E. Thurston could assert, for these purposes and otherwise, and may assert such objections in the process of considering a Claim under these procedures.

With respect to the “Claimant’s Jurisdiction,” in the event a personal representative or authorized agent makes a claim under the TDP for wrongful death arising under the Alabama Wrongful Death Statute with respect to which the Claimant’s Jurisdiction as defined herein could only be the State of Alabama, the Claimant’s Jurisdiction shall be the State of Virginia, and the Claimant’s damages shall be determined pursuant to the statutory and common laws of the State of Virginia without regard to Virginia’s choice of law principles.

3.4 Application of Payment Percentage to All Claims. All Asbestos Related Claims and Demands to be paid by the Trust, as set forth in Sections I-IV, shall be subject to application of the same Payment Percentage to be applied to Asbestos Claims as described in Section 5.2.

TDP Administration

4.1 Trust Advisory Committee and Legal Representative. Pursuant to the Plan and the Trust Agreement, the Trust and this TDP shall be administered by the Trustee in consultation with the Trust Advisory Committee, which represents the interests of holders of present Asbestos Related Claims, and the Legal Representative, who represents the interests of holders of Asbestos Related Demands that will be asserted in the future. The Trustee shall obtain the consent of the Trust Advisory Committee and the Legal Representative on any amendments to this TDP pursuant to Section 3.1 above, and on such other matters as are otherwise required herein and in Section 2.2(e) of the Trust Agreement. The Trustee shall also consult with the Trust Advisory Committee and the Legal Representative on such matters as are provided herein and in Section 2.2(d) of the Trust Agreement. The initial members of the Trust Advisory Committee and the initial Legal Representative are identified in the Trust Agreement.

4.2 Consent and Consultation Procedures. In those circumstances in which consultation or consent is required, the Trustee will provide written notice to the Trust Advisory Committee and the Legal Representative of the specific amendment or other action that is proposed. The Trustee will not implement such amendment nor take such action unless and until the parties have engaged in the Consultation Process described in Sections 6.7(a) and 7.7(a), or the Consent Process described in Sections 6.7(b) and 7.7(b) of the Trust Agreement, respectively.

PART I

ASBESTOS PERSONAL INJURY TRUST DISTRIBUTION PROCEDURES

SECTION I

5.1 Claims Liquidation Procedures.

5.1(a) In General. All Claimants holding an Asbestos Related Personal Injury Claim (“Asbestos Claim”) must file the claim with the Trust in accordance with the proof of claim provisions of Section 8.1 as provided below. Upon filing of the Asbestos Claim, the Claimant shall be placed in the FIFO Processing Queue defined in Section 7.1(a). The Trust shall take all reasonable steps to resolve Asbestos Claims as efficiently and expeditiously as possible at each stage of Claims processing and arbitration.

To this end, the Trust, in its sole discretion, may conduct settlement discussions with Claimants’ representatives regarding more than one claim at a time, provided that each such claim is individually evaluated pursuant to the valuation factors set forth in Section 5.3(b)(2) below, and provided further that each claimant’s position in the FIFO Processing or Payment Queue is maintained. The Trust shall also make every effort to resolve each year at least that

number of Asbestos Claims required to exhaust the Maximum Annual Payment and the Maximum Available Payment from the Fund (as those terms are described below).

5.1(b) Asbestos Personal Injury Claims. All Asbestos Claims shall be processed based on their place in the Trust's FIFO Processing Queue to be established pursuant to Section 7.1(a) below. The Trust shall liquidate all Asbestos Claims that meet the presumptive Medical/Exposure Criteria of Disease Levels I – V (set forth below in Section 7.3(a)(3)) under the Expedited Review Process described in Section 7.3(a) below.

Based upon the available settlement history of C.E. Thurston, in light of applicable tort law and current projections of present and future unliquidated Claims, the Scheduled Values set forth in Section 7.3(a)(3) have been established for each of the Disease Levels. All payments to a Claimant from the Trust shall be subject to the Payment Percentage, the Maximum Annual Payment, and the Maximum Available Payment limitations that are in effect at the time of payment.

All unresolved disputes over a Claimant's medical condition, exposure history, and/or the liquidated value of an Asbestos Claim shall be subject to binding or non-binding arbitration as provided in Section 7.10 below at the election of the Claimant under procedures to be determined by the Trustee at a future date. Asbestos Claims that are the subject of a dispute with the Trust that cannot be resolved by either binding or non-binding arbitration may enter the civil courts as provided in Sections 7.11 and 9.6 below. However, if and when a Claimant obtains a judgment in the civil courts, the judgment will be payable subject to the Payment Percentage and the Maximum Annual Payment and Maximum Available Payment as provided in Section 5.3 below.

5.2 Application of the Payment Percentage for Asbestos Claims. After the liquidated value of an Asbestos Claim as defined in Section 7 below, is determined pursuant to the procedures set forth herein for Expedited Review, arbitration, or litigation in the civil courts, the Claimant will ultimately receive a pro-rata share of that value based on a Payment Percentage described in Section 6.2 below.

The initial Payment Percentage for Asbestos Claims (the “Initial Payment Percentage”, as may be adjusted from time to time, the “Payment Percentage”), shall be established by the Trustee of the Trust with consent of the Trust Advisory Committee for the Asbestos Claimants (the “Trust Advisory Committee”) and the Legal Representative for Future Asbestos Claimants (the “Legal Representative”) (who are described in Section 4.1 above) with respect to all Claims paid under this TDP. The initial Payment Percentage is to be calculated by the Trustee on the assumption that the Scheduled Values set forth in Section 7.3(a)(4) below will be achieved with respect to existing present Claims and projected future Claims involving Disease Levels I – V.

The Payment Percentage for Asbestos Claims may be adjusted upwards or downwards from time to time by the Trust with the consent of the Trust Advisory Committee and the Legal Representative to reflect then-current estimates of the Trust's assets and its liabilities, as well as the then-estimated value of pending and future Claims. However, any adjustment to the initial Payment Percentage shall be made only pursuant to Section 6.2 below. If the Payment Percentage is increased over time, Claimants whose Claims were liquidated and paid in prior periods under the TDP will not receive additional payments, except where doing so is economically and administratively reasonable. Because there is uncertainty in the prediction of both the number and severity of future Claims, and the amount of the Trust's assets, no guarantee can be made of any Payment Percentage of an Asbestos Claim's liquidated value.

5.3 Trust's Determination of the Maximum Annual Payment and Maximum Available Payment for Asbestos Claims. The Trust shall estimate or model the amount of cash flow anticipated as necessary over its entire life to ensure that funds will be available to treat all present and future Asbestos Claims as similarly as possible. In each year, the Trust will be empowered to pay out all of the income earned during the year, together with a portion of its principal, calculated so that the application of the assets of the Trust over its life shall correspond with the needs created by the anticipated flow of Claims (the "Maximum Annual Payment"), taking into account the Payment Percentage provisions set forth in Sections 5.2 above and 6.2 below. The Trust's distributions to all Claimants for that year shall not exceed the Maximum Annual Payment determined for that year.

In distributing the Maximum Annual Payment, the Trust shall first allocate the amount in question to outstanding Pre-Petition Liquidated Claims. The remaining portion of the Maximum Annual Payment (the "Maximum Available Payment"), if any, shall then be allocated and used to satisfy all other liquidated Asbestos Claims. In the event there are insufficient funds in any year to pay the total number of outstanding Pre-Petition Liquidated Claims, the available funds shall be paid to the maximum extent possible to Claimants based on their place in the FIFO Payment Queue.

5.4 Claims Payment Ratio for Asbestos Claims. No claims payment ratio has been set because the assets of the Fund are anticipated to be sufficient to pay a sufficient percentage of the value of the Claims expected to be asserted against the Trust. However, should the assets and cash flow of the Trust prove insufficient to meet the liabilities as they come due, the Trust, with the consent of the Trust Advisory Committee and the Legal Representative, may establish a

payment ratio to control the distribution of Trusts based upon the varying degrees of severity and malignancy of the Asbestos Claims.

5.5 Indemnity and Contribution Claims. As set forth in Section 7.6 below, Asbestos Claims for indemnity and contribution, if any, shall be subject to the same categorization, evaluation, and payment provisions of this TDP as all other Asbestos Claims.

SECTION II

Payment Percentage; Periodic Estimates

6.1 Uncertainty of C.E. Thurston's Asbestos Liabilities. As discussed above, there is inherent uncertainty regarding C.E. Thurston's total asbestos-related liabilities, as well as the total value of the assets available to the Trust to pay Asbestos Claims. Consequently, there is inherent uncertainty regarding the amounts that holders of Asbestos Claims will receive. To seek to ensure substantially equivalent treatment of all present and future Asbestos Claims, the Trustee must determine from time to time the percentage of liquidated value that holders of present and future Asbestos Claims will be likely to receive, *i.e.*, the "Payment Percentage" described in Section 5.2 above and Section 6.2 below.

6.2 Computation of Payment Percentage. As provided in Section 5.2 above, the Payment Percentage for Asbestos Claims shall be established by the Trustee, and shall apply to all Asbestos Related Claims and Demands.

The Payment Percentage shall be subject to change (either increased or decreased) pursuant to the terms of this TDP and the Trust Agreement if the Trustee determines that an adjustment is required. No less frequently than once every three (3) years, commencing with the first (1st) day of January occurring after the Plan is consummated, the Trustee shall reconsider the then applicable Payment Percentage to assure that it is based on accurate, current information

and may, after such reconsideration, change the Payment Percentage if necessary with the consent of the Trust Advisory Committee and the Legal Representative.

The Trustee shall also reconsider the then applicable Payment Percentage at shorter intervals if he/she deems such reconsideration to be appropriate or if requested to do so by the Trust Advisory Committee or the Legal Representative. The Trustee must base his/her determination of the Payment Percentage on current estimates of the number, types, and values of present and future Asbestos Claims, the value of the assets then available to the Trust for their payment, all anticipated administrative and legal expenses, and any other material matters that are reasonably likely to affect the sufficiency of funds to pay a comparable percentage of full liquidation value to all holders of Asbestos Claims. When making these determinations, the Trustee shall exercise common sense and flexibly evaluate all relevant factors.

There is uncertainty surrounding the amount of the Trust's future assets. There is also uncertainty regarding the totality of the Trust Claims to be paid over time. If the Trust's future assets increase significantly and/or the value or volume of Trust Claims actually filed with the Trust is significantly lower than originally estimated, the Trust shall use those proceeds first to maintain the Payment Percentage then in effect. The Trust, with the consent of the Trust Advisory Committee and the Legal Representative, shall thereafter adjust the Payment Percentage upward to reflect the increase in available assets in the Trust, and may also make supplemental payments to Claimants who previously liquidated their Claims against the Trust and received payments based on a lower Payment Percentage only when economically and administratively reasonable. The amount of any such supplemental payment shall be the liquidated value of the claim in question times the newly adjusted Payment Percentage, less all amounts previously paid the Claimant with respect to the claim.

6.3 Applicability of the Payment Percentage. Except as otherwise provided in Section 7.1(c) below (for all Asbestos Claims involving deceased or incompetent Claimants for which approval of the Trust's offer by a court or probate process is required in the event of a reduction in the Payment Percentage after the Trust makes an offer of payment on such claim), no holder of any other Asbestos Claim shall receive a payment that exceeds the liquidated value of the claim times the Payment Percentage in effect at the time of payment.

If a re-determination of the Payment Percentage for the Trust has been proposed in writing by the Trustee to the Trust Advisory Committee and the Legal Representative but has not yet been adopted, the Claimant shall receive the lower of the current Payment Percentage or the proposed Payment Percentage. However, if the proposed Payment Percentage was the lower amount but was not subsequently adopted, the Claimant shall thereafter receive the difference between the lower proposed amount and the higher current amount. Conversely, if the proposed Payment Percentage was the higher amount and was subsequently adopted, the Claimant shall thereafter receive the difference between the lower current amount and the higher adopted amount.

SECTION III

Resolution of Asbestos Claims.

7.1 Ordering, Processing and Payment of Claims.

7.1(a) Ordering of All Asbestos Claims.

7.1(a)(1) Establishment of the FIFO Processing Queue. The Trust will order separately Claims payable from the Trust that are sufficiently complete to be reviewed for processing purposes on a FIFO basis except as otherwise provided herein (the “FIFO Processing Queue”).

Following the date six (6) months after the Effective Date, as that date is defined in the Plan, (the “Initial Claims Filing Date”), the Claimant’s position in the FIFO Processing Queue shall be determined by the date and time that the claim was filed with the Trust. If any Claims are filed on the same date and time, the Claimant’s position in the FIFO Processing Queue shall be determined by the date of the diagnosis of the Claimant’s asbestos-related disease. If any Claims are filed and diagnosed on the same date, the Claimant’s position in the FIFO Processing Queue shall be determined by the date of the Claimant’s birth, with older Claimants given priority over younger Claimants.

7.1(a)(2) Effect of Statutes of Limitations. The filing for bankruptcy protection by C. E. Thurston & Sons, Inc. on August 18, 2003 (the Petition Date) stopped the running of statutes of limitations as of that date. The Company emerged from bankruptcy on March 31, 2006 (the Effective Date). However, the Trust will defer the date on which the statutes of limitations resume running to the Initial Claims Filing Date.

Each eligible claimant first diagnosed with an asbestos related disease before the Initial Claims Filing Date will have the full period provided under the applicable statute of limitations in his or her jurisdiction. No portion of the statute of limitations will be deemed to have run between August 18, 2003 and the Initial Claims Filing Date.

For all claimants, the applicable statute of limitations will run from the date of diagnosis unless specified otherwise by an applicable wrongful death statute. In all cases, the Trust will allow a 60-day grace period in addition to the normal limitations period.

If a claim was not barred by the applicable statute of limitations at the Petition Date, it will be treated as timely filed if it is actually filed with the Trust within three (3) years after the Initial Claims Filing Date, i.e. if filed by November 16, 2009.

Claimants for whom the applicable statute of limitations expired prior to the Petition Date of August 18, 2003 are not eligible to file a claim against the Trust.

In applying statutes of limitations periods, any claim will be allowed the greater of three years or the applicable statute periods.

A claim may qualify for filing a claim and stop the running of the statute period by doing any of the following within the applicable federal, state and foreign statutes of limitations that were in effect at the time:

(i) Filing an unsettled claim in the civil courts against C.E. Thurston prior to the Petition Date of August 18, 2003 and providing supporting evidence thereof;

(ii) Filing an unsettled claim against C.E. Thurston, prior to the Petition Date of August 18, 2003, by submission of the claim to C.E. Thurston, pursuant to an Asbestos Liability Settlement Agreement and providing supporting evidence thereof;

(iii) Filing a claim or ballot for voting purposes during the C. E. Thurston Chapter 11 proceeding; or

(iv) Filing a proof of Claim with the requisite supporting documentation with the Trust after the Initial Claims Filing Date.

Once a claim is filed, the processing by the Trust may be deferred at the election of the Claimant pursuant to Section 8.3 below.

7.1(b) Processing of Claims. As a general practice, the Trust will review its Claims files on a regular basis and notify all Claimants of any deficiencies in their claims. However, Claims that were not filed (i) against C.E. Thurston in the civil courts or actually submitted to C.E. Thurston pursuant to an administrative settlement agreement prior to the Petition Date, or (ii) against another defendant in the civil courts prior to the Plan Filing Date, shall not be processed until after the Initial Claims Filing Date.

7.1(c) Payment of Claims. Asbestos Claims that have been liquidated by the Expedited Review Process as provided in Section 7.3(a) below, arbitration as provided in Section 7.10 below, or by litigation in the civil courts provided in Section 7.11 below, shall be paid in FIFO order based on the date their liquidation became final (the “FIFO Payment Queue”), with all such payments being subject to the applicable Payment Percentage, the Maximum Available Payment, and the Maximum Annual Payment, except as otherwise provided herein.

Where the Claimant is deceased or incompetent, and the settlement and payment of his or her Claim must be approved by a court of competent jurisdiction or through a probate process prior to acceptance of the Claim by the Claimant's representative, an offer made by the Trust on the Claim shall remain open so long as proceedings before that court or in the probate process remain pending, provided that the Trust has been furnished with evidence that the settlement offer has been submitted to such court for approval. If the offer is ultimately approved by the court or through the probate process and accepted by the Claimant's representative, the Trust shall pay the Claim in the amount so offered, multiplied by the Payment Percentage, if any, in effect at the time the offer was first made.

If any Claims are liquidated on the same date, the Claimant's position in the FIFO Payment Queue shall be determined by the date of the diagnosis of the Claimant's asbestos-related disease. If any Claims are liquidated on the same date and the respective Claimants' asbestos-related diseases were diagnosed on the same date, the positions of those Claimants in the FIFO Payment Queue shall be determined by the Trust based on the dates of the Claimants' birth, with older Claimants given priority over younger Claimants.

7.2 Resolution of Pre-Petition Liquidated Asbestos Claims.

7.2(a) Processing and Payment. As soon as practicable after the Effective Date, the Trust shall pay (subject to the applicable Payment Percentage, the Maximum Available Payment, and the Maximum Annual Payment limitations), all Asbestos Claims that were liquidated by (i) a binding settlement agreement for the particular Claim entered into prior to the Petition Date that is judicially enforceable by the Claimant, (ii) a jury verdict or non-final judgment in the civil courts obtained prior to the Petition Date, which jury verdict or non-final judgment failed to become final and non-appealable as a result of the pendency of the Debtor's

Chapter 11 case, or (iii) by a judgment that became final and non-appealable prior to the Petition Date (collectively “Pre-Petition Liquidated Claims”) upon submission by the Claimant of the applicable Trust proof of claim form together with all documentation necessary to demonstrate to the Trust that the claim was liquidated in the manner described in (i), (ii) or (iii). Such documentation shall include (A) a court-authenticated copy of the jury verdict, a non-final judgment or a final judgment if applicable and (B) the name, social security number and date of birth of the claimant and the name and address of the claimant’s lawyer, if any.

The liquidated value of a Pre-Petition Liquidated Claim shall be the unpaid portion of the amount agreed to in the binding settlement agreement, the unpaid portion of the amount awarded by the jury verdict or non-final judgment, or the unpaid portion of the amount of the final judgment, as the case may be, plus interest, if any, that has accrued on the judgment under applicable state law as of the Petition Date; however, pursuant to Section 9.4 below, the liquidated value of a Pre-Petition Liquidated Claim shall not include any non-compensatory damages. In the absence of a final order of the Bankruptcy Court determining whether a settlement agreement is binding and judicially enforceable, a dispute between the Claimant and the Trust over this issue shall be resolved pursuant to the same procedures in this TDP that are provided for resolving the validity and/or the liquidated value of an Asbestos Claim (i.e., arbitration and litigation in the civil courts as set forth in Sections 7.10 and 7.11 below).

Pre-Petition Liquidated Claims shall be processed and paid in accordance with their order in a separate FIFO queue to be established by the Trust based on the date the Trust received a completed proof of claim form with all required documentation for the particular Claim. However, the amounts payable with respect to Pre-Petition Liquidated Claims payable from the

Trust shall be subject to the Maximum Annual Payment limitation and Payment Percentage provisions set forth above.

If any Pre-Petition Liquidated Claims were filed on the same date, the Claimants' position in the FIFO queue for such Claims shall be determined by the date on which the Claim was liquidated. If any Pre-Petition Liquidated Claims were both filed and liquidated on the same dates, the positions of those Claimants in the FIFO queue shall be determined based on the dates of the Claimants' birth, with older Claimants given priority over younger Claimants.

7.2(b) Marshalling of Security. Holders of Pre-Petition Liquidated Claims that are secured by letters of credit, appeal bonds, or other security or sureties shall first exhaust their rights against any applicable security or surety before making a Claim against the Trust. The Trust, Reorganized Debtor, and such Pre-Petition Liquidated Claimant shall cooperate to the extent reasonable in the exercise of such Claimant's rights against any applicable security or surety. To the extent, if any, that the Trust, Debtor or Reorganized Debtor, has received payments from Asbestos Insurance Policies or other Assets subject to a security or surety interest held by such Pre-Petition Liquidated Claimant, the Trust Debtor and the Reorganized Debtor shall preserve and hold the extent of such security or surety interest for the exclusive benefit of such Pre-Petition Liquidated Claimant. Only in the event that such security or surety is insufficient to pay the Pre-Petition Liquidated Claim in full, shall the deficiency be processed and paid as a Pre-Petition Liquidated Claim and only in the event, and to that extent, shall the provisions herein for the FIFO Processing Queue and FIFO Payment Queue apply to such Pre-Petition Liquidated Claim.

7.3 Resolution of Unliquidated Asbestos Claims. Within six (6) months after the establishment of the Trust and with the consent of the Trust Advisory Committee and the Legal

Representative, the Trustee shall adopt procedures for reviewing and liquidating all unliquidated Asbestos Claims under the terms of this TDP. Such procedures shall include deadlines for processing such claims and shall require Claimants seeking resolution of unliquidated Asbestos Claims to first file a proof of claim form, together with the required supporting documentation, in accordance with the provisions of Sections 8.1 and 8.2 below. It is anticipated that the Trust shall provide an initial response to the Claimant within six (6) months of receiving the proof of claim form.

The proof of claim form shall require the Claimant to assert his or her Claim for the highest Disease Level for which the Claim qualifies at the time of filing. Irrespective of the Disease Level alleged on the proof of claim form, all Claims filed with the Trust shall be deemed to be a Claim for the highest Disease Level for which the Claim qualifies at the time of filing, and all lower Disease Levels for which the Claim may also qualify at the time of filing or in the future shall be subsumed into the higher Disease Level for both processing and payment purposes.

7.3(a) Expedited Review Process for Asbestos Claims.

7.3(a)(1) In General.

All claims submitted for review will undergo an Expedited Review process. Those claims which meet the presumptive Medical/Exposure Criteria for the relevant Disease Level shall be paid the Scheduled Value for such Disease Level as set forth in Section 7.3(a)(3) below. There will be no individual review process for any disease category.

7.3(a)(2) Asbestos Claims Processing under Expedited Review. All Claimants seeking liquidation of their Claims pursuant to Expedited Review shall file the Trust's proof of claim form. As a proof of claim form is reached in the FIFO Processing Queue, the Trustee shall

determine whether the Claim described therein meets the Medical/Exposure Criteria for the five (5) Disease Levels eligible for Expedited Review, and shall advise the Claimant of its determination. If a Disease Level is determined, the Trust shall tender to the Claimant an offer of payment of the Scheduled Value for the relevant Disease Level multiplied by the applicable Payment Percentage, together with a form of release approved by the Trust. If the Claimant accepts the Scheduled Value and returns the release properly executed, the Claim shall be placed in the FIFO Payment Queue, following which the Trust shall disburse payment subject to the limitations of the Maximum Available Payment, if any.

7.3(a)(3) Disease Levels, Scheduled Values and Medical/Exposure Criteria for C.E. Thurston Claims. The five (5) Disease Levels for Asbestos Claims, together with the Medical/Exposure Criteria for each and the Scheduled Values for the five (5) Disease Levels eligible for Expedited Review, are set forth below. These Disease Levels, Scheduled Values, and Medical/Exposure Criteria shall apply to all Asbestos Claims payable from the Trust that were filed with the Trust on or before the Initial Claims Filing Date provided in Section 7.1 above. Thereafter, with the consent of the Trust Advisory Committee and the Legal Representative, the Trustee may add to, change or eliminate the Disease Levels, Scheduled Values, or Medical/Exposure Criteria; develop subcategories of Disease Levels, Scheduled Values or Medical/Exposure Criteria; or determine that a novel or exceptional asbestos personal injury claim is compensable even though it does not meet the Medical/Exposure Criteria for any of the then current Disease Levels.

<u>Disease Level</u>	<u>Scheduled Value</u>	<u>Medical/Exposure Criteria</u>
Mesothelioma (Level V)	\$25,000.00	(1) Diagnosis ¹ of mesothelioma; and (2) credible evidence of exposure to C.E.

¹ The requirements for a diagnosis of an asbestos-related disease that may be compensated under the provisions of this TDP are set forth in Section 7.7 below.

Thurston Asbestos (as defined in Section 7.7(b)(1) below).

Lung Cancer (Level IV) \$4,650.00

(1) Diagnosis of a primary lung cancer; (2) six months occupational exposure to C.E. Thurston Asbestos before 1982, (3) Significant Occupational Exposure to asbestos (as defined in Section 7.7(b)(2) below) and (4) supporting medical documentation establishing asbestos exposure as a contributing factor in causing the lung cancer in question.

Other Cancer (Level III) \$1,400.00

(1) Diagnosis of a primary colo-rectal, laryngeal, esophageal, pharyngeal, or stomach cancer, plus evidence of an underlying Bilateral Asbestos-Related Nonmalignant Disease², (2) six months occupational exposure to C.E. Thurston Asbestos before 1982, (3) Significant Occupational Exposure to asbestos, and (4) supporting medical documentation establishing asbestos exposure as a contributing factor in causing the other cancer in question.

Disabling Severe Asbestosis (Level II) \$4,070.00

(1) Diagnosis of asbestosis with ILO of 2/1 or greater or asbestosis determined by pathological evidence of asbestosis³, plus (a) TLC less than or equal to 65% or (b) FVC less than or equal to 65% and FEV1/FVC ratio greater than 65%, (2) six months occupational exposure to C.E. Thurston Asbestos before 1982, (3) Significant Occupational Exposure to asbestos, and (4) supporting medical documentation establishing asbestos exposure as a contributing factor in causing the pulmonary disease in question.

² Evidence of "Bilateral Asbestos-Related Nonmalignant Disease" means a written report submitted by a qualified physician that is a certified B-reader stating that the claimant has or had an X-ray reading of 1/0 or higher on the ILO scale or a chest x-ray reading or a CT scan read by a qualified physician showing bilateral interstitial fibrosis, bilateral interstitial markings, bilateral pleural plaques, bilateral pleural thickening, or bilateral pleural calcification consistent with a diagnosis of asbestos-related disease. Results of a chest x-ray on an ILO form qualifies as a chest x-ray report.

³ Proof of asbestosis may be based on the pathological grading system for asbestosis described in the Special Issue of the Archives of Pathology and Laboratory Medicine, "Asbestos-associated Diseases," Vol. 106, No. 11, App. 3 (October 8, 1982).

Non-Malignant Disease (Level I) \$500

(1) Diagnosis of Bilateral Asbestos-Related Non-Malignant Disease⁴ requires a report submitted by a qualified physician that is a certified B-reader stating that the Claimant has or had an x-ray with a profusion rating of 1/0 or higher on the ILO scale, or bilateral pleural plaques, bilateral pleural thickening, or bilateral pleural calcification, or a chest x-ray reading or a CT scan read by a qualified physician showing bilateral interstitial markings, bilateral pleural plaques, bilateral pleural thickening, or bilateral pleural calcification consistent with a diagnosis of asbestos-related disease, provided, however, that results of a chest x-ray on an ILO Form qualifies as a chest-x-ray report, (2) six months occupational exposure to C.E. Thurston Asbestos before 1982, (3) Significant Occupational Exposure to asbestos, and (4) supporting medical documentation establishing asbestos exposure as a contributing factor in causing the pulmonary disease in question.

7.3(a)(4) Scheduled and Maximum Values for Asbestos Claims. The

Scheduled and Maximum Values for Asbestos Claims involving the Disease Levels compensable under this TDP are the following:

<u>Scheduled Disease</u>	<u>Scheduled Value</u>	<u>Maximum Value</u>
Mesothelioma (Level V)	\$25,000	\$50,000

⁴ Evidence of "Bilateral Asbestos-Related Nonmalignant Disease" means a report submitted by a qualified physician that is a certified B-reader stating that the claimant has or had an X-ray reading of 1/0 or higher on the ILO scale or a chest x-ray reading or a CT scan read by a qualified physician showing bilateral interstitial fibrosis, bilateral interstitial markings, bilateral pleural plaques, bilateral pleural thickening, or bilateral pleural calcification consistent with a diagnosis of asbestos-related disease. Results of a chest x-ray on an ILO form qualifies as a chest x-ray report.

Lung Cancer (Level IV)	\$4,650	\$10,000
Other Cancer (Level III)	\$1,400	\$2,000
Disabling Severe Asbestosis (Level II)	\$4,070	\$7,200
Bilateral Asbestos-Related Non-Malignant Disease (Level I)	\$500	N/A

These Scheduled Values and Maximum Values shall apply to all Asbestos Claims filed with the Trust on or before the Initial Claims Filing Date as provided in Section 7.1 above. Thereafter, the Trust, with the consent of the Trust Advisory Committee and the Legal Representative pursuant to Sections 6.7(b) and 7.7(b) of the Trust Agreement, may change these valuation amounts for good cause and consistent with other restrictions on the amendment power

Categorizing Claims as Exigent

7.4 Exigent Hardship Claims. At any time, the Trust may liquidate and pay certain Asbestos Claims that qualify as Exigent Hardship Claims, as defined below. Such Claims may be considered separately no matter what the order of processing otherwise would have been under this TDP. An Exigent Hardship Claim, following its liquidation, shall be placed first in the FIFO Payment Queue ahead of all other liquidated Claims payable from the Fund, and shall be subject to the applicable Payment Percentage, Maximum Annual Payment, and Maximum Available Payment limitations described above. An Asbestos Claim qualifies for payment as an Exigent Hardship Claim if the Claim meets the relevant Medical/Exposure Criteria for Disabling Severe Asbestosis (Disease Level II) or an asbestos-related malignancy (Disease Levels III-V), and the Trust, in its sole discretion, determines (i) that the Claimant needs financial assistance on an immediate basis based on the Claimant’s expenses and all

sources of available income, and (ii) that there is a causal connection between the Claimant's dire financial condition and the Claimant's asbestos-related disease.

7.5 Secondary Exposure Claims. If a Claimant alleges an asbestos-related disease resulting solely from exposure to an occupationally exposed person, the Claimant must establish that the occupationally exposed person would have met the exposure requirements under this TDP that would have been applicable had that person filed a direct Claim against the Trust. In addition, the Claimant with secondary exposure must establish that he or she is suffering from one of the five (5) Disease Levels described in Section 7.3(a)(3) above, that his or her own exposure to the occupationally exposed person occurred within the same time frame as the occupationally exposed person was exposed to asbestos products produced by C.E. Thurston, and that such secondary exposure to C.E. Thurston products was a cause of the claimed disease. The proof of claim form shall contain an additional section for Secondary Exposure Claims. All other liquidation and payment rights and limitations under this TDP shall be applicable to such Claims.

7.6 Indirect Asbestos Claims. Indirect Asbestos Claims, as defined by the Plan that are asserted against the Trust based upon theories of contribution or indemnification under applicable law, may not be processed or paid by the Trust unless (a) such Claim satisfied the requirements of the Bar Date established by the Bankruptcy Court for such Claim, if applicable, and is not otherwise discharged by Confirmation of the Plan or by operation of the Code, and (b) the holder of such Claim (the "Indirect Claimant") establishes to the satisfaction of the Trustee that (i) the Indirect Claimant has paid in full the liability and obligations of the Trust to the individual Claimant to whom the Trust would otherwise have had a liability or obligation under the Plan (the "Direct Claimant"), (ii) the Direct Claimant and the Indirect Claimant have forever

released the Trust from all liability to the Direct Claimant, or that payment of a judgment by the Indirect Claimant extinguishes all liability of the Trust to the Direct Claimant by operation of law; and (iii) the Indirect Claimant has a legal right derived from applicable law that is not barred by a statute of limitations or by applicable law. In no event shall any Indirect Claimant have any rights against the Trust superior to the rights of the related Direct Claimant against the Trust, including any rights with respect to the timing, amount or manner of payment. In addition, no Indirect Claimant shall be liquidated and paid in an amount that exceeds what the Indirect Claimant has actually paid the related Direct Claimant.

The Trust may develop and approve a separate proof of claim form for such Indirect Asbestos Claims. The Trust may consult with the Direct Claimant to determine whether the Direct Claimant agrees that the Trust's potential liability to the Direct Claimant has been extinguished by the payment and/or release of the Indirect Claimant. If the Indirect Asbestos Claimant has satisfied or extinguished the liability of the Trust for the Claim of a direct Asbestos Claimant, the Indirect Asbestos Claimant shall execute, in a form satisfactory to the Trust, an agreement to hold harmless, indemnify, and defend the Trust from Claims of liability to any other person for the Asbestos Claim. Indirect Asbestos Claims shall be substituted in the FIFO Processing Queue or in the FIFO Payment Queue, as applicable, for any pending Claim, which is satisfied or extinguished by the Indirect Asbestos Claimant. If the Indirect Asbestos Claimant satisfies or extinguishes the liability of the Trust for a Claim, which has not been asserted against the Trust, the Indirect Asbestos Claim shall be placed in the FIFO Processing Queue and the FIFO Payment Queue according to the provisions for those Queues set forth in this TDP.

7.7 Evidentiary Requirements

7.7(a) Medical Evidence.

7.7(a)(1) In General. All diagnoses of a Disease Level shall be accompanied by either (i) a statement by the physician providing the diagnosis that at least ten (10) years have elapsed between the date of first exposure to asbestos or asbestos-containing products and the diagnosis, or (ii) a history of the Claimant's exposure sufficient to establish a 10-year latency period. A finding by a physician after the Petition Date that a Claimant's disease is "consistent with" or "compatible with" asbestosis will not alone be treated by the Trust as a diagnosis.⁵

7.7(a)(1)(A). Disease Levels I-II. All diagnoses of a non-malignant asbestos-related disease (Disease Levels I-II) shall be based (i) in the case of a Claimant who was living at the time the Claim was filed, upon a physical examination of the Claimant by the physician providing the diagnosis of the non-malignant asbestos-related disease. All living Claimants must also provide: (i) for Claims involving Disease Level I, evidence of Bilateral Asbestos-Related Nonmalignant Disease (as referenced defined in Footnote 4); (ii) for Claims involving Disease Level II, an ILO reading of 2/1 or greater or pathological evidence of asbestosis and pulmonary function testing.⁶ In the case of a Claimant who was deceased at the time the Claim was filed, all diagnoses of a non-malignant asbestos-related disease (Disease Levels I-II) shall be based on either: (i) a physical examination of the Claimant by the physician providing the diagnosis of the asbestos-related disease; or (ii) pathological evidence of the non-malignant asbestos-related disease; or (iii) (a) in the case of Disease Level I, evidence of

⁵ All diagnoses of Asbestos/Pleural Disease (Disease Levels I) not based on pathology shall be presumed to be based on findings of bilateral asbestosis or pleural disease, and all diagnoses of Mesothelioma (Disease Level V) shall be presumed to be based on findings that the disease involves a malignancy. However the Asbestos Trust may rebut such presumptions.

⁶ "Pulmonary Function Testing" shall mean spirometry testing that is in material compliance with the quality criteria established by the American Thoracic Society ("ATS") and is performed on equipment that is in material compliance with ATS standards for Technical quality and calibration.

Bilateral Asbestos-Related Nonmalignant Disease (as defined in Footnote 4 above) or (b) for Disease Level II, an ILO reading of 2/1 or greater or pathological evidence of asbestosis; and pulmonary function testing.

7.7(a)(1)(B). Disease Levels III-V. All diagnoses of an asbestos-related malignancy (Disease Levels III - V) shall be based upon either (i) a physical examination of the Claimant by the physician providing the diagnosis of the malignant asbestos-related disease, or (ii) on a diagnosis of such a malignant Disease Level by a board-certified pathologist. Further, all diagnosis of an asbestos-related malignancy (Disease Levels III - V) must include a pathological or post-operative report which identifies the primary location of the cancer or malignancy. Claimants with Claims for Disease Levels III - V who do not include such pathological or post-operative report are required to provide a statement to the Trust explaining why no such report is provided and the Trustee has the discretion to deny the Claim of such a Claimant based on the absence of credible evidence establishing the primary location of the cancer or malignancy.

7.7(a)(1)(C). Certain Pre-Petition Claims. If the holder of an Asbestos Claim that was filed against C.E. Thurston or another defendant in the civil courts prior to the Petition Date has not provided the Trust with a diagnosis of the asbestos-related disease by a physician who conducted a physical examination of the Claimant described in sections 7.7(a)(1)(A) and 7.7(a)(1)(B), but the Claimant has available such a diagnosis by an examining physician engaged by the Claimant, the Claimant shall provide such diagnosis to the Trust notwithstanding the exceptions in sections 7.7(a)(1)(A) and 7.7(a)(1)(B).

7.7(a)(2) Credibility of Medical Evidence. Before making any payment to a Claimant, the Trust must have reasonable confidence that the medical evidence

provided in support of the Claim is credible and consistent with recognized medical standards. The Trust may require the submission of X-rays, CT scans, detailed results of pulmonary function tests, laboratory tests, tissue samples, results of medical examination or reviews of other medical evidence, and may require that medical evidence submitted comply with recognized medical standards regarding equipment, testing methods and procedure to assure that such evidence is reliable. Medical evidence (i) that is of a kind shown to have been received in evidence by a state or federal judge at trial, (ii) that is consistent with evidence submitted to C.E. Thurston to settle for payment of similar disease cases prior to C.E. Thurston's bankruptcy, or (iii) a diagnosis by a physician shown to have previously qualified as a medical expert with respect to the asbestos-related disease in question before a state or federal judge, is presumptively reliable, although the Trust may rebut the presumption. In addition, Claimants who otherwise meet the requirements of this TDP for payment of an Asbestos Claim shall be paid irrespective of the results in any litigation at any time between the Claimant and any other defendant in the civil courts. However, any relevant evidence submitted in a proceeding in the civil courts involving another defendant, other than any findings of fact, a verdict, or a judgment, may be introduced by either the Claimant or the Trust in any Arbitration proceeding conducted pursuant to 7.10.

7.7(b) Exposure Evidence

7.7(b)(1) In General. As set forth in Section 7.3(a)(3) above, to qualify for any Disease Level, the Claimant must demonstrate exposure to an asbestos-containing product for which C.E. Thurston has legal responsibility. The term "exposure to C.E. Thurston Asbestos" means a meaningful and credible exposure to asbestos containing products installed, sold, supplied, distributed, marketed or removed by C.E. Thurston; however, the Trust

shall be free to contest whether a particular asbestos product was in fact installed, sold, distributed, marketed or removed by C.E. Thurston. Claims based on conspiracy theories that involve no exposure to C.E. Thurston Asbestos-containing products installed, sold, distributed, marketed or removed by C.E. Thurston are not recoverable hereunder.

To meet the presumptive exposure requirements of Expedited Review set forth in Section 7.3(a)(3) above, the Claimant must show (i) for all Disease Levels, exposure to C.E. Thurston Asbestos before 1982; (ii) for Asbestos-Related Non-Malignant (Disease Level I), Disabling Severe Asbestosis (Disease Level II), Other Cancer (Disease Level III) or Lung Cancer (Disease Level IV), the Claimant must show six (6) months occupational exposure to C.E. Thurston Asbestos before 1982, plus Significant Occupational Exposure to asbestos as defined below.

7.7(b)(2) Significant Occupational Exposure. "Significant Occupational Exposure" means employment for a cumulative period of at least five (5) years, with a minimum of two of the years before 1982 such that the Claimant (a) handled raw asbestos fibers on a regular basis; (b) fabricated asbestos-containing products so that the Claimant in the fabrication process was exposed on a regular basis to raw asbestos fibers; (c) altered, repaired or otherwise worked with an asbestos-containing product such that the Claimant was exposed on a regular basis to asbestos fibers; or (d) was employed in an occupation such that the Claimant worked on a regular basis in proximity to workers engaged in the activities described in (a), (b) and/or (c).

7.7(b)(3) Sufficiency of Evidence. The Claimant must demonstrate meaningful and credible exposure to C.E. Thurston Asbestos, in accordance with the exposure requirements described in Section 7.7(b)(1) and (2) above. That meaningful and credible exposure evidence may be established (a) by an affidavit of the Claimant, (b) by an

affidavit of a co-worker or the affidavit of a family member in the case of a deceased Claimant (providing the Trust finds such evidence reasonably reliable), (c) by invoices, employment, construction or similar records, or (d) by other credible evidence. The specific exposure information required by the Trust to process a Claim under Expedited Review shall be set forth on the proof of claim form to be used by the Trust. The Trust can also require submission of other or additional evidence of exposure when it deems such to be necessary.

7.8 Claims Audit Program. The Trust with the consent of the Trust Advisory Committee and the Legal Representative may develop methods for auditing the reliability of medical evidence, including additional reading of x-rays, CT scans, and verification of pulmonary function tests, as well as the reliability of evidence of exposure to asbestos, including exposure to C.E. Thurston Asbestos before 1982. In the event that the Trust reasonably determines by Claims audit or otherwise that any individual or entity has engaged in a pattern or practice of providing unreliable medical evidence to the Trust, it may decline to accept additional evidence from such provider in the future.

Further, in the event that an audit reveals that fraudulent information has been provided to the Trust, the Trust may penalize any Claimant or Claimant's attorney by disallowing the Asbestos Claim or by other means including, but not limited to, requiring the source of the fraudulent information to pay the costs associated with the audit and any future audit or audits, reordering the priority of payment of all affected Claimants' Asbestos Claims, raising the level of scrutiny of additional information submitted from the same source or sources, refusing to accept additional evidence from the same source or sources, seeking the prosecution of the Claimant or Claimant's attorney for presenting a fraudulent claim in violation of 18 U.S.C. §152, and seeking sanctions from the Bankruptcy Court.

7.9 Second Disease (Malignancy) Claims. The holder of an Asbestos Claim involving a non-malignant asbestos-related disease (Disease Levels I through II) may assert a new Asbestos Claim against the Trust for a malignant disease (Disease Levels III - V) that is subsequently diagnosed. Any additional payments to which such Claimant may be entitled with respect to such malignant asbestos-related disease shall not be reduced by the amount paid for the non-malignant asbestos-related disease, provided that the malignant disease had not been diagnosed by the time the original Claim involving the non-malignant disease was paid.

7.10 Arbitration.

7.10(a) Establishment of Arbitration Procedures. The Trust, with the consent of the Trust Advisory Committee and the Legal Representative, shall institute binding and non-binding arbitration procedures for resolving disputes concerning whether a pre-petition settlement agreement with C.E. Thurston, is binding and judicially enforceable in the absence of a final order of the Bankruptcy Court determining the issue, whether the Trust's outright rejection or denial of a Claim was proper, or whether the Claimant's medical condition or exposure history meets the requirements of this TDP for purposes of categorizing an Asbestos Claim involving Disease Levels I – V. Binding and non-binding arbitration shall also be available for resolving disputes over the liquidated value of an Asbestos Claim involving Disease Levels I – V.

In all arbitrations, the arbitrator shall consider the same medical and exposure evidentiary requirements that are set forth in Section 7.7 above. In the case of an arbitration involving the liquidated value of any Asbestos Claim, the arbitrator shall consider the historic liquidated values of other similarly situated claims in the civil courts for the same Disease Level. The arbitrator will thus take into consideration the factors that affect the severity of damages and values within the civil courts including, but not limited to (i) the degree to which the characteristics of a Claim differ

from the presumptive Medical/Exposure Criteria for the Disease Level in question; (ii) factors such as the Claimant's age, disability, employment status, disruption of household, family or recreational activities, dependencies, special damages, and pain and suffering; (iii) evidence that the Claimant's damages were (or were not) caused by asbestos exposure to C.E. Thurston Asbestos (for example, alternative causes, alternative sources of exposure, strength of documentation of injuries, and the extent of C.E. Thurston's legal culpability if the exposure occurred before 1982); (iv) the industry of exposure; and (v) settlements, verdicts, and the Claimant's and other law firms' experience in the Claimant's Jurisdiction for similarly situated claims. With respect to all Claims eligible for arbitration, the Claimant, but not the Trust, may elect either non-binding or binding arbitration. The ADR Procedures shall be established (and may be further modified from time to time) by the Trust with the consent of the Trust Advisory Committee and the Legal Representative. Such amendments may include adoption of mediation procedures.

7.10(b) Claims Eligible for Arbitration. A Claimant may submit his/her claim to arbitration should the Claimant reject the offer of the Scheduled Value in writing. A Claimant who submits to arbitration and who accepts the arbitral award will receive payments in the same manner as one who accepts the Trust's Scheduled Value, subject to the applicable Payment Percentage and Maximum Annual Payment limitations described herein.

7.10(c) Limitations on and Payment of Arbitration Awards. The arbitrator shall not return an award in excess of the Maximum Value for the appropriate Disease Level as set forth in Section 7.3(b)(3) above.

7.11 Litigation of Asbestos Claims. Claimants who elect non-binding arbitration and then reject the arbitral awards retain the right to institute a lawsuit against the Trust in the

Claimant's Jurisdiction as defined in Section 3.3 above; provided, however, that the Trust as successor to C.E. Thurston's liability for Asbestos Claims retains all objections to the exercise of jurisdiction and venue that C.E. Thurston could assert. Any such lawsuit must be filed by the Claimant in her or her own right and name and not as a member or representative of a class. No such lawsuit may be consolidated with any other lawsuit. Notwithstanding any law or rules of the Claimants' Jurisdiction to the contrary, any service of process necessary to obtain jurisdiction over the Trust shall be by certified mail to the Trustee at the Trust's business address, requesting: "Restricted Delivery – show to whom, date, address of delivery". Failure of the Trust to maintain a resident agent or otherwise qualify to do business in the Claimants' Jurisdiction shall not deprive the Trust of any defense available to businesses qualified to do business in the Claimants' Jurisdiction. All defenses (including, with respect to the Trust, all defenses which could have been asserted by C.E. Thurston), shall be available to both sides at trial; however, the Trust may waive any defense and/or concede any issue of fact or law. Each party shall have the rights of appeal applicable in the Claimants Jurisdiction. A Claimant shall be eligible for payment of a judgment for monetary damages obtained in the civil courts from the Trust's available cash only as provided in Section 9.7 below. A judgment against the Trust obtained by litigation, except for judgments on Pre-Petition Liquidation Claims, shall not be placed in the Payment Queue until all appeal rights have been exercised. Thereafter, the Claimant shall receive from the Trust an initial payment (subject to the applicable Payment Percentage and the Maximum Annual Payment provisions) of an amount equal to the lesser of (a) the final judgment amount, or (b) one-hundred percent (100%) of the greater of (i) the Trust's last Maximum Value, or (ii) the award that the Claimant declined in non-binding arbitration. The Claimant shall receive the balance of the judgment, if any, in five (5) equal installments in years six (6) through

ten (10) following the year of the initial payment, subject to the then-applicable Payment Percentage and Maximum Annual Payment.

SECTION VI

Claims Materials

8.1 Claims Materials. The Trust shall prepare suitable and efficient claims materials (“Claims Materials”) for all Asbestos Claims, and shall provide to a Claimant such Claims Materials upon a written request for such materials. The proof of claim form to be submitted to the Trust shall require the Claimant to assert the highest Disease Level for which the Claim qualifies at the time of filing. The proof of claim form shall also include a certification by the Claimant or his or her attorney sufficient to meet the requirements of Rule 11(b) of the Federal Rules of Civil Procedure. The proof of claim form may be modified by the Trust with the consent of the Trust Advisory Committee and the Legal Representative.

The Trust will preserve the confidentiality of the claimant submissions, and shall disclose the contents thereof only: (1) with the permission of the holder, to another trust established for the benefit of asbestos personal injury claimants pursuant to section 524(g) and/or section 105 of the Bankruptcy Code or other applicable law; (2) to such other persons as authorized by the holder; or (3) in response to a valid subpoena.

8.2 Content of Claims Materials. The Claims Materials shall include a copy of this TDP, such instructions as the Trustee shall approve, and a detailed proof of claim form. If feasible, the forms used by the Trust to obtain Claims information shall be the same or substantially similar to those used by other asbestos claims resolution organizations. Instead of collecting some or all of the Claims information from a Claimant or the Claimant’s attorney, the Trust may also obtain such information from electronic databases maintained by any other

asbestos claims resolution organization. However, the Trust shall inform the Claimant that it plans to obtain information as available from such other organizations and may do so unless the Claimant objects in writing or provides such information directly to the Trust. If requested by the Claimant, the Trust shall accept information provided electronically. The Claimant may, but will not be required to, provide the Trust with evidence of recovery from other asbestos defendants and claims resolution organizations.

8.3 Withdrawal or Deferral of Claims. A Claimant can withdraw an Asbestos Claim at any time upon written notice to the Trust and file another such Claim subsequently without affecting the status of the Claim for statute of limitations purposes, but any such Claim filed after withdrawal shall be given a place in the FIFO Processing Queue based on the date of such subsequent filing. A Claimant can also request that the processing of his or her Asbestos Claim by the Trust be deferred for a period not to exceed three (3) years without affecting the status of the Claim for statute of limitations purposes, in which case the Claimant shall also retain his or her original place in the FIFO Processing Queue.

Except for Asbestos Claims held by representatives of deceased or incompetent Claimants for which court or probate approval of the Trust's offer is required, or a Claim for which deferral status has been granted, a Claim will be deemed to have been withdrawn if the Claimant neither accepts, rejects, nor initiates arbitration within six (6) months of the Trust's offer of payment or rejection of the Claim. Upon written request and good cause, the Trust may extend either the deferral or withdrawal period for additional six-month periods.

8.4 Filing Requirements and Fees. The Trustee shall have the discretion to determine, with the consent of the Trust Advisory Committee and the Legal Representative, whether a filing fee should be required for any Asbestos Claims.

SECTION VII

General Guidelines for Liquidating and Paying Claims

9.1 Showing Required. To establish a valid Asbestos Claim, a Claimant must meet the requirements set forth in this TDP. The Trust may require the submission of X-rays, CT scans, laboratory tests, medical examinations or reviews, other medical evidence, or any other evidence to support or verify the Claim, and may further require that medical evidence submitted comply with recognized medical standards regarding equipment, testing methods, and procedures to assure that such evidence is reliable.

9.2 Costs Considered. Notwithstanding any provisions of this TDP to the contrary, the Trustee shall always give appropriate consideration to the cost of investigating and uncovering invalid Asbestos Claims so that the payment of valid Asbestos Claims is not further impaired by such processes with respect to issues related to the validity of the medical evidence supporting an Asbestos Claim. The Trustee shall also have the latitude to make judgments regarding the amount of transaction costs to be expended by the Trust so that valid Asbestos Claims are not unduly further impaired by the costs of additional investigation. Nothing herein shall prevent the Trustee, in appropriate circumstances, from contesting the validity of any Claim against the Trust whatever the costs, or to decline to accept medical evidence from sources that the Trustee has determined to be unreliable pursuant to the Claims Audit Program described in Section 7.8 above.

9.3 Discretion to Vary the Order and Amounts of Payments in Event of Limited Liquidity. Consistent with the provisions hereof and subject to the FIFO Processing and Payment Queues, as well as the Maximum Annual Payment, the Maximum Available Payment, and Payment Percentage requirements set forth above, the Trustee shall proceed as

quickly as possible to liquidate valid Asbestos Claims, and shall make payments to holders of such Claims in accordance with this TDP promptly as funds become available and as Claims are liquidated, while maintaining sufficient resources to pay future valid Claims in substantially the same manner.

Because the Trust's income over time remains uncertain, and decisions about payments must be based on estimates that cannot be done precisely, they may have to be revised in light of experiences over time, and there can be no guarantee of any specific level of payment to Claimants. However, the Trustee shall use his or her best efforts to treat similar Claims in substantially the same manner, consistent with his or her duties as Trustee, the purposes of the Trust, the established allocation of funds to Asbestos Claims and the practical limitations imposed by the inability to predict the future with precision. In the event that the Trust faces temporary periods of limited liquidity, the Trustee may, with the consent of the Trust Advisory Committee and the Legal Representative, suspend the normal order of payment and may temporarily limit or suspend payments altogether.

9.4 Punitive Damages. Except for holders of Asbestos Claims arising under the Alabama Wrongful Death Statute as provided herein, in determining the value of any liquidated or unliquidated Asbestos Claim, punitive or exemplary damages, i.e., damages other than compensatory damages, shall not be considered or allowed, notwithstanding their availability in the civil courts. The only damages that may be awarded pursuant to the TDP to Alabama Claimants who are deceased and whose personal representatives pursue their Claims against the Trust under the Alabama Wrongful Death Statute shall be compensatory damages determined pursuant to the statutory and common law of the State of Virginia, without regard to Virginia's choice of law principles.

9.5 Interest. Interest shall not be payable on any Asbestos Claim, except to the extent allowed under Section 7.2.

9.6 Suits in the Civil courts. If the holder of a disputed Claim disagrees with the Trust's determination regarding the Disease Level of the Claim, the Claimant's exposure history or the liquidated value of the Claim, and if the holder has first submitted the Claim to non-binding arbitration as provided in Section 7.10 above, the holder may file a lawsuit in the Claimant's Jurisdiction as defined in Section 3.3 above. Any such lawsuit must be filed by the Claimant in his or her own right and name and not as a member or representative of a class, and no such lawsuit may be consolidated with any other lawsuit. All defenses (including, with respect to the Trust, all defenses which could have been asserted by C.E. Thurston), shall be available to both sides at trial; however, the Trust may waive any defense and/or concede any issue of fact or law. If the Claimant was alive at the time the initial pre-petition complaint was filed or on the date the Proof of Claim was filed, the case will be treated as a personal injury case with all personal injury damages to be considered even if the Claimant has died during the pendency of the Claim.

9.7 Payment of Money Judgments

9.7(a) Judgments Relating to Asbestos Claims. If and when a Claimant obtains a judgment in the civil courts relating to an Asbestos Claim, the Claim shall be placed in the FIFO Payment Queue established by the Trust based on the date on which the judgment became final. Thereafter, the Claimant shall receive from the Trust an initial payment (subject to the applicable Payment Percentage, the Maximum Available Payment, and Maximum Annual Payment provisions set forth above) of an amount equal to the lesser of (a) the judgment amount, or (b) one-hundred percent (100%) of the greater of (i) the Trust's last Maximum Value or (ii) the award

that the Claimant declined in non-binding arbitration. The Claimant shall receive the balance of the judgment, if any, in five (5) equal installments in years six (6) through ten (10) following the year of the initial payment (also subject to the applicable Payment Percentage, the Maximum Available Payment and the Maximum Annual Payment provisions set forth above).

Except with respect to judgments entered prior to the Petition Date as more particularly set forth in Section 7.2(a) above and except as otherwise provided in Section 9.4 above, under no circumstances shall interest or punitive damages be paid on any judgments obtained in the civil courts with respect to Asbestos Claims.

9.8 Releases. The Trustee shall, with the consent of the TAC and the Legal Representative, determine the form and substance of the releases to be provided to the Trust in order to maximize recovery for Claimants against other tortfeasors without increasing the risk or amount of Claims for indemnification or contribution from the Trust. As a condition to making any payment to a Claimant, the Trust shall obtain a general, partial, or limited release as appropriate in accordance with the applicable state or other law. If allowed by state law, the endorsing of a check or draft for payment by or on behalf of a Claimant shall constitute such a release. The holder of an Asbestos Claim involving a non-malignant asbestos-related disease (Disease Levels I through II) does not release his or her right to assert a new Asbestos Claim against the Trust for a malignant disease (Disease Levels III - V) that is subsequently diagnosed.

9.9 Third-Party Services. Nothing in this TDP shall preclude the Trust from contracting with another asbestos claims resolution organization to provide services to the Trust so long as decisions about the categorization and liquidated value of Asbestos Claims are based on the relevant provisions of this TDP, including the Disease Levels, Scheduled Values, Maximum Values, and Medical/Exposure Criteria set forth above.

9.10 Trust Disclosure of Information. Periodically, but not less often than once a year, the Trust shall make available to Claimants and other interested parties, the number of Claims by Disease Levels that have been resolved both by the Expedited Review Process and by arbitration as well as by litigation in the civil courts, indicating the amounts of the awards and the averages of the awards by jurisdiction. The Trustee may satisfy the this requirement with the reports filed with the Court and served upon the TAC and Legal Representative pursuant to Section 2.2 of the Trust Agreement.

PART II

TRUST DISTRIBUTION PROCEDURES FOR OTHER TOXIC PI CLAIMS

10.1 Background.

While there are believed to be no settlements or judgments historically for Asbestos Related Claims related to or allegedly caused by the actual or purported presence, existence, inhalation or ingestion of, exposure to or contact with any irritating, carcinogenic or toxic substances/materials/particles or dusts containing a combination of one or more such substances/materials/particles such as silica, mixed dust, ceramic fibers or benzene, the Debtor believes there may be such claims in the future, which arise out of the same or similar conduct or event that gave rise to the asbestos related claims. Such Other Toxic PI Claims will be paid, if at all, pursuant to this TDP and the Trust Agreement.

10.2 Claims Liquidation Procedures.

10.2(a) In General. All Claimants holding a claim for Other Toxic PI Claims must file the claim with the Trust. The Trust shall prepare suitable and efficient claims materials (“Claims Material”) for all Other Toxic PI Claims, and shall provide to a claimant

such Claims Materials upon a written request for such materials. Upon filing of the Other Toxic PI Claims, the Trust shall take all reasonable steps to resolve all Other Toxic PI Claims as efficiently and expeditiously as possible at each stage of Claims processing and arbitration. To this end, the Trust, in its sole discretion, may conduct settlement discussions with Claimants' representatives regarding more than one claim at a time

10.2(b) Resolution of Other Toxic PI Claims. The Trustee will review the Claims Material for all Other Toxic PI Claims and make an individual determination as to the value of the claim; however, the value of any such claim may not exceed the Maximum Allowable Payment for a Mesothelioma case, as set forth in Section 7.3(a)(4). In determining the value of the Other Toxic PI Claim, the Trustee will take in to consideration the factors that affect the severity of damages and values within the civil courts including, but not limited to (i) the type of illness; (ii) factors such as the Claimant's age, disability, employment status, disruption of household, family or recreational activities, dependencies, special damages, and pain and suffering; (iii) evidence that the Claimant's damages were (or were not) caused by exposure to C.E. Thurston products (for example, alternative causes, alternative sources of exposure, strength of documentation of injuries, and the extent of C.E. Thurston's legal culpability depending upon when the exposure occurred); (iv) the industry of exposure; (v) the credibility of the diagnosing physician; and (vi) settlements, verdicts, and the Claimant's and other law firms' experience in the Claimant's Jurisdiction for similarly situated claims. For these purposes, the "Claimant's Jurisdiction" is the jurisdiction in which the claim was filed (if at all) against C.E. Thurston in the civil courts prior to the Petition Date. If the Claim was not filed against C.E. Thurston in the civil courts prior to the Petition Date, the Claimant may elect as the Claimant's Jurisdiction the jurisdiction where the Claimant would litigate the Claim;

provided, however, that the Trust as successor to C.E. Thurston's liability for Asbestos Related Claims and Demands retains all objections to the exercise of jurisdiction and venue that C.E. Thurston could assert.

10.3 Resolution and Order of Payment of Other Toxic PI Claims

10.3(a) Processing and Review Queue. The Trust review and process claims in the manner set forth in Part I of this TDP, Section 7.

10.3(b) Expedited Review. Other Toxic PI Claimants have the right to ask the Trustee to consider their claims in an expedited fashion. The criteria for doing so is in the discretion of the Trustee.

10.4 Miscellaneous

10.4(a) Punitive Damages. Except for holders of Other Toxic PI Claims arising under the Alabama Wrongful Death Statute as provided herein, in determining the value of any liquidated or unliquidated Other Toxic PI Claim, punitive or exemplary damages, i.e., damages other than compensatory damages, shall not be considered or allowed, notwithstanding their availability in the civil courts. The only damages that may be awarded pursuant to the TDP to Alabama Claimants who are deceased and whose personal representatives pursue their Claims against the Trust under the Alabama Wrongful Death Statute shall be compensatory damages determined pursuant to the statutory and common law of the State of Virginia, without regard to Virginia's choice of law principles.

10.4(b) Matrix Values. Should the Trustee, in his discretion, determine that the establishment of matrix values for Other Toxic PI Claims are necessary, he will, in consultation with the TAC, develop such procedures necessary to process the Other Toxic PI Claims.

10.4(c) Civil Suits. Other Toxic PI Claims that are the subject of a dispute with the Trust that cannot be resolved by either binding or non-binding arbitration may enter the civil courts as provided in Sections 7.11 and 9.6 of Part I of this TDP. However, if and when a Claimant obtains a judgment in the civil courts, the judgment will be payable to the extent of the Maximum Allowable Payment for Mesothelioma.

10.4(d) Other Matters. Should any matter arise regarding Other Toxic PI Claims that are not addressed in this TDP, the Trustee will make determinations on those issues in his discretion, and if necessary in consultation with the TAC.

PART III

TRUST DISTRIBUTION PROCEDURES FOR PROPERTY DAMAGE AND ENVIRONMENTAL CLAIMS

11.1 Background. Thurston was named as a potentially responsible party under the Comprehensive Environmental Response, Compensation and Liability Act (“CERCLA”) with respect to a Kim-Stan Landfill. That claim has not been prosecuted. Thurston is not aware of any other such potential Environmental Claims. Thurston is not presently aware of any Asbestos Related Claims related to property damage. Environmental Claims include, without limitation, any Asbestos Related Claims or Demands for damage, destruction, loss of use, diminution in value, repair or maintenance of property (including, but not limited to, any Claim for the cost of inspection, encapsulation, decontamination, containment, removal, environmental clean-up, or other abatement of the asbestos or asbestos-containing products installed or allegedly installed in such property).

11.2 Claims Liquidation Procedures. Should any Environmental Claims arise out of the same or similar conduct or events which gave rise to Asbestos Claims, the Trustee, in his discretion, will determine the manner in which those claims are to be resolved and shall prepare suitable and efficient claims materials.

11.3 Arbitration and Civil Suits. Environmental Claimants may submit his/her claim to arbitration should the Claimant reject the Trustee's offer in writing. A Claimant who submits to arbitration and who accepts the arbitration award will receive payments in the same manner as Asbestos Claimants who have accepted the Trust's Scheduled Value, subject to the applicable Payment Percentage limitations described herein. Claimants who elect non-binding arbitration and then reject the arbitral awards retain the right to institute a lawsuit against the Trust. The Trust, as successor to C.E. Thurston's liability for Asbestos Related Claims and Demands, retains all objections to the exercise of jurisdiction and venue that C.E. Thurston could assert. Notwithstanding any law or rules of the Claimants' Jurisdiction to the contrary, any service of process necessary to obtain jurisdiction over the Trust shall be by certified mail to the Trustee at the Trust's business address, requesting: "Restricted Delivery – show to whom, date, address of delivery". Failure of the Trust to maintain a resident agent or otherwise qualify to do business in the Claimants' Jurisdiction shall not deprive the Trust of any defense available to businesses qualified to do business in the Claimants' Jurisdiction. All defenses (including, with respect to the Trust, all defenses which could have been asserted by C.E. Thurston), shall be available to both sides at trial; however, the Trust may waive any defense and/or concede any issue of fact or law. Each party shall have the rights of appeal applicable in the Claimants Jurisdiction. A Claimant shall be eligible for payment of a judgment for monetary damages obtained in the civil courts from the Trust's available cash only as provided

in Section 9.7 above. Payment on any judgment obtained is subject to application of the then applicable Payment Percentage.

PART IV

TRUST DISTRIBUTION PROCEDURES FOR OTHER CLAIMS

12.1 Background. Thurston incurred other Asbestos Related Claims related to its attempts to manage and resolve its Asbestos Claims. Such Other Claims included, without limitation, claims (a) for contribution asserted by third parties likewise defending various asbestos-related personal injury claims; (b) for defense costs; and (c) based upon insurance coverage disputes. Several entities have unsecured claims for services rendered in this regard, which have been scheduled.

12.2 Claims Liquidation Procedures. Should there be any Other Claims as addressed in 12.1 above, the Trustee, in his discretion, will determine the manner in which those claims are to be resolved and shall prepare suitable and efficient claims materials.

12.3 Arbitration and Civil Suits. Claimants may submit his/her claim to arbitration should the Claimant reject the Trustee's offer in writing. A Claimant who submits to arbitration and who accepts the arbitration award will receive payments in the same manner as Asbestos Claimants who have accepted the Trust's Scheduled Value, subject to the applicable Payment Percentage limitations described herein. Claimants who elect non-binding arbitration and then reject the arbitral awards retain the right to institute a lawsuit against the Trust. The Trust, as successor to C.E. Thurston's liability for Asbestos Related Claims and Demands, retains all objections to the exercise of jurisdiction and venue that C.E. Thurston could assert. Notwithstanding any law or rules of the Claimants' Jurisdiction to the contrary, any service of

process necessary to obtain jurisdiction over the Trust shall be by certified mail to the Trustee at the Trust's business address, requesting: "Restricted Delivery – show to whom, date, address of delivery". Failure of the Trust to maintain a resident agent or otherwise qualify to do business in the Claimants' Jurisdiction shall not deprive the Trust of any defense available to businesses qualified to do business in the Claimants' Jurisdiction. All defenses (including, with respect to the Trust, all defenses which could have been asserted by C.E. Thurston), shall be available to both sides at trial; however, the Trust may waive any defense and/or concede any issue of fact or law. Each party shall have the rights of appeal applicable in the Claimants Jurisdiction. A Claimant shall be eligible for payment of a judgment for monetary damages obtained in the civil courts from the Trust's available cash only as provided in Section 9.7 above. Payment on any judgment obtained is subject to application of the then applicable Payment Percentage.