

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

In re:

J T THORPE COMPANY

Debtor.

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**Case No. 02-41487-H5-11
(Chapter 11)**

ORDER CONFIRMING J T THORPE COMPANY'S PLAN OF REORGANIZATION

This matter came before Bankruptcy Court and the District Court¹ upon request for confirmation of the Plan of Reorganization,² filed on October 1, 2002 by J T Thorpe Company, the debtor and debtor-in-possession herein ("J T Thorpe or the "Debtor") as modified by this Court's order dated December 18, 2002 (Docket No. 348) and this Confirmation Order, which incorporates by reference that certain Stipulation and Order dated December 17, 2002 (Docket No. 342) (the "Stipulation and Order"). The Plan of Reorganization, as so modified, is hereinafter referred to as the "Plan." After proper and adequate notice, a combined hearing was held on confirmation of the Plan commencing on December 16, 2002 (the "Confirmation Hearing"). Appearances were noted in the record. All objections to confirmation of the Plan have been withdrawn or otherwise resolved or overruled.

The Plan has been transmitted to creditors and equity security holders, and it has been determined after hearing on notice that the requirements set forth in 11 U.S.C. §§ 1129(a) and 524(g) have been satisfied; therefore,

¹ At the Confirmation Hearing, Judge Gilmore indicated that she would enter a separate order confirming the Plan and affirming this Confirmation Order.

² Capitalized terms used in this Order and not otherwise defined shall have the respective defined meanings set forth in the Glossary of Terms (the "Glossary") attached as Exhibit A to the Disclosure Statement of J T Thorpe Company dated August 13, 2002 as such Glossary may be modified by this Confirmation Order.

IT IS ORDERED THAT SUBJECT TO THE PROVISIONS OF, AND EXCEPT AS OTHERWISE PROVIDED IN, THE STIPULATION AND ORDER WHICH IS INCORPORATED HEREIN BY REFERENCE:

The Debtor's pre-petition solicitation procedures, the Disclosure Statement and Plan are approved and confirmed. The terms of the Plan, Stipulation and Order, and all other modifications that are incorporated by reference herein are an integral part of this Confirmation Order.

IT IS FURTHER ORDERED THAT SUBJECT TO THE PROVISIONS OF, AND EXCEPT AS OTHERWISE PROVIDED IN, THE STIPULATION AND ORDER:

1. Objections Overruled. All objections to confirmation of the Plan, other than those withdrawn in writing prior to, or on the record at, the Confirmation Hearing, and other than those in respect of which the Court made rulings prior to or during the Confirmation Hearing, are overruled.

2. Non-Severability. The provisions of the Plan and this Confirmation Order, including the findings of fact and conclusions of law entered in conjunction with or as part of this Confirmation Order, are non-severable and mutually dependent.

3. Classification of Claims. The classifications of Claims and Interests for purposes of the distributions to be made under the Plan shall be governed solely by the terms of the Plan; and the classifications set forth on the Ballots tendered to or returned by the Debtor's creditors and interest holders in connection with voting on the Plan (a) were set forth on the Ballots solely for purposes of voting to accept or reject the Plan, (b) do not necessarily represent and in no event shall be deemed to modify or otherwise affect, the actual classification of such Claims and

Interests under the Plan for distribution purposes, and (c) shall not be binding on any Entity for distribution purposes.

4. Binding Effect. Pursuant to 11 U.S.C. § 1141, the Plan and its provisions shall be binding upon and inure to the benefit of (a) the Debtor, (b) the Reorganized J T Thorpe Company, (c) any Entity requiring or receiving property or a distribution under the Plan, (d) any present or future holder of a Claim against or Interest in the Debtor, including all governmental Entities, whether or not the Claim or Interest of such holder is impaired under the Plan and whether or not such holder or Entity has accepted the Plan, (e) any other party in interest, (f) any Entity making an appearance in the Reorganization Case, (g) any Settling Asbestos Insurance Company, (h) any of the heirs, successors, assigns, trustees, executors, administrators, Affiliates, directors, agents, representatives, attorneys, beneficiaries, or guardians of the foregoing persons.

5. Approval of Agreements and Documents. Consistent with the Plan, the following agreements and documents, and all amendments, modifications, and supplements thereto (which agreements and documents shall be substantially in the respective forms attached as Exhibits to the Plan to the extent applicable), including, without limitation, all annexes, exhibits, and schedules thereto, and all terms and conditions thereof, are hereby approved: (a) Thorpe Corporation Settlement Agreement; (b) Release of Thorpe Corporation by J T Thorpe Company; (c) Promissory Note of J T Thorpe Company to Successor Trust: Tranches A and B; (d) Pledge Agreement of Thorpe Corporation (e) Successor Trust Agreement filed with the Court on December 18, 2002; and (f) Claims Review Procedures filed with the Court on December 18, 2002.

6. Designation of Settling Asbestos Insurance Companies. The following Entities shall be Settling Asbestos Insurance Companies for purposes of the Injunctions outlined below and pursuant to the terms of the Plan:

(a) As set forth in that certain Settlement Agreement and Release By and Between Thorpe and Federal/Vigilant: "Federal/Vigilant," defined as Federal Insurance Company and Vigilant Insurance Company, and their respective predecessors, successors, and assigns; as well as the "Federal/Vigilant Releasees," defined as Federal/Vigilant, and each of its officers, directors, employees, shareholders, parents, partners, owners, principals, subsidiaries, Affiliates, attorneys, and agents, in their capacities as such;

(b) As set forth in that certain Settlement Agreement and Release By and Between Thorpe and CNA: "CNA," defined as the CNA Service Mark Companies listed in Attachment A to such Settlement Agreement, and their respective predecessors, successors, and assigns; as well as the "CNA Releasees," defined as CNA, and each of its officers, directors, employees, shareholders, parents, partners, owners, principals, subsidiaries, Affiliates, attorneys, and agents, in their capacities as such;

(c) "Hartford," defined as Alpine Life Insurance Company, American Maturity Life Insurance Company, Excess Insurance Co., Ltd., Fencourt Reinsurance Company, Ltd., First State Insurance Company, Galcia Vida Compania de Seguros, S.A., Hartford Accident and Indemnity Company, Hartford (Bermuda), Ltd., Hartford Casualty Insurance Company, Hartford Europe, Inc., The Hartford Financial Services Group, Inc., Hartford Financial Services Corporation, Hartford Fire Insurance Company, Hartford Insurance Company of Canada, Hartford Insurance Company of Illinois, Hartford Insurance Company of the Midwest, Hartford Insurance Company of the Southeast, Hartford Insurance, Ltd., The Hartford International Financial Services Group, Inc., Hartford International Insurance Company, NV, Hartford Life, Inc., Hartford Life Insurance of Canada, Hartford Life and Accident Insurance Company, Hartford Life Insurance Company, Hartford Life and Annuity Insurance, Hartford Lloyd's Insurance Company, Hartford Management, Ltd., Hartford Seguros de Vida, Hartford Underwriters Insurance Company, Heritage Holdings, Inc., HL Investment Advisors, Inc., Institute de Salt Compania de Seguros, ITT Assurances S.A., ITT Recoups de Seguros y Erasures, S.A., ITT Hartford Canada Holdings, Inc., ITT Hartford International Life Reassurance, ITT Hartford International, Ltd., ITT Hartford Life International, Ltd., ITT Hartford Life, Ltd., ITT Hartford Seguros de Vida, ITT Hartford Seguros de Et., ITT Hartford Sudamericana Holding, London and Edinburgh Insurance Company, Ltd., London and Edinburgh Insurance Group, Ltd., London and Edinburgh Life Assurance Company, New England Insurance Company, New England Reinsurance Corporation, New Ocean Insurance Company, Ltd., Nutmeg Insurance Company, Omni Insurance Company, Omni Indemnity Company, Omni Insurance Group, Inc., Pacific Insurance Company, Ltd., Property & Casualty Insurance Company of Hartford, Royal Life Insurance Company, Sentinel Insurance Company, Ltd., Trumbull Insurance Company, Trumbull Services, L.L.C., Twin City Fire Insurance Company, Zwolsche Algemeene Hervertzekering, BV, Zwolsche Algemeene Levensverzekering and Zwolsche Algemeene Schadeverzekering, and their respective predecessors, successors and

assigns; as well as the "Hartford Releasees," defined as Hartford and each of its respective officers, directors, employees, shareholders, parents, partners, owners, principals, subsidiaries, affiliates, attorneys, holding companies, merged companies, divisions, predecessors and agents, but only with respect to insurance policies issued by Hartford to Thorpe (defined for purposes of this Section 6(c) as J T Thorpe Company, Thorpe Corporation and Thorpe Products Company, and their respective predecessors, successors and assigns);

(d) As set forth in that certain Settlement Agreement and Release By and Between J T Thorpe Company and Republic: The "Republic Companies," defined as Republic Insurance Company, Columbia Insurance Company, BH Columbia, Inc., OBH Inc., and Berkshire Hathaway Inc.; and,

(e) As set forth in that certain Settlement Agreement and Release By and Between Thorpe and St. Paul: "St. Paul," defined as St. Paul Fire and Marine Insurance Company and its predecessors, successors and assigns; as well as the "St. Paul Releasees," defined as St. Paul, and each of its officers, directors, employees, shareholders, parents, partners, owners, principals, subsidiaries, affiliates, attorneys, and agents, in their capacities as such.

7. Authority to Execute. The Debtor, the Successor Trustees, the U.S. Trustee, Reorganized J T Thorpe Company, the Legal Representative, the Official Committee of Asbestos Claimants, and any other party whose cooperation is needed in connection with the Plan, are authorized and required to execute, deliver, file, or record such contracts, instruments, releases, indentures, and other agreements or documents and take such actions as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan.

8. Deemed Occurrences. All matters provided for under the Plan involving the corporate structure of the Debtor or Reorganized J T Thorpe Company, or any corporate action to be taken by, or required of the Debtor or Reorganized J T Thorpe Company, shall be deemed to have occurred and be effective as provided in the Plan, and shall be authorized and approved in all respects without any requirement for further action by the stockholders or directors of such Entities.

9. Initial Officers and Directors. Gerald W. Scott, the President and Director of the Debtor immediately prior to the Confirmation Date, shall serve as the initial President and a

Director of Reorganized J T Thorpe Company on and after the Effective Date, and the officers and directors of the Debtor immediately prior to the Confirmation Date shall serve as the initial officers and directors of Reorganized J T Thorpe Company on and after the Effective Date.

10. Vesting of Assets in Reorganized J T Thorpe Company. Except as otherwise expressly provided in the Plan, effective on the Effective Date, Reorganized J T Thorpe Company shall be vested with all of the assets and property of its former Bankruptcy Estate (other than the Trust Assets and the rights granted to the Successor Trust), free and clear of all Claims, Liens, charges, encumbrances, and other interests of holders of Claims, except for the Liens that the Debtor has preserved in favor of Thorpe Corporation as provided in the Plan or this Confirmation Order, and following the Effective Date may operate its business free of any restrictions imposed by the Bankruptcy Code or by the Bankruptcy Court.

11. Causes of Action. Except for those causes of actions which have been compromised and settled, or which are transferred to the Successor Trust, pursuant to the Plan, the approval orders entered by the Court, or this Confirmation Order, all causes of actions by the Debtor shall be preserved and retained by the Debtor for enforcement subsequent to the Confirmation of the Plan, and on the Effective Date, such actions shall be assigned to, and vested in, the Reorganized J T Thorpe Company, which shall be deemed to be a "representative" of the bankruptcy estate of the Debtor, without any further action by the Debtor, Reorganized J T Thorpe Company, the Successor Trust, the Collateral Trust or the Court.

12. Approvals and Consents. This Confirmation Order shall constitute all approvals and consents required, if any, by the law, rules, or regulations of any state or any other governmental authority with respect to any jurisdiction over the Debtor.

13. Continuance of Injunctions and Stay. All of the injunctions and/or automatic stays provided for in or in connection with the Reorganization Case, whether pursuant to Section 105, Section 362, or any other provision of the Bankruptcy Code or other applicable law, in existence immediately prior to the Confirmation Date shall remain in full force and effect until the Injunctions become effective, and thereafter to the extent necessary to implement the Plan, the Plan Documents, and the Confirmation Order. The Debtor may seek such further orders as it may deem necessary to preserve the status quo during the time between the Confirmation Date and the Effective Date.

14. Administrative Claims Bar Date. The bar date for filing Administrative Expense Claims shall be the first Business Day that is at least forty-five days (45) after the Effective Date. Claimants holding Administrative Claims against the Debtor not paid on the Effective Date may submit a request for payment of Administrative Expenses on or before such bar date. The notice of Confirmation to be delivered pursuant to Bankruptcy Rules 2002 and 3020(c) will set forth such date and constitute notice of the Administrative Claims Bar Date. The Debtor, the Successor Trust, and any other party in interest will have twenty (20) days after the Administrative Claims Bar Date to review and object to such Claims before a hearing for determination of such Administrative Claims is held by the Bankruptcy Court, provided that such twenty (20) day period of review may be extended by the Bankruptcy Court upon the request of the Debtor.

15. Payment of Administrative Expense Claims. Unless otherwise agreed to by J T Thorpe and the holder of such Claim, each holder of an Allowed Administrative Claim (except any holder that agrees to different treatment) shall receive the Allowed Amount of its Administrative Claim, in Cash, in full satisfaction, settlement, release, extinguishment, and

discharge of such Claim, on the Distribution Date; provided, however, that Allowed Administrative Claims representing (a) post-petition liabilities incurred in the ordinary course of business by the Debtor and (b) post-petition contractual liabilities arising under loans or advances to the Debtor, whether or not incurred in the ordinary course of business, shall be paid by Reorganized J T Thorpe Company in accordance with the terms and conditions of the particular transactions relating to such liabilities and any agreements relating thereto.

16. Taxes. Pursuant to Section 1146(c) of the Bankruptcy Code, the issuance or exchange of notes or equity securities under the Plan, the creation of any mortgage, deed of trust or other security interest, the making or assignment of any lease or sublease, the transfer of any assets or property pursuant to or in connection with the Plan, or the making or delivery of any deed or other instrument of transfer under, in furtherance of, or in connection with the Plan, including, without limitation, any merger agreement or agreements of consolidation, deeds, bills of sale or assignment executed in connection with any of the transactions contemplated under the Plan, may not be taxed under any law imposing a document recording tax, stamp tax, conveyance fee, intangibles or similar tax, mortgage tax, real estate transfer tax, mortgage recording tax, or other similar tax or governmental assessment. All filing or recording officers, wherever located and by whomever appointed, are hereby directed to accept for filing or recording, and to file or record immediately upon presentation thereof, all instruments of absolute or collateral transfer without payment of any recording tax, stamp tax, transfer tax, or similar tax or governmental assessment (other than standard filing fees) imposed by federal, state, or local law. Notice of entry of this Confirmation Order in the form approved by the Court (i) shall have the effect of an order of the Court, (ii) shall constitute sufficient notice of the entry of this Confirmation Order to such filing and recording officers, and (iii) shall be a recordable

instrument notwithstanding any contrary provision of non-bankruptcy law. The Court specifically retains jurisdiction to enforce the foregoing direction, by contempt or otherwise.

17. No Realized Tax. In accordance with Section 346 of the Bankruptcy Code, for purposes of any state or local law imposing a tax, income will not be realized by the Bankruptcy Estate, the Debtor or Reorganized J T Thorpe Company by reason of the forgiveness or discharge of indebtedness resulting from the consummation of the Plan. As a result, each state or local taxing authority which was provided with notice of this proceeding is permanently enjoined and restrained, after the Confirmation Date, from commencing, continuing, or taking any act to impose, collect, or recover in any manner any tax against the Debtor or the Reorganized J T Thorpe Company arising by reason of the forgiveness or discharge of indebtedness under the Plan.

18. Dissolution of Claimants Committee. On the later of the Effective Date or the date on which all applications for final allowance of compensation and reimbursement of expenses has been granted or denied by Final Order, the Asbestos Claimants' Committee shall be dissolved and the members of the Asbestos Claimants' Committee will be released from all duties arising from or related to the Reorganization Case.

19. Qualified Settlement Fund. On the Effective Date, the Successor Trust shall be established in accordance with the Plan Documents. The Successor Trust shall be and hereby is approved by this Court as a "qualified settlement fund" within the meaning of Section 468B of the Internal Revenue Code ("IRC") and the Treasury regulations issued pursuant thereto. The Successor Trust shall be subject to the continuing jurisdiction of the Bankruptcy Court in

accordance with the requirements of Section 468E of the IRC and the Treasury regulations issued pursuant thereto.

20. Disallowance of Claims. This Order, except as otherwise provided herein, or unless the Bankruptcy Court orders otherwise, constitutes an order (a) disallowing all Claims (other than Asbestos Claims) to the extent such Claims are not allowable under any provision of Section 502 of the Bankruptcy Code, and (b) disallowing or subordinating, as the case may be, any Claims, or portions of Claims, for penalties or Non-Compensatory Damages.

21. Claim Objection Deadline. The period within which the Reorganized J T Thorpe Company may object to Claims under Sections 11.1(a) and 12.12 of the Plan is extended until one hundred twenty (120) days from the Effective Date.

22. Deemed Assumption. Except as otherwise provided in the Plan Documents, any unexpired lease or Executory Contract that has not been expressly rejected by the Debtor with the Bankruptcy Court's approval on or prior to the Confirmation Date shall, as of the Confirmation Date (subject to the occurrence of the Effective Date), be deemed to have been assumed by the Debtor.

23. UST Quarterly Fees. The Reorganized J T Thorpe Company shall be responsible for timely payment of the United States quarterly fees incurred pursuant to 28 U.S.C. § 1930(a)(6). Any fees due as of the date of confirmation of the Plan will be paid in full on the Effective Date of the Plan. After confirmation, the Reorganized J T Thorpe Company shall pay United States Trustee quarterly fees as they accrue until this case is closed by the Court. The Debtor shall file with the Court and serve on the United States Trustee a quarterly financial

report for each quarter (or portion thereof) that the case remains open in a format prescribed by the United States Trustee.

Modifications to Plan

24. The following modifications to the Plan are approved:

(a) Section 9.3(a)(1) is modified so as now to read: "Terms. In order to preserve and promote the settlements contemplated by and provided for in the Plan and to supplement, where necessary, the injunctive effect of the discharge both provided by sections 1141 and 524 of the Bankruptcy Code and as described in Article 9 of the Plan and pursuant to the exercise of the equitable jurisdiction and power of the Bankruptcy Court under section 524(g) or 105(a) of the Bankruptcy Code (or both), all Entities which have held or asserted, which hold or assert, or which may in the future hold or assert (i) any Claim, Demand or cause of action (including, but not limited to, any Asbestos Claim, any Released Claims, or any Claim or Demand for or respecting any Trust Expense) against the Released Parties (or any of them) based upon, relating to, arising out of, or in any way connected with any Released Claim, Asbestos Claim or any other Claim, whenever and wherever arising or asserted (including, but not limited to, all such Claims in the nature of or sounding in tort, contract, warranty or any other theory of law, equity or admiralty) or Interest; and (ii) any claim against or liability of or obligation of a Settling Asbestos Insurance Company which is released by order of the Bankruptcy Court approving the settlement with the Settling Asbestos Insurance Company shall be permanently stayed, restrained and enjoined from taking any action for the purpose of directly or indirectly collecting, recovering, or receiving payments, satisfaction, or recovery with respect to any such Claim, Demand, cause of action or Interest, or claim, liability or obligation referenced in (ii) above, including, but not limited to:"

(b) Section 9.4 is modified so as to additionally provide that "Notwithstanding any other provision of the Plan to the contrary, the satisfaction, release and discharge, and the Injunctions set forth in Articles 9.1, 9.2 and 9.3, respectively, shall not serve to satisfy, discharge, release or enjoin Claims, claims, Demands or demands by, or debts, obligations or liabilities to, Reorganized J T Thorpe Company, Thorpe Corporation or the Subsidiaries, as the case may be, against any Settling Asbestos Insurance Company to the extent such Claims, claims, Demands, demands, debts, obligations or liabilities are expressly not released pursuant to the terms of an Asbestos Insurance Settlement Agreement between J T Thorpe Company, Thorpe Corporation and/or the Subsidiaries on the one hand and the Settling Asbestos Insurance Company in question on the other hand or the Bankruptcy Court order approving such Settlement Agreement.";

(c) Section 7.1(a)(16) is deleted;

(d) Section 7.1(a)(17) is deleted;

(e) Section 10.7 is modified so as to now read: "Liability for Asbestos Claims. The Successor Trust, upon the Effective Date, shall assume the liabilities of J T Thorpe Company with respect to Asbestos Claims."; and

(f) The definition of "Allowed Aggregate Asbestos Claims" as defined in the Glossary is modified so as to now read: "Allowed Aggregate Asbestos Claims" means the aggregate dollar sum of Asbestos Claims."

(g) Section 10.11 is modified so as to now read: "The Debtor's discharge, and the Released Non-Debtor Parties' discharge and release, from all claims as provided herein shall neither diminish nor impair the enforceability of any of the Asbestos Insurance Policies. The Trust is, and shall be deemed to be, for all purposes, including, but not limited to for purposes of insurance and indemnity, the successor to J T Thorpe Company in respect of Asbestos Claims."

25. The Court finds that the foregoing modifications do not adversely change the treatment of a holder of a Claim or Interest under the Plan, nor do the changes have any effect on the Plan's compliance with Sections 1122 or 1123 of the Bankruptcy Code. Therefore, the modifications do not require that holders of Claims or Interests be afforded an opportunity to change previously cast acceptances or rejections of the Plan.

Successor Trust

26. Pursuant to Section 1123(b)(3)(B) of the Bankruptcy Code, except as otherwise provided in the Plan, the Successor Trust shall be vested with and have the right to enforce against any Entity any and all of the Debtor's causes of action related to Asbestos Claims provided, however, that nothing herein shall alter, amend, or modify the injunctions (including the Injunctions), releases, or discharges provided herein.

27. No Entity shall be permitted to execute against or receive distributions from the Successor Trust except in accordance with the terms of the Successor Trust Documents, the Plan, and this Order.

28. Except as otherwise expressly provided in the Plan or the other Plan Documents or this Confirmation Order, the Debtor, Reorganized J T Thorpe Company, the Asbestos

Claimants Committee, and the Legal Representative do not, pursuant to the Plan or otherwise, have any responsibilities for any liabilities or obligations of the Debtor relating to or arising out of the operations of or assets of the Debtor, whether arising prior to, on, or after the Confirmation Date. Neither Reorganized J T Thorpe Company, with respect to Asbestos Claims, nor the Trust is or shall be a successor to the Debtor by reason of any theory of law or equity, and none shall have any successor or transferee liability of any kind or character, except that Reorganized J T Thorpe Company and the Successor Trust shall assume the obligations specified in the Plan Documents and the Confirmation Order.

29. The transfer to, vesting in, and assumption by the Successor Trust of the Asbestos Claims as contemplated by the Plan, among other things, shall (a) discharge the Debtor and Reorganized J T Thorpe Company for and in respect of all Asbestos Claims, and (b) discharge, release, and extinguish all obligations and liabilities of the Released J T Thorpe Company Parties for or in respect of all Asbestos Claims. The Successor Trust shall assume responsibility and liability for all Asbestos Claims.

30. The Successor Trustee(s) shall be, and hereby is deemed to be, a "party in interest" on and after the Effective Date within the meaning of Section 1109(b) of the Bankruptcy Code.

31. The Trust Advisory Committee shall be, and hereby is deemed to be, a "party in interest" on and after the Effective Date within the meaning of Section 1109(b) of the Bankruptcy Code.

32. On and after the Effective Date, Richard B. Schiro, Esq. shall serve as the Legal Representative pursuant to the terms of the Successor Trust Agreement, and shall have the functions and rights provided in the Successor Trust Documents.

33. Dan Lain is hereby appointed as the Initial Successor Trustee of the Successor Trust.

34. On and after the Effective Date, the Trust Advisory Committee shall serve in a fiduciary capacity to the Successor Trust. The Trust Advisory Committee shall serve pursuant to the terms of the Trust Agreement, and Trust Advisory Committee shall have the functions and rights provided in the Trust Documents.

35. The Successor Trust shall pay all of its respective Trust Expenses from its assets. Neither J T Thorpe nor Reorganized J T Thorpe Company shall have any obligation to pay any Trust Expenses.

36. Pursuant to the terms of the Successor Trust Agreement, the Plan, and subject to any Asbestos Insurance Settlement Agreement, on the Effective Date, the Trust will expressly assume all liability arising from or relating to all Asbestos Claims and all other obligations owed by the Debtor or its respective successors under applicable law or under any agreement related to any Asbestos Claim, including without limitation, the Asbestos Insurance Settlement Agreements and the Settlement Agreement. In addition, at such time as the assets and properties of the Collateral Trust are transferred to and accepted by the Successor Trust, the Successor Trust will expressly assume, effective as of such time, without further action, all liability, if any, arising from or relating to all Asbestos Claims and all other obligations owed by the Collateral

Trust and/or the Debtor or their respective successors under the Asbestos Insurance Settlement Agreements, the Collateral Trust Agreement, and the Settlement Agreement.

37. The Trust shall indemnify the Released J T Thorpe Company Parties and the Released Thorpe Corporation Parties and hold each of them harmless from and against any liabilities arising from or incurred in connection with (i) the breach of any term or provision of the Successor Trust Agreement or (ii) any claim or action related to an Asbestos Claim from and after the date liability for such Asbestos Claim is assumed by the Successor Trust including, but not limited to, indemnification or contribution for any Asbestos Claim prosecuted against any of the Released J T Thorpe Company Parties, the Released Thorpe Corporation Parties or their Affiliates, and any professional fees and expenses (including attorneys' fees and expenses), judgments, and settlements incurred in connection therewith.

Discharges and Releases

38. Except as specifically provided in the Plan, in the Confirmation Order or any Asbestos Insurance Settlement Agreement, effective on the Effective Date, the Debtor and Reorganized J T Thorpe Company shall be discharged from any and all Claims and Demands, including any Claim of a kind specified in Section 502(g), 502(h), or 502(i) of the Bankruptcy Code and any Asbestos Claim and/or Indirect Asbestos Claim, whether or not (i) a Proof of Claim based on such Claim was filed or deemed filed under Section 501 of the Bankruptcy Code, or such Claim was listed on the Schedules of the Debtor, (ii) such Claim is or was Allowed under Section 502 of the Bankruptcy Code, or (iii) the holder of such Claim has voted on or accepted the Plan. Except as specifically provided in the Plan to the contrary, the rights that are provided in the Plan shall be in complete (x) satisfaction, discharge, and release of all Claims or Demands against, Liens on, and Interests in the Debtor, Reorganized J T Thorpe

Company, or the Successor Trust or the assets and properties of the Debtor, Reorganized J T Thorpe Company, or the Successor Trust, (y) satisfaction, discharge, and release of all Claims constituting Released Claims, including, but not limited to, all causes of action, whether known or unknown, either directly or derivatively through the Debtor or Reorganized J T Thorpe Company against the Released Parties on the same subject matter as any of the Claims, Liens, or Interests described in subpart (x) above, and (z) satisfaction, discharge, and release of all causes of action of the Debtor or Reorganized J T Thorpe Company, whether known or unknown, including but not limited to all Claims including the Released Claims, against the Released Parties. Further, but in no way limiting the generality of the foregoing, except as otherwise specifically provided in the Plan, any Entity accepting any distributions or rights pursuant to the Plan shall be presumed conclusively to discharge Reorganized J T Thorpe Company and have released the Released Parties from (a) the Released Claims and (b) any other cause of action based on the same subject matter as the Claim Lien, or Interest on which the distribution or right is received.

39. Except as specifically provided in the Plan or in the Confirmation Order, effective on the Effective Date, the Debtor and Reorganized J T Thorpe Company shall satisfy, discharge and release all of their Claims against, Liens on, and causes of action, whether known or unknown, either directly or derivatively through the Debtor or Reorganized J T Thorpe Company, including but not limited to the Released Claims, against any or all of the Released Parties.

40. Notwithstanding anything to the contrary in Article 9.1 of the Plan, the Plan shall not satisfy, discharge, or release any Claim or Demand of the Debtor, Reorganized J T Thorpe

Company, Successor Trust, or any Asbestos Claimant against any Asbestos Insurance Company that is not a Settling Asbestos Insurance Company.

41. The Debtor's discharge and the Released Parties' discharge, and the release from Claims as provided herein, shall neither diminish nor impair the obligations of any Asbestos Insurance Company that is not a Settling Asbestos Insurance Company arising under any insurance policy, settlement agreement, or otherwise.

Injunctions

42. Discharge Injunction. Except as specifically provided in the Plan Documents to the contrary, the satisfaction, release, and discharge set forth in Article 9.1 shall also operate as an injunction, pursuant to Sections 105, 524(g) and 1141 of the Bankruptcy Code, prohibiting and enjoining the commencement or continuation of any action, the employment of process or any act to collect, recover from, or offset (a) any Claim or Demand against or Interest in the Debtor, Reorganized J T Thorpe Company, the Collateral Trust, or the Successor Trust by any Entity and (b) any cause of action, whether known or unknown, against the Released Parties based on the same subject matter as any Claim or Interest described in subpart (a) of Article 9.2.

43. The Supplemental Injunction. In order to preserve and promote the settlements contemplated by and provided for in the Plan and to supplement, where necessary, the injunctive effect of the discharge both provided by Sections 1141 and 524 of the Bankruptcy Code and as described in Article 9 of the Plan and pursuant to the exercise of the equitable jurisdiction and power of the Bankruptcy Court under Section 524(g) or 105(a) of the Bankruptcy Code (or both), all Entities which have held or asserted, which hold or assert, or which may in the future hold or assert (i) any Claim, Demand, or cause of action (including, but not limited to, any Asbestos Claim, any Released Claim, or any Claim or Demand for or respecting any Trust Expense)

against the Released Parties (or any of them) based upon, relating to, arising out of, or in any way connected with any Released Claim, Asbestos Claim or any other Claim, whenever and wherever arising or asserted (including, but not limited to, all such Claims in the nature of or sounding in tort, contract, warranty, or any other theory of law, equity, or admiralty) or Interest; and (ii) any claim against or liability of or obligation of a Settling Asbestos Insurance Company which is released by order of the Bankruptcy Court approving the settlement with the Settling Asbestos Insurance Company shall be permanently stayed, restrained and enjoined from taking any action for the purpose of directly or indirectly collecting, recovering, or receiving payments, satisfaction, or recovery with respect to any such Claim, Demand, cause of action, or Interest, or claim, liability, or obligation referenced in (ii) above, including, but not limited to:

(a) commencing or continuing in any manner any action or other proceeding of any kind with respect to any such claim, demand, cause of action, or Interest against any of the Released Parties, or against the property of any Released Party with respect to any such claim, demand, cause of action, or Interest;

(b) enforcing, attaching, collecting, or recovering, by any manner or means, any judgment, award, decree, or order against any of the Released Parties or against the property of any Released Party with respect to any such Claim, Demand, cause of action or Interest;

(c) creating, perfecting, or enforcing any Lien of any kind against any Released Party or the property of any Released Party with respect to any such Claim, Demand, cause of action or Interest;

(d) except as otherwise specifically provided in the Plan or the Thorpe Corporation Settlement Agreement, asserting or accomplishing any setoff, right of subrogation, indemnity, contribution, or recoupment of any kind against any obligation due any Released Party or against the property of any Released Party with respect to any such Claim, Demand, cause of action, or Interest; and

(e) taking any act, in any manner, in any place whatsoever, against any of the Released Parties or their property, that does not conform to, or comply with, the provisions of the Plan Documents or the Successor Trust Documents relating to such Claim, Demand, cause of action, or Interest

44. Reservations. Notwithstanding anything to the contrary above, this Supplemental Injunction shall not enjoin:

(a) the rights of Entities to the treatment accorded them under Articles 1 and 3 of the Plan, as applicable, including the rights of Entities with Asbestos Claims to assert such Asbestos Claims in accordance with the claims review procedures established by the Successor Trustee with the consent and approval of the Trust Advisory Committee and the Legal Representative;

(b) the rights of Entities to assert any Claim, debt, obligation, or liability for payment of Trust Expenses against the Successor Trust;

(c) the rights of the Successor Trust or Reorganized J T Thorpe Company to prosecute any Asbestos Insurance Action, except as provided in any Asbestos Insurance Settlement Agreement;

(d) the rights of Entities to assert any Claim, debt, obligation or liability for payment against an Asbestos Insurance Company that is not a Released Party unless otherwise enjoined by order of the Bankruptcy Court or estopped by provisions of the Plan; or

(e) the rights of parties to the Thorpe Corporation Settlement Agreement, pursuant to the terms thereof, to assert claims against the Released Parties, except as provided in any Asbestos Insurance Settlement Agreement;

In light of the benefits provided, or to be provided, to the Trust on behalf of each Released Party and each Protected Party, the Supplemental Injunction is fair and equitable with respect to the persons that are asserting any Claims within the scope of such Injunction including Asbestos Claims or that might subsequently assert any Claims within the scope of the Supplemental Injunction including Asbestos Claims or Demands against any Released Party or Protected Party.

45. Third Party Injunction. In order to preserve and promote the settlements contemplated by and provided for in the Plan and agreements approved by the Bankruptcy Court, and pursuant to the exercise of the equitable jurisdiction and power of the Bankruptcy Court under Section 524(g) or 105(a) of the Bankruptcy Code (or both), all Entities that have held or asserted, hold or assert, or may in the future hold or assert any Third Party Claim shall be permanently stayed, restrained, and enjoined from taking any action for the purpose of directly or indirectly collecting, recovering, or receiving payments or recovery with respect to any such Third Party Claim, including, but not limited to:

(a) commencing or continuing in any manner any action or other proceeding of any kind with respect to any such claim, demand, cause of action, or Interest against any Protected Party or Released Thorpe Corporation Party or Released J T Thorpe Company Party, or against the property of any Protected Party or Released Thorpe Corporation Party or Released J T Thorpe Company Party, with respect to any such claim, demand, cause of action, or Interest;

(b) enforcing, attaching, collecting, or recovering, by any manner or means, any judgment, award, decree, or order against any Protected Party or Released Thorpe Corporation Party or Released J T Thorpe Company Party, or against the property of any Protected Party or Released Thorpe Corporation Party or Released J T Thorpe Company Party, with respect to any such claim, demand, cause of action, or Interest;

(c) creating, perfecting, or enforcing any Lien of any kind against any Protected Party, Released Thorpe Corporation Party or Released J T Thorpe Company Party, or the property of any Protected Party or Released Thorpe Corporation Party or Released J T Thorpe Company Party, with respect to any such Third Party Claim;

(d) except as otherwise specifically provided in the Plan, asserting or accomplishing any setoff, right of subrogation or contribution, or recoupment of any kind against any obligation due any Protected Party or Released Thorpe Corporation Party or Released J T Thorpe Company Party, or against the property of any Protected Party or Released Thorpe Corporation Party or Released J T Thorpe Company Party, with respect to any such Third Party Claim; and

(e) taking any act, in any manner, in any place whatsoever, that does not conform to, or comply with, the provisions of the Plan Documents relating to such Third Party Claim.

46. Reservations. Notwithstanding anything to the contrary above, this Third Party Injunction shall not enjoin:

(a) the rights of Entities to assert any Claim, debt, obligation, or liability for payment of Trust Expenses against the Successor Trust;

(b) the rights of the Successor Trust or Reorganized J T Thorpe Company to prosecute any Asbestos Insurance Action, except as provided in any Asbestos Insurance Settlement Agreement;

(c) the rights of Entities to assert any Claim, debt, obligation, or liability for payment against an Asbestos Insurance Company that is not a Protected Party unless otherwise enjoined by order of the Bankruptcy Court or estopped by provision of the Plan;

(d) the rights of parties to the Thorpe Corporation Settlement Agreement, pursuant to the terms thereof, to assert claims against Protected Parties, except as provided in any Asbestos Insurance Settlement Agreement.

In light of the benefits provided, or to be provided, to the Successor Trust on behalf of each Protected Party, Released Thorpe Corporation Party or Released J T Thorpe Company Party, the Third Party Injunction is fair and equitable with respect to the Persons that are asserting Claims within the scope of such Injunction including Asbestos Claims and that might subsequently assert any Claims within the scope of the Third Party Injunction including Asbestos Claims or Demands against any Protected Party.

47. Reservation of Rights. Notwithstanding any other provision of the Plan to the contrary, the satisfaction, release and discharge, and the Injunctions set forth in Articles 9.1, 9.2 and 9.3 of the Plan, respectively, shall not serve to satisfy, discharge, release, or enjoin claims by the Successor Trust, Reorganized J T Thorpe Company, Thorpe Corporation and the Subsidiaries, or any other Entity, as the case may be, against (a) the Successor Trust for payment of Asbestos Claims in accordance with the claims review procedures established by the Successor Trustee with the consent and approval of the Trust Advisory Committee and the Legal Representative, (b) the Successor Trust for the payment of Trust Expenses, (c) the Successor Trust and the Reorganized J T Thorpe Company for payment of the Reimbursable Transaction Costs; or (d) Reorganized J T Thorpe Company, the Successor Trust, or any other Entity, to enforce the terms of the Thorpe Corporation Settlement Agreement. Notwithstanding any other provision of the Plan to the contrary, the satisfaction, release and discharge, and the Injunctions set forth in Articles 9.1, 9.2 and 9.3, respectively, shall not serve to satisfy, discharge, release, or enjoin Claims, claims, Demands, or demands by, or debts, obligations, or liabilities to, Reorganized JT Thorpe Company, Thorpe Corporation or the Subsidiaries, as the case may be, against any Settling Asbestos Insurance Company to the extent such Claims, Demands, debts, obligations, or liabilities are expressly not released pursuant to the terms of an Asbestos

Insurance Settlement Agreement between JT Thorpe Company, Thorpe Corporation and/or the Subsidiaries on the one hand and the Settling Asbestos Insurance Company in question on the other hand or the Bankruptcy Court order approving such Settlement Agreement.

48. The Successor Trustee(s) and the Successor Trust shall use their best efforts and take all necessary and appropriate steps to resist and oppose any person in violation of the Supplemental Injunction or the Third-Party Injunction provided for in the Plan and this Order. The Successor Trust shall bear all of the costs, including, but not limited to, attorneys' fees, associated with resisting and opposing such actions.

49. Each of the Injunctions shall become effective on the Effective Date and shall continue in effect at all times thereafter. Notwithstanding anything to the contrary contained in the Plan, all actions in the nature of those to be enjoined by the Injunctions shall be enjoined during the period between the Confirmation Date and the Effective Date.

Retention of Jurisdiction

50. The District Court and the Bankruptcy Court shall retain the fullest and most extensive jurisdiction permissible, including that necessary to ensure all Injunctions are enforced and to otherwise ensure that the purposes and intent of the Plan are carried out. Without limiting the foregoing, and to the extent permitted under 11 U.S.C. §§ 101 et seq. and other applicable bankruptcy law, the District Court and the Bankruptcy Court shall retain jurisdiction to hear and determine all Claims against and Interests in the Debtor, and to adjudicate and enforce all other causes of action which may exist on behalf of the Debtor. Except as provided in the Thorpe Corporation Settlement Agreement or any Asbestos Insurance Settlement Agreement, nothing contained herein shall prevent the Debtor, Reorganized J T Thorpe Company, or the Successor

Trust from taking such action as may be necessary in the enforcement of any cause of action which the Debtor has or may have and which may not have been enforced or prosecuted by the Debtor, which cause of action shall survive Confirmation of the Plan and shall not be affected thereby except as specifically provided herein.

51. Following the entry of the Confirmation Order, the administration of the Reorganization Case will continue until the completion of the transfers contemplated to be accomplished on the Effective Date. The Bankruptcy Court shall also retain jurisdiction for the purpose of classification of any Claim, and the determination of such objections as may be filed with the Bankruptcy Court with respect to any Claim. The failure by the Debtor to object to, or examine, any Claim for the purposes of voting, shall not be deemed a waiver of the right of the Debtor, Reorganized J T Thorpe Company, or either of the Trusts to object to or re-examine such Claim in whole or part for any other purpose.

52. In addition to the foregoing, the Bankruptcy Court shall retain exclusive jurisdiction after the Confirmation Date for the specific purposes set forth in Section 12.3 of the Plan.

Miscellaneous

53. Substantial Consummation of the Plan. The performance of all obligations which shall be due and owing on the Effective Date pursuant to the terms of the Plan shall constitute substantial consummation of the Plan within the meaning of Section 1101(2) of the Bankruptcy Code. Notwithstanding any closing of the Reorganization Case, any of the Successor Trust, Legal Representative, Trust Advisory Committee, or Reorganized J T Thorpe Company may move, on notice to those Entities on the Master Service List, to reopen the Reorganization Case

for the purpose of seeking relief pursuant to the retained jurisdiction of the Bankruptcy Court provided herein, in the Plan, or under applicable law.

54. General Authorizations. Upon entry of the Confirmation Order, the following shall be deemed authorized and approved in all respects: (i) the filing by Reorganized J T Thorpe Company of the Amended Certificate of Incorporation; (ii) the Amended By-Laws, and (iii) the issuance of the New Common Stock. On the Effective Date, or as soon thereafter as is practicable, Reorganized J T Thorpe Company shall file with the Secretary of State of its state of incorporation in accordance with applicable state law, the Amended Certificate of Incorporation which shall conform to the provisions of the Plan and prohibit the issuance of non-voting equity securities. On the Effective Date, the matters provided under the Plan involving the capital and corporate structures and governance of the reorganized debtor shall be deemed to have occurred and shall be in effect from and after the Effective Date pursuant to applicable state law without any requirement of further action by the stockholders or directors of the Debtor or the Reorganized J T Thorpe Company. On the Effective Date, the Reorganized J T Thorpe Company shall be authorized and directed to take all necessary and appropriate actions to effectuate the transactions contemplated by the Plan and the Disclosure Statement in the name of and on behalf of Reorganized J T Thorpe Company.

55. No Penalties or Late Charges. Except as otherwise expressly provided in the Plan or otherwise Allowed by Final Order of the Court, no interest, penalty, or late charge arising after the Petition Date shall be Allowed on any Claim or Interest.

56. Setoff. Subject to the limitations provided in Section 553 of the Bankruptcy Code, the Debtor, or the Trust, as applicable, may, but shall not be required to, setoff against any

Claim and the payments or distributions to be made pursuant to the Plan in respect of such Claim, any claims, rights, causes of action, and liabilities of any nature that the Debtor or the Trust may hold against the holder of such Claim; provided, however that neither the failure to effect such a setoff nor the Allowance of any Claim hereunder shall constitute a waiver or release by the Debtor or the Trust of any of such claims, rights, causes of action, and liabilities that the Debtor or the Trust has or may have against the holder.

57. Reference to Plan Provisions. The failure to reference or discuss any particular provision of the Plan in this Confirmation Order shall have no effect on the validity, binding effect, and enforceability of such provision, and such provision shall have the same validity, binding effect, and enforceability as every other provision of the Plan, it being the intent of the Court that the plan be confirmed in its entirety.

58. Inconsistency. In the event of an inconsistency between the Plan and any other agreement, instrument, or document intended to implement the provisions of the Plan, the provisions of the Plan shall govern unless otherwise expressly provided for in such agreements, instruments, or documents. In the event of any inconsistency between and/or among the Plan and any agreement, instrument, or document intended to implement the Plan and this Confirmation Order, the provisions of this Confirmation Order shall govern. In the event of an inconsistency between the Plan, this Confirmation Order and the Stipulation and Order, the Stipulation and Order shall govern and control. Except for the Stipulation and Order, this Confirmation Order shall supersede any orders of the Court issued prior to the Effective Date that may be inconsistent herewith.

59. Effect of Appeal. Unless this Confirmation Order is stayed pending appeal, its reversal or modification shall not affect the validity of the Plan, the Plan Documents, or any other agreement, document, instrument, or action authorized by this Confirmation Order or under the Plan as to the Debtor, Reorganized J T Thorpe Company, the Successor Trust, or any other Entity acting in good faith, whether or not that Entity knows of the appeal.

60. Notice. Counsel for the Debtor shall serve copies of this Confirmation Order, as entered by the Court, on (i) counsel for the Creditors Committee appointed in the Debtor's Reorganization Case; (ii) counsel for the Legal Representative; (iii) counsel for the Collateral Trustee; (iv) the attorneys representing Asbestos Claimants who, as of the date this Confirmation Order, had filed with the Court either (1) a Proof of Claim or (2) a notice in accordance with the Court's Order Approving Notice Procedures for Individual Asbestos Claimants, entered October 2, 2002; and (vi) all other Persons or Entities that, as of the date this Confirmation Order, had filed a notice of appearance and demand for service of papers in the Debtor's Reorganization Case.

SO ORDERED.

Dated: _____

Jan. 17, 2003


KAREN K. BROWN
United States Bankruptcy Judge