

UNITED STATES BANKRUPTCY COURT  
For the Northern District of Alabama  
Southern Division

RE: CITATION CORPORATION

CASE NUMBER: 04-08130-TOM-11

I, ELIGAH DANE CLARK, CLERK of Bankruptcy Court in and for said District, do hereby certify that the attached copy of ORDER CONFIRMING THE DEBTORS' THIRD AMENDED JOINT PLAN OF REORGANIZATION UNDER CHAPTER 11 OF THE BANKRUPTCY CODE in the case of CITATION CORPORATION debtors, Case No. 04-08130-TOM-11 has been compared with the original thereof and that it is a complete and correct copy of such original as it appears of record and on file in my office.

In testimony whereof I have hereunto set my hand at Birmingham, Alabama in said District, this 20TH day of MAY, 2005.

ELIGAH DANE CLARK  
Clerk of Bankruptcy Court

By:   
Deputy Clerk

[Seal of the U.S. Bankruptcy Court]  
Date of issuance: MAY 20TH, 2005.

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE NORTHERN DISTRICT OF ALABAMA  
SOUTHERN DIVISION

IN RE:

CITATION CORPORATION, et al.<sup>1</sup>

Debtors.

)  
) Chapter 11  
)  
)  
) Case No. 04-8130-TOM-11  
) (Jointly Administered)  
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ORDER CONFIRMING THE DEBTORS' THIRD AMENDED JOINT PLAN OF  
REORGANIZATION UNDER CHAPTER 11 OF THE BANKRUPTCY CODE

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*The Debtors' Third Amended Joint Plan Of Reorganization Under Chapter 11 Of The Bankruptcy Code*, annexed hereto as Exhibit A (the "Plan"), having been filed with the Bankruptcy Court (the "Court") on May 18, 2005 by Citation Corporation, ("Citation"), its holding company and certain of its direct and indirect subsidiaries, as debtors and debtors in possession (collectively, the "Debtors"); and the *Debtors' Second Amended Disclosure Statement For The Debtors' Second Amended Joint Plan Of Reorganization Under Chapter 11 Of The Bankruptcy Code* (the "Disclosure Statement"), having been approved by this Court by its *Order (i) Approving Disclosure Statement; (ii) Approving Form And Manner Of*

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<sup>1</sup> In addition to the Citation Corporation, the Debtors include the following entities: (i) Citation Holding Company, (ii) Berlin Foundry Corporation, (iii) Bohn Aluminum, Inc., (iv) Castwell Products, Inc., (v) Citation Precision, Inc., (vi) HI-TECH, Inc., (vii) Iroquois Foundry Corporation, (viii) ISW Texas Corporation, (ix) Mansfield Foundry Corporation, (x) OBI Liquidating Corp., (xi) Texas Steel Corporation, (xii) TSC Texas Corporation, (xiii) Citation Aluminum, LLC, (xiv) Citation Castings, LLC, (xv) Citation Grand Rapids, LLC, (xvi) Citation Lake Zurich, LLC, (xvii) Citation Michigan, LLC, (xviii) Citation Wisconsin Forging, LLC, (xix) Citation Wisconsin, LLC, (xx) ITM Holding Co., LLC, (xxi) Interstate Southwest, Ltd., (xxii) Texas Foundries, Ltd., (xxiii) MFC Liquidating Company, Ltd., and (xiv) Citation Camden Castings Center, Inc.



*Solicitation Packages; (iii) Establishing Record Date For Voting; (iv) Approving Form Of Ballots; (v) Establishing Deadline For Voting On The Plan; (vi) Approving Procedures For Vote Tabulations; (vii) Establishing Deadline And Procedures For Objecting To Confirmation Of The Plan; And (viii) Granting Related Relief*, entered March 31, 2005 (the "Disclosure Statement Order"); and the Disclosure Statement, having been transmitted to holders of Claims<sup>2</sup> against and Equity Interests in the Debtors and other parties in interest pursuant to the Disclosure Statement Order; and the hearing to consider confirmation of the Plan having been held before the Court on May 16, 2005 (the "Confirmation Hearing") after due notice to holders of Claims against and Equity Interests in the Debtors and other parties in interest in accordance with the Disclosure Statement Order, the Bankruptcy Code and the Bankruptcy Rules; and upon all of the proceedings had before this Court and after full consideration of: (i) each of the objections to confirmation of the Plan filed with the Court and not subsequently withdrawn, settled or deemed moot (the "Objections"); (ii) the responses in support of confirmation of the Plan filed by (a) the Debtors, dated May 12, 2005 and (b) the Official Committee of Unsecured Creditors (the "Committee"), dated May 12, 2005; (iv) the *Affidavit of Laura Campbell of Bankruptcy Services LLC Certifying the Ballots Accepting or Rejecting the Debtors' Second Amended Joint Plan of Reorganization Under Chapter 11 of the Bankruptcy Code*, filed on May 13, 2005; (v) testimony presented, (v) the declarations and/or affidavits filed with the Court; (vi) all other evidence proffered or adduced at, memoranda and objections filed in connection with and arguments of counsel made at, the Confirmation Hearing; and (vii) the entire record of the Chapter 11 cases (the "Chapter 11

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<sup>2</sup> All capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Plan.

cases”); and after due deliberation thereon; and good cause appearing therefor;

IT IS HEREBY FOUND AND DETERMINED THAT:<sup>3</sup>

A. Exclusive Jurisdiction; Venue; Core Proceeding (28 U.S.C. §§ 157(b)(2) and 1334(a)). This Court has jurisdiction over the Chapter 11 cases pursuant to 28 U.S.C. §§ 157 and 1334. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409. Confirmation of the Plan is a core proceeding under 28 U.S.C. § 157(b)(2) and this Court has exclusive jurisdiction to determine whether the Plan complies with the applicable provisions of the Bankruptcy Code and should be confirmed.

B. Judicial Notice. This Court takes judicial notice of the docket of the Chapter 11 cases maintained by the Clerk of the Court and/or its duly-appointed agent, including, without limitation, all pleadings and other documents filed, all orders entered and all evidence and arguments made, proffered or adduced at, the hearings held before the Court during the pendency of the Chapter 11 cases.

C. Transmittal and Mailing of Materials; Notice. All due, adequate and sufficient notice of the Disclosure Statement and the Plan and of the Confirmation Hearing, along with deadlines for voting on or filing objections to the Plan, has been given to all known holders of Claims and Equity Interests substantially in accordance with the procedures set forth in the Disclosure Statement Order. The Disclosure Statement, Plan, Ballots and Disclosure Statement Order were transmitted and served in compliance with the Disclosure Statement Order and the Bankruptcy Rules and such transmittal and service were adequate and sufficient. Adequate and sufficient notice of the Confirmation Hearing and the other bar dates

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<sup>3</sup> Findings of fact shall be construed as conclusions of law and conclusions of law shall be construed as findings of fact when appropriate. See Fed. R. Bankr. P. 7052.



and hearings described in the Disclosure Statement Order was given in compliance with the Bankruptcy Rules and the Disclosure Statement Order and no other or further notice is or shall be required. Adequate and sufficient notice of the modifications to the Plan has been given and no other or further notice is or shall be required.


D. Burden of Proof. The Debtors, as proponents of the Plan, have the burden of proving the satisfaction of the elements of Sections 1129(a) and (b) of the Bankruptcy Code by a preponderance of the evidence.

E. Plan Compliance with Bankruptcy Code (11 U.S.C. § 1129(a)(1)). The Plan complies with the applicable provisions of the Bankruptcy Code, thereby satisfying Section 1129(a)(1) of the Bankruptcy Code.

(a) Proper Classification (11 U.S.C. §§ 1122, 1123(a)(1)). In addition to Administrative Expense Claims, DIP Facility Claims and Priority Tax Claims, which need not be designated, the Plan designates eight (8) Classes of Claims and Equity Interests. The Claims and Equity Interests placed in each Class are substantially similar to other Claims or Equity Interests, as the case may be, in each such Class. Valid business, factual and legal reasons exist for separately classifying the various Classes of Claims and Equity Interests created under the Plan and such Classes do not unfairly discriminate between holders of Claims or Equity Interests. Thus, the Plan satisfies Sections 1122 and 1123(a)(1) of the Bankruptcy Code.

(b) Specify Unimpaired Classes (11 U.S.C. § 1123(a)(2)). The Plan specifies that Class 1 Other Priority Claims and Class 2 Other Secured Claims are not impaired under the Plan, thereby satisfying Section 1123(a)(2) of the Bankruptcy Code.

(c) Specify Treatment of Impaired Classes (11 U.S.C. § 1123(a)(3)). The Plan

  
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designates Class 3 Pre-Petition Credit Agreement Secured Party Claims, Class 4 Convenience Class Claims, Class 5 General Unsecured Claims, Class 6 Holdings Notes Claims, Class 7 Intercompany Claims and Class 8 Equity Interests as impaired and specifies the treatment of Claims and Equity Interests in those Classes, thereby satisfying Section 1123(a)(3) of the Bankruptcy Code.

(d) No Discrimination (11 U.S.C. § 1123(a)(4)). The Plan provides for the same treatment by the Debtors for each Claim or Equity Interest in each respective Class unless the holder of a particular Claim or Equity Interest has agreed to a less favorable treatment of such Claim or Equity Interest, thereby satisfying Section 1123(a)(4) of the Bankruptcy Code.

(e) The classification and manner of satisfying all Claims and Equity Interests under the Plan takes into consideration all contractual, legal and equitable subordination and turnover rights, whether arising under general principles of equitable subordination, section 510(c) of the Bankruptcy Code or otherwise, that a holder of a Claim or Equity Interest or the Debtors may have against other Claim holders with respect to any distribution made pursuant to the Plan.

(f) Implementation of Plan (11 U.S.C. § 1123(a)(5)). The Plan provides adequate and proper means for implementation of the Plan, thereby satisfying Section 1123(a)(5) of the Bankruptcy Code.

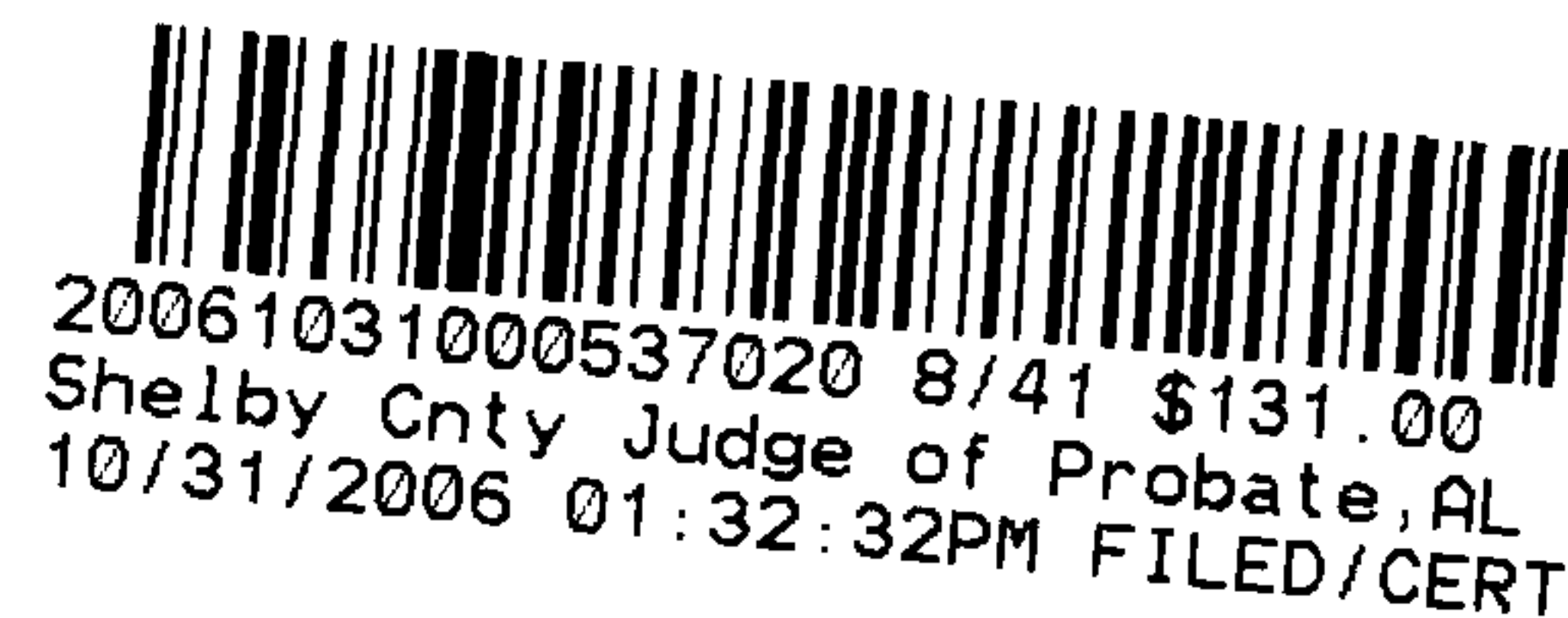
(g) Equity Securities (11 U.S.C. § 1123(a)(6)). Pursuant to Section 1123(a)(6) of the Bankruptcy Code, the Plan provides that the certificates of incorporation of the Reorganized Debtors that are corporations shall (a) prohibit the issuance of non-voting equity securities and (b) provide, as to the New Common Stock and the New Preferred Stock, an appropriate distribution of voting power between the classes, including, in the case of the New



Preferred Stock (which has a preference with respect to dividends), adequate provisions for the election of directors representing such class in the event of default in the payment of such dividends.

(h) Selection of Directors and Officers (11 U.S.C. § 1123(a)(7)). Pursuant to Section 6.3.1 of the Plan and the Specification of the Names and Affiliations of the Individuals Intended to Serve as Directors of Reorganized Citation On and After the Effective Date filed with the Bankruptcy Court on April 22, 2005, Mr. William E. Redmond, Jr., Mr. Edwin L. Buker, Mr. William Allan Hopkins, Mr. Thomas S. O'Donoghue, Jr., Mr. Ronald M. Ruzic, Mr. Richard J. Sloan and Mr. Alan E. Antoniewicz have been selected to comprise the new board of directors of the Reorganized Debtors beginning on the Effective Date. The officers identified in Section 6.3.2 of the Plan continue to serve in the capacities identified therein. The directors and officers of the Reorganized Debtors were selected in a manner consistent with the interests of creditors and with public policy, thereby satisfying Section 1123(a)(7) of the Bankruptcy Code.

(i) Additional Plan Provisions (11 U.S.C. § 1123(b)). The Plan's provisions are appropriate, in the best interests of the Debtors and their estates and not inconsistent with the applicable provisions of the Bankruptcy Code, including provisions for (i) the disposition of executory contracts and unexpired leases (Article IX of the Plan); (ii) the Reorganized Debtors' retention of all Causes of Action the Debtors had or had power to assert immediately prior to the Effective Date (Section 4.6 of the Plan); and (iii) releases of various persons and entities, exculpation of various persons and entities with respect to actions related to or taken in furtherance of the Chapter 11 cases and preliminary and permanent injunctions against certain actions against the Debtors, their estates and their properties (Article V of the Plan).



(j) Identification of Plan (Fed. R. Bankr. P. 3016(a)). The Plan is dated and identifies the entity submitting it, thereby satisfying Fed. R. Bankr. P. 3016(a).

F. The Debtors' Compliance with Bankruptcy Code (11 U.S.C. § 1129(a)(2)). The Debtors have complied with the applicable provisions of the Bankruptcy Code, thereby satisfying Section 1129(a)(2) of the Bankruptcy Code. Specifically:

(a) The Debtors are proper debtors under Section 109 of the Bankruptcy Code and proper proponents of the Plan under Section 1121(a) of the Bankruptcy Code.

(b) The Debtors have complied with applicable provisions of the Bankruptcy Code, except as otherwise provided or permitted by orders of this Court.

(c) The Debtors have complied with the applicable provisions of the Bankruptcy Code, the Bankruptcy Rules and the Disclosure Statement Order in transmitting the Plan, the Disclosure Statement, the Ballots and related documents and notices and in soliciting and tabulating votes on the Plan.

G. Plan Proposed in Good Faith (11 U.S.C. § 1129(a)(3)). The Debtors have proposed the Plan in good faith and not by any means forbidden by law, thereby satisfying Section 1129(a)(3) of the Bankruptcy Code. In determining that the Plan has been proposed in good faith, the Court has examined the totality of the circumstances surrounding the filing of the Chapter 11 cases and the formulation of the Plan. The Chapter 11 cases were filed and the Plan was proposed with the legitimate and honest purpose of maximizing the value of the Debtors' assets and expeditiously distributing the New Common Stock and New Preferred Stock and other consideration to the Debtors' creditors and interest holders pursuant to a plan.

H. Payments for Services or Costs and Expenses (11 U.S.C. § 1129(a)(4)). Any payment made or to be made by the Debtors for services or for costs and expenses in or in connection with the Chapter 11 cases, or in connection with the Plan and incident to the



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Chapter 11 cases requiring approval, has been approved by, or is subject to the approval of, the Court as reasonable, thereby satisfying Section 1129(a)(4) of the Bankruptcy Code.

I. Directors, Officers and Insiders (11 U.S.C. § 1129(a)(5)). The Debtors have complied with Section 1129(a)(5) of the Bankruptcy Code. Specifically, the Debtors have disclosed each of the directors that will serve as of the Effective Date and that Mr. Edwin “Ed” L. Buker will serve as Chief Executive Officer of the Reorganized Citation. See Section 6.3.2 of the Plan. Such appointments are consistent with the interests of creditors and with public policy.

J. No Rate Changes (11 U.S.C. § 1129(a)(6)). The Debtors are not subject to any governmental regulatory commission with jurisdiction, after confirmation of the Plan, over the rates of the Debtors. Thus, Section 1129(a)(6) of the Bankruptcy Code is not applicable in the Chapter 11 cases.

K. Best Interests of Creditors Test (11 U.S.C. § 1129(a)(7)). The Plan satisfies Section 1129(a)(7) of the Bankruptcy Code. The liquidation analysis set forth in Exhibit E to the Disclosure Statement and other evidence proffered or adduced at the Confirmation Hearing (a) are persuasive and credible, (b) have not been controverted by other evidence or challenged in any of the Objections and (c) establish that each holder of a Claim or Equity Interest in an impaired Class either (i) has accepted the Plan or (ii) will receive or retain under the Plan, on account of such Claim or Equity Interest, property of a value, as of the Effective Date of the Plan, that is not less than the amount that it would receive if the Debtors were liquidated under Chapter 7 of the Bankruptcy Code on such date.

L. Acceptance by Certain Classes (11 U.S.C. § 1129(a)(8)). Class 1 Other Priority Claims and Class 2 Other Secured Claims are unimpaired by the Plan. Under Section



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1126(f) of the Bankruptcy Code and/or the Disclosure Statement Order, such holders of Claims are conclusively presumed to have accepted the Plan. Class 3 Pre-Petition Credit Agreement Secured Party Claims, Class 4 Convenience Class Claims, Class 5 General Unsecured Claims and Class 6 Holdings Notes Claims have voted to accept the Plan in accordance with Sections 1126(c) and (d) of the Bankruptcy Code and/or have been deemed to accept the Plan in accordance with the Disclosure Statement Order and further orders of this Court. Class 7 Intercompany Claims and Class 8 Equity Interests are not receiving a distribution under the Plan on account of such Claims or Equity Interests, their votes have not been solicited and they are presumed to have rejected the Plan pursuant to Section 1126(g) of the Bankruptcy Code. Even though Section 1129(a)(8) of the Bankruptcy Code has not been satisfied with respect to Classes 7 and 8, the Plan is confirmable because it satisfies Section 1129(b) of the Bankruptcy Code with respect to those Classes. See paragraph R below.

M. Treatment of Administrative Expense Claims, Other Priority Claims and Tax Claims (11 U.S.C. § 1129(a)(9)). The treatment of Administrative Expense Claims and Other Priority Claims under Sections 3.1 and 3.4 of the Plan satisfies the requirements of Section 1129(a)(9)(A) and (B) of the Bankruptcy Code and the treatment of Priority Tax Claims under Section 3.2 of the Plan satisfies the requirements of Section 1129(a)(9)(C) of the Bankruptcy Code.

N. Acceptance by Impaired Classes (11 U.S.C. § 1129(a)(10)). Class 3 Pre-Petition Credit Agreement Secured Party Claims, Class 4 Convenience Class Claims, Class 5 General Unsecured Claims and Class 6 Holdings Notes Claims are impaired classes of Claims that have voted to accept the Plan, determined without including any acceptance of



the Plan by “insiders,” thus satisfying Section 1129(a)(10) of the Bankruptcy Code.

O. Feasibility (11 U.S.C. § 1129(a)(11)). The Plan satisfies Section 1129(a)(11) of the Bankruptcy Code because confirmation of the Plan is not likely to be followed by the liquidation or the need for further financial reorganization of the Debtors. The Debtors will have adequate capital to meet their ongoing obligations and they will have adequate and qualified management. Thus, the Plan presents a workable scheme of organization and operation and there is a reasonable probability that the provisions of the Plan will be performed. Accordingly, the Plan is feasible, thus satisfying the requirements of Section 1129(a)(11) of the Bankruptcy Code.

P. Payment of Fees (11 U.S.C. § 1129(a)(12)). All fees payable under 28 U.S.C. § 1930 have been paid or will be paid pursuant to Section 13.2 of the Plan, thereby satisfying Section 1129(a)(12) of the Bankruptcy Code.

Q. Continuation of Retiree Benefits (11 U.S.C. § 1129(a)(13)). Pursuant to Section 13.3 of the Plan, the Reorganized Debtors shall continue to pay all retiree benefits of the Debtors, thereby satisfying Section 1129(a)(13) of the Bankruptcy Code.

R. Fair and Equitable; No Unfair Discrimination (11 U.S.C. § 1129(b)). Class 7 Intercompany Claims and Class 8 Equity Interests are impaired Classes of unsecured Claims and Equity Interests that are deemed to have rejected the Plan pursuant to Section 1126(g) of the Bankruptcy Code (the “Rejecting Classes”). The Debtors presented sufficient evidence at the Confirmation Hearing that the Plan does not discriminate unfairly and is fair and equitable with respect to each of the Rejecting Classes, as required by Section 1129(b)(1) of the Bankruptcy Code. Thus, the Plan may be confirmed notwithstanding the Debtors’ failure to satisfy Section 1129(a)(8) of the Bankruptcy Code.

S. Fair and Equitable; No Unfair Discrimination in the Alternative (11 U.S.C. § 1129(b)). Class 5 General Unsecured Claims has voted to accept the Plan. However, the Debtors presented sufficient evidence at the Confirmation Hearing that the Plan also does not discriminate unfairly and is fair and equitable with respect to Class 5, as would be required by Section 1129(b)(1) of the Bankruptcy Code had Class 5 not voted to accept the Plan. Thus, the Plan would be confirmed even had the Debtors failed to satisfy Section 1129(a)(8) of the Bankruptcy Code with respect to Class 5.

T. Principal Purpose of Plan (11 U.S.C. § 1129(d)). The principal purpose of the Plan is not the avoidance of taxes or the avoidance of the application of Section 5 of the Securities Act of 1933 (15 U.S.C. § 77e) and the Plan is in the best interests of the Debtors' creditors.

U. Good Faith Solicitation (11 U.S.C. § 1125(e)). The Debtors and their agents, accountants, business consultants, representatives, attorneys and advisors, have solicited votes on the Plan in good faith and in compliance with the applicable provisions of the Bankruptcy Code and are entitled to the protections afforded by Section 1125(e) of the Bankruptcy Code and the exculpation, release and limitation of liability provisions set forth in Sections 5.1 and 5.2 of the Plan.

V. Ballots. All procedures used to distribute solicitation materials to the applicable holders of Claims and to tabulate the Ballots were fair and conducted in accordance with the Bankruptcy Code, the Bankruptcy Rules, the local rules of the Court and all other applicable rules, laws and regulations.

W. Adequate Assurance. The Court has resolved all objections by non-Debtor parties to any of the Assumed Executory Contracts to assumption and/or assignment of its



Assumed Executory Contract pursuant to the Plan. The Debtors have cured, or provided adequate assurance that the Debtors will cure, defaults (if any) under or relating to each Assumed Executory Contract.

X. Satisfaction of Confirmation Requirements. The Plan satisfies the requirements for confirmation set forth in Section 1129 of the Bankruptcy Code.

Y. No Further Action Required. No further action of this Court or the respective directors or shareholders of the Debtors or the Reorganized Debtors will be required to authorize the Reorganized Debtors to enter into, execute and deliver, or adopt, as the case may, the documents necessary to implement the provisions of the Plan.

Z. Retention of Jurisdiction. The Court may properly retain jurisdiction over the matters set forth in Article XII of the Plan and as contemplated herein.

AA. Findings Related To Third-Party Releases. The Court makes the following findings related to the parties released in Article V of the Plan:

- (a) That there is a substantial identity of interests between the Debtors and the Reorganized Debtors and (i) the DIP Agent, the DIP Lenders, the Pre-Petition Agent, the Pre-Petition Credit Agreement Secured Parties, the Committee, Kelso and the members thereof and each of their respective Related Persons and (ii) any Persons who served as officers, directors, employees or representatives of the Debtors on or after the Petition Date.
- (b) That (i) the DIP Agent, the DIP Lenders, the Pre-Petition Agent and the Pre-Petition Credit Agreement Secured Parties, despite being owed on a secured basis amounts more than \$40 million in excess of the value of the Debtors' estates, have made substantial contributions to the reorganization of the

Debtors by virtue of, inter alia., their (a) consent to the payment of millions of dollars to unsecured pre-petition creditors, including \$28.6 million in payments to critical vendors during the proceedings as well as cure amounts, the provision of a \$10 million note to unsecured creditors and the provision of 5% of the stock of the Reorganized Debtors and warrants to purchase an additional 20% to the holders of the Holdings Notes Claims, (b) provision of substantial debtor in possession and exit financing to the Debtors and (c) consensual agreement to equitize over \$140 million of secured debt claims, (ii) the Persons who served as officers, directors, employees or representatives of the Debtors on or after the Petition Date made substantial contributions to the reorganization of the Debtors through their efforts throughout these proceedings and (iii) Kelso made substantial contributions to the reorganization of the Debtors by virtue of its waiver of various substantial tax benefits as requested by the Reorganized Debtors to preserve the Reorganized Debtors' Net Operating Losses.

- (c) That the consideration provided by the DIP Agent, the DIP Lenders, the Pre-Petition Agent, the Pre-Petition Credit Agreement Secured Parties and KELSO supports not only their releases and those of their own Related Persons, but also the releases of all Released Parties.
- (d) That Article V of the Plan releasing the DIP Agent, the DIP Lenders, the Pre-Petition Agent, the Pre-Petition Credit Agreement Secured Parties, the Committee, Kelso and certain Related Persons is essential to the Plan, essential consideration for the substantial financial concessions and



contributions made by the DIP Agent, the DIP Lenders, the Pre-Petition Agent and the Pre-Petition Credit Agreement Secured Parties throughout the Chapter 11 Cases and essential to allowing the officers and directors to manage the Reorganized Debtors successfully in the future.

- (e) That it is appropriate for the releases contained in Article V of the Plan to cover the Related Persons to avoid the risk of suits against such persons that could harm these bankruptcy estates and circumvent the Debtors' discharge because the Debtors and/or Reorganized Debtors may be contractually required to indemnify those Related Persons.
- (f) That the releases contained in Article V of the Plan were extensively negotiated between the Debtors and the DIP Agent, the DIP Lenders, the Pre-Petition Agent, the Pre-Petition Credit Agreement Secured Parties, the Committee, Kelso and any Persons who served as officers, directors, employees or representatives of the Debtors, through extensive, arms-length negotiations. The release and indemnification provisions incorporated in the Plan are integral to the structure of the Plan and formed part of the agreement among all parties in interest embodied thereby.
- (g) That the Classes have overwhelmingly voted to accept the Plan, including the releases contained therein.
- (h) That, based upon the Bankruptcy Court's findings, the provisions contained within Article V of the Plan are valid and appropriate.

NOW THEREFORE, IT IS HEREBY ORDERED, ADJUDGED AND DECREED

THAT:



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1. Confirmation. The Plan is approved and confirmed under Section 1129 of the Bankruptcy Code. The terms of the Plan and the exhibits thereto are incorporated by reference into and are an integral part of the Plan and this Confirmation Order. The Plan complies with all applicable provisions of the Bankruptcy Code and applicable Bankruptcy Rules relating to confirmation. Pursuant to Bankruptcy Rule 3020(e), the ten (10) day stay of this Order (the "Confirmation Order") imposed thereby is waived and the Debtors are hereby authorized to consummate the Plan and the transactions contemplated thereby immediately upon the entry of this Confirmation Order and upon the satisfaction of the conditions set forth in Article X of the Plan.

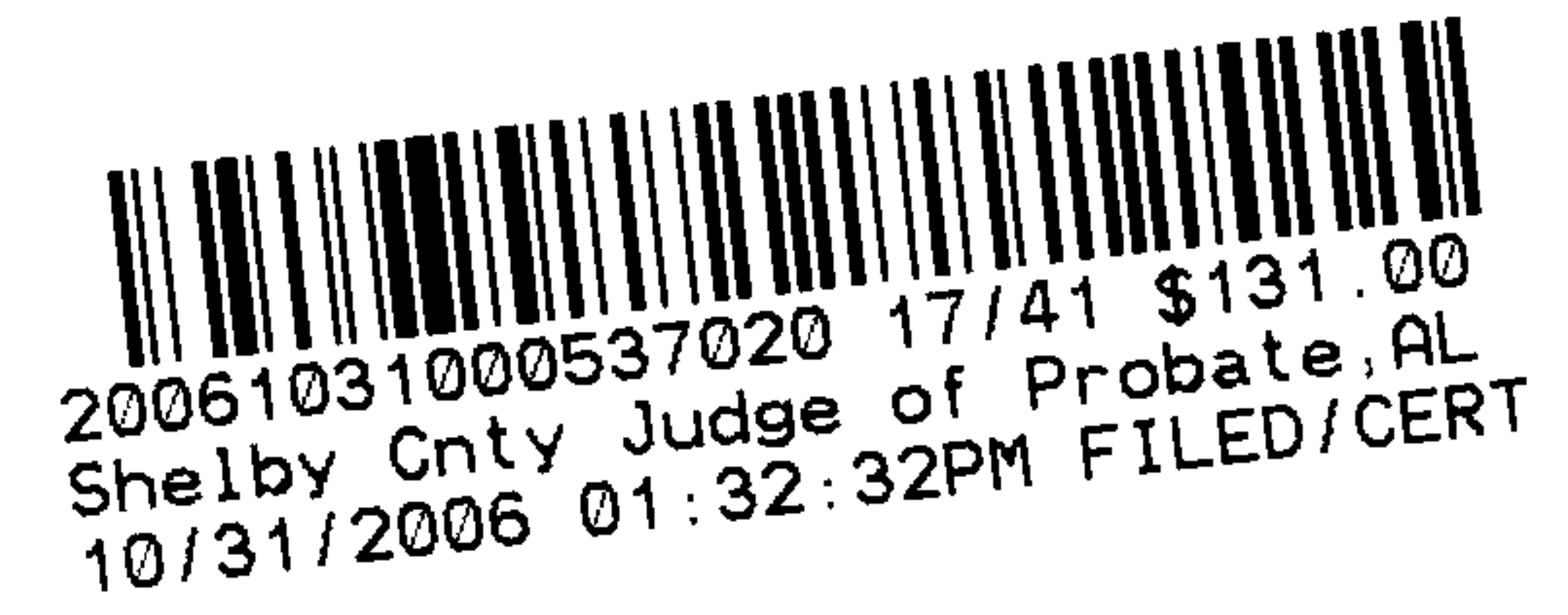
2. Objections.

a. Liberty Mutual. Liberty Mutual's filed objection to the Plan is mooted by the Debtors' amendments to the Plan as reflected in the blacklined version filed on Friday, May 13, 2005. Liberty Mutual's oral objection to the Debtors' proposed settlement of the objection filed by the holders of Designated Claims (as defined below) is OVERRULED.

b. The Bankruptcy Administrator. The Bankruptcy Administrator's objection to the Plan regarding third-party releases was amended in open court at the Confirmation Hearing to be limited to releases for the Persons who served as directors and officers of the Debtors. The Bankruptcy Administrator's objection, as amended, is OVERRULED. c

AVCO. AVCO's objection to confirmation of the Plan regarding third-party releases regarding the Debtors' and Committee's professionals is MOOT because the Debtors withdrew that provision from the Plan. The remainder of AVCO's objection regarding third-party releases is OVERRULED. AVCO's objection to the Gatekeeper Provision (as defined below in Paragraph 40) in Section 11.3 of the Plan is SUSTAINED IN PART and





OVERRULED IN PART, and the Gatekeeper Provision remains effective only until the substantial consummation of the Plan. AVCO's objection to confirmation of the Plan with respect to the Disallowed Claim reserve in Section 7.6 and Article VIII of the Plan is OVERRULED, but this Court retains jurisdiction and authority to enter a separate order at any time for the limited purpose of creating a specific reserve for AVCO's Class 5 Claims as this Court deems appropriate. The objection AVCO raised at the Confirmation Hearing with respect to settlement rights of the Debtors and the Insurers in Section 8.1 of the Plan is OVERRULED. AVCO's objection to the Plan with respect to the setoff issue was resolved by agreement of the parties by the inclusion of language in the Plan. AVCO's objection with respect to its right to vote is moot, because AVCO's vote was counted. AVCO's objection with regard to consolidation was resolved by agreement of the parties by the inclusion of appropriate language in the Plan.

All Objections to confirmation of the Plan that have not been withdrawn, waived, or settled and all reservations of rights included therein, are overruled on the merits. All withdrawn objections are deemed withdrawn with prejudice.

3. Provisions of Plan and Confirmation Order Nonseverable and Mutually Dependent. The provisions of the Plan and this Confirmation Order, including the findings of fact and conclusions of law set forth herein, are nonseverable and mutually dependent.

4. Plan Classification Controlling. The classification of Claims and Equity Interests for purposes of the distributions to be made under the Plan shall be governed solely by the terms of the Plan. The classifications set forth on the Ballots tendered to or returned by the Debtors' creditors 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 or Equity Interests under the Plan for distribution purposes, and (c) may not be relied upon by any creditor or interest holder as representing the actual classification of such Claims or Equity Interests under the Plan for distribution purposes.

5. Binding Effect. Pursuant to Section 1141 of the Bankruptcy Code, effective as of the Effective Date, but subject to consummation of the Plan and except as expressly provided in the Plan or this Confirmation Order, the provisions of the Plan (including the exhibits to and all documents and agreements executed pursuant to, the Plan) and the Confirmation Order shall be binding on (a) the Debtors, (b) all holders of Claims against and Equity Interests in any of the Debtors, whether or not impaired under the Plan and whether or not, if impaired, such holders accepted the Plan, (c) each Person acquiring property under the Plan, (d) any other party in interest, (e) any Person making an appearance in the Chapter 11 cases, and (f) each of the foregoing's respective heirs, successors, assigns, trustees, executors, administrators, affiliates, officers, directors, agents, representatives, attorneys, beneficiaries, or guardians.

6. Executory Contracts. All executory contracts or unexpired leases assumed by the Debtors during the Chapter 11 cases or under the Plan shall be assigned and transferred to and remain in full force and effect for the benefit of, the Reorganized Debtors, notwithstanding any provision in such contract or lease (including those described in Sections 365(b)(2) and (f) of the Bankruptcy Code) that purports to prohibit such assignment or transfer or that enables or requires termination of such contract or lease.

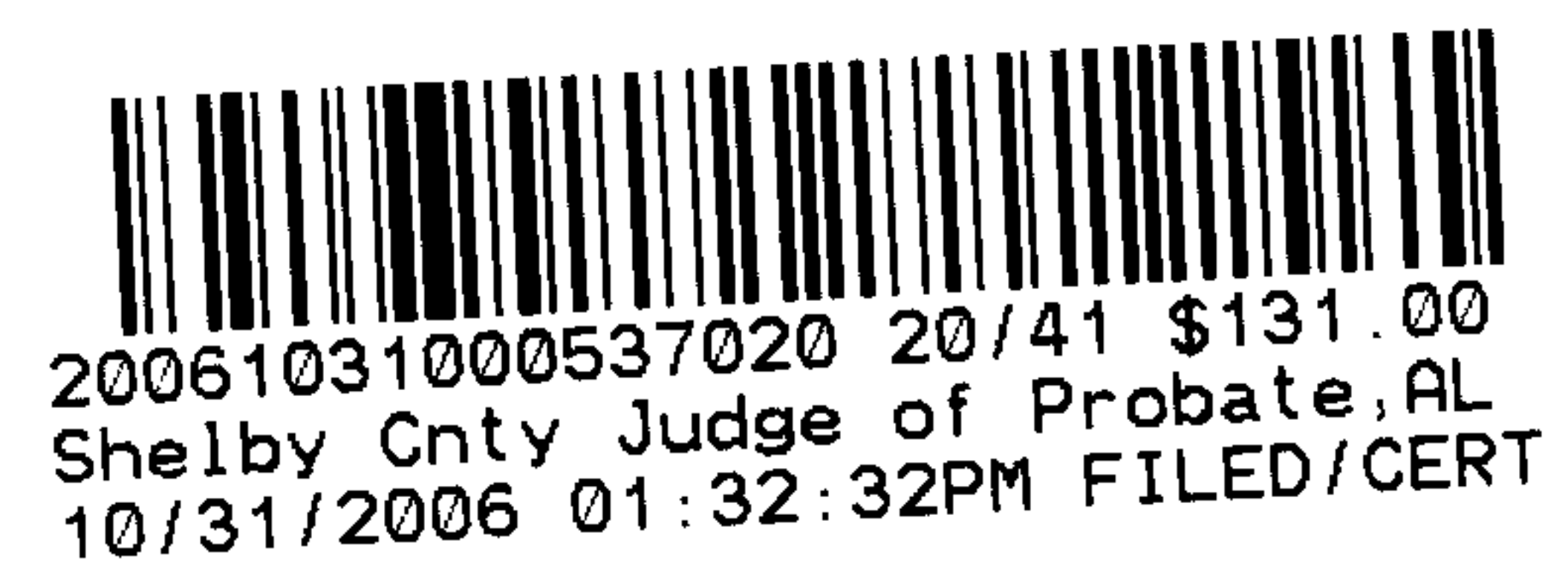
7. DIP Facility. On or prior to the Effective Date, the commitments under the DIP Facility shall terminate, all amounts owing under or in respect of the DIP Facility shall



be paid in full in cash and any outstanding letters of credit under and in connection with the DIP Facility shall have been paid or satisfied or the Debtors shall have provided cash collateral to the DIP Agent in accordance with the terms of the DIP Facility. The security interests securing the DIP Facility, whether existing on the Petition Date or thereafter created or acquired, shall continue until the full satisfaction of all the obligations arising under the DIP Facility. Notwithstanding the entry of this Confirmation Order, the DIP Facility and the documents and agreements entered into in connection therewith shall constitute and continue to constitute the legal, valid and binding obligations of the Reorganized Debtors enforceable against the Reorganized Debtors in accordance with their respective terms, until payment in full of all obligations arising thereunder. The DIP Order shall remain in full force and effect until the later of the Effective Date or the date all obligations arising under the DIP Facility and the DIP Order are paid in full.

8. On the Effective Date, except as otherwise provided for in the Plan, all the property of the Debtors' estates is vested in the Reorganized Debtors. Such transfers of property by the Debtors to the Reorganized Debtors (1) are or shall be legal, valid and effective transfers of property, (2) vest or shall vest the Reorganized Debtors with good title to such property free and clear of all liens, charges, Claims, encumbrances, or interests, except as expressly provided in the Plan or Confirmation Order, (3) do not and shall not constitute avoidable transfers under the Bankruptcy Code or under applicable nonbankruptcy law, and (4) do not and shall not subject the Debtors to any liability by reason of such transfer under the Bankruptcy Code or under applicable nonbankruptcy law, including, without limitation, any laws affecting successor or transferee liability.

9. The distribution of New Common Stock, New Preferred Stock, Warrants and



the New Subordinated Note to others in exchange for their Claims and rights is fair and for reasonably equivalent value.

10. All Equity Interests are terminated effective upon the Effective Date.

11. The New Common Stock, New Preferred Stock and Warrants to be issued under the Plan in exchange for Claims against the Debtors are exempt from registration under the Securities Act of 1933 and any state or local law requiring registration pursuant to and to the extent provided by, Section 1145 of the Bankruptcy Code. To the extent that the New Subordinated Note is deemed to be a "security" under section 2(1) of the Securities Act of 1933 and section 101 of the Bankruptcy Code, the New Subordinated Note is also exempt from any such registration requirements.

12. Releases. The releases, exculpation and indemnification provisions contained in the Plan, including but not limited to those provided in Article V of the Plan are hereby authorized, approved and binding on all persons and entities who may have had standing to assert such Claims or Causes of Action and who granted or were deemed to grant the releases under the Plan.

13. Injunctions. The injunctions contained in the Plan, including but not limited to those provided in Article V of the Plan are hereby authorized, approved and binding on all persons and entities who may have had standing to assert any Released Actions against any Released Party.

14. Assumed Executory Contracts and Leases. Except as otherwise provided in the Plan, this Confirmation Order, or in any contract, instrument, release, or other agreement or document entered into in connection with the Plan, all of the executory contracts and unexpired leases set forth on Exhibit G to the Disclosure Statement, all Collective Bargaining



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Agreements and Employee Retirement Plans and all Customer Agreements and Supplier Agreements, to the extent they constitute assumable executory contracts, are hereby deemed assumed, effective as of the Effective Date, except those contracts or leases that (a) were previously assumed or rejected by the Debtors, (b) expired or terminated pursuant to their own terms during the pendency of the Chapter 11 cases or (c) are set forth on Exhibit H to the Disclosure Statement.

15. Rejected Contracts and Leases. All of the executory contracts and leases set forth on Exhibit H to the Disclosure Statement and all Employment Contracts that are not listed on Exhibit G, to the extent they constitute executory contracts, are hereby deemed rejected, effective as of the date of the Effective Date. If the Debtors' rejection of an executory contract or unexpired lease pursuant to the Plan gives rise to a Claim by the non-Debtor party or parties to such contract or lease (a "Rejection Claim"), such Rejection Claim shall be forever barred and shall not be enforceable against the applicable Debtor or their respective successors or properties unless a proof of Claim is filed and served on the Debtors and their counsel within thirty (30) days after the service of the earlier of (i) notice of this Confirmation Order or (ii) another notice that the executory contract has been rejected. Upon the filing of any such Rejection Claims, the Reorganized Debtors will have sixty (60) days in which to dispute said Rejection Claims.

16. Approval of Assumed Executory Contracts and Leases. The Debtors' assumption of the Assumed Executory Contracts is hereby approved. The Assumed Executory Contracts shall remain in full force and effect for the benefit of the Reorganized Debtors, notwithstanding any provision in such an Assumed Executory Contract (including those described in Sections 365(b), (c), (e) and (f) of the Bankruptcy Code) or under





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applicable non-bankruptcy law that purports to (a) terminate, modify, or restrict, or permit a party other than the debtor party to terminate, modify or restrict, such contract or lease or the debtor party's rights thereunder, (b) create or impose, or permit a party other than the debtor party to create or impose any additional duties, obligations, penalties, default rates of interest or payments (monetary and nonmonetary) upon the debtor party as a result of (i) the filing of a petition for relief under Chapter 11 of the Bankruptcy Code by the debtor party or (ii) the debtor party's insolvency or financial condition at any time before its Chapter 11 case is closed, or (c) prohibit, condition, or restrict assignment or transfer of such contract or lease. Any party to an Assumed Executory Contract that has not filed or does not file an objection to the proposed cure amount set forth in the *Debtors' Cure Notice for Their Second Amended Joint Plan of Reorganization Under Chapter 11 of the Bankruptcy Code*, filed with the Court on May 5, 2005 (the "Cure Notice"), within five (5) days of the service of the Cure Notice is deemed to have agreed to assumption and the proposed cure amount. Where a party has been deemed to accept a cure amount by virtue of its failure to object to the proposed cure amount within five (5) days of the service of the Cure Notice, any objection to the cure amount set forth in the Cure Notice is forever barred. Where a party to an Assumed Executory Contract objects to the proposed cure amount within five (5) days of the service of the Cure Notice, the resolution of that dispute shall be governed by the procedures set forth in the Cure Notice.

17. General Authorizations. Pursuant to Section 1142(b) of the Bankruptcy Code, (a) the Debtors, their officers and directors and (b) all other necessary parties are authorized and empowered to (x) execute and deliver any instrument, agreement or document and (y) perform any act that is necessary, desirable, or required to comply with the terms and conditions of the Plan and are authorized and empowered, without limitation, to:



(a) take all actions necessary or appropriate to enter into, implement and consummate the contracts, instruments and other agreements or documents created in connection with the Plan; provided, however, that the Debtors may make such additional changes to the Plan as the Debtors deem necessary, without notice and a hearing under Section 1127(b) of the Bankruptcy Code or disclosure or resolicitation under Section 1127(c) of the Bankruptcy Code, as long as such changes do not adversely affect the rights of any nonconsenting party in interest; and

(b) take such steps as they deem necessary or desirable to prepare for and effect the consummation of the Plan in accordance with the Plan.

18. Authorizations Under Delaware Law and Other Applicable Law. The Debtors and the Reorganized Debtors are authorized, empowered and directed pursuant to Section 303 of the Delaware General Corporation Law and other applicable corporation, limited liability company and limited partnership laws of jurisdictions in which the Reorganized Subsidiaries are incorporated, organized or formed, to take any and all actions necessary or desirable to implement the transactions contemplated by the Plan and this Confirmation Order (including entry into the Restated Credit Agreement), all without further corporate action or action of the directors, stockholders, managers, members or general partners, as the case may be, of the Debtors or the Reorganized Debtors, including but not limited to the dissolution of Holdings.

19. Exemption From Certain Taxes. Pursuant to Section 1146(c) of the Bankruptcy Code:

(a) the issuance, transfer, or exchange of any security, or the making, delivery, filing, or recording of any instrument of transfer under the Plan, shall not be taxed under any law imposing a recording tax, stamp tax, transfer tax, or similar tax;

(b) without limiting the generality of subparagraph (a) above, the making, delivery, filing, or recording at any time of any deed, bill of sale, mortgage, leasehold mortgage, deed of trust, leasehold deed of trust, memorandum of lease, notice of lease, assignment, leasehold assignment, security agreement, financing statement, or other instrument of absolute or collateral transfer required by, or deemed necessary or desirable by the parties to the Plan, including without limitation all such documentation executed in connection with the Restated Credit Agreement and other agreements or instruments contemplated by or related thereto shall not be so taxed and all recording and filing officers and clerks are hereby directed to accept for filing or



recording and to file or record immediately upon presentation thereof, the Mortgages without payment of any such taxes; and

(c) all filing or recording officers, wherever located and by whomever appointed, are hereby directed to comply with the foregoing and this Court specifically retains jurisdiction to enforce the foregoing direction, by contempt or otherwise.

20. Bar Date for Administrative Expense Claims. Except as otherwise ordered by this Court, all requests for payment of an Administrative Expense Claim must be filed with the Bankruptcy Court and served on counsel for the Debtors and counsel for the Pre-Petition Agent not later than forty-five (45) days after the Confirmation Date, which will be the Administrative Expense Claim Bar Date. Notwithstanding anything to the contrary in the Plan, no Administrative Expense Claim request need be filed for the allowance of any: (i) Professional Fee Claims; (ii) Administrative Expense Claim that has been allowed by order of the Bankruptcy Court or proof of which already has been filed with the Bankruptcy Court in accordance with the Bankruptcy Code, Bankruptcy Rules and rules and orders of the Bankruptcy Court; (iii) fees of the Bankruptcy Administrator arising under 28 U.S.C. § 1930; and (iv) liabilities incurred in the ordinary course of business by the Debtors (these Claims may include, without limitation, post-Petition Date salaries and other post-Petition Date benefits for employees, post-Petition Date rent for facilities and offices, amounts owed to vendors providing goods and services during the Debtors' Reorganization cases and tax obligations incurred by the Debtors after the Petition Date). The holder of an Administrative Expense Claim who fails to file a claim on or before the Administrative Bar Date is forever barred, estopped and enjoined from (i) asserting any and all Administrative Expense Claims that such holder possesses against the Debtors, their successors and assigns and (ii) receiving distributions under the Plan on account of such Administrative Expense Claim. Any proof of claim filed after the Administrative Expense Claim Bar Date shall be disallowed, unless



otherwise provided herein, in the Plan or ordered by the Bankruptcy Court. Unless the Debtors or the Pre-Petition Agent object to an Administrative Expense Claim within forty-five (45) days after receipt of such request, such Administrative Expense Claim will be deemed Allowed in the amount requested. In the event that the Debtors or the Pre-Petition Agent object to an Administrative Expense Claim, the Bankruptcy Court will determine the Allowed Amount of such Administrative Expense Claim. From and after the Effective Date, the Reorganized Debtors may retain and compensate professionals without application to, or order of, this Court.

21. Professional Fee Claims. All final requests for Professional Fee Claims must be filed with the Court not later than forty-five (45) days after the Effective Date. Objections to the applications of such professionals or other entities for compensation or reimbursement of expenses must be filed and served on the Debtors and their counsel and the requesting professional or other entity not later than two (2) weeks prior to the hearing date of the applications. The Reorganized Debtors and Debtors shall be liable for all Professional Fee Claims Allowed by the Bankruptcy Court.

22. Resolution of Claims. Except as otherwise ordered by this Court, any Claim, other than a Professional Fee Claim, that is not an Allowed Claim shall be determined, resolved, or adjudicated in accordance with the terms of the Plan.

23. Claims Objection Deadline. All objections to Claims must be filed and served on the holders of such Claims by one hundred and eighty (180) days after the Effective Date, or a later date determined by order of the Bankruptcy Court prior to such 180th day.

24. Good Faith Compromise. The provisions of the Plan constitute a good faith compromise and settlement of all Claims or controversies relating to the enforcement or

termination of all contractual, legal, equitable subordination and turnover rights that a holder of a Claim or Equity Interest or the Debtors may have with respect to any Allowed Claim or Equity Interest, or any distribution to be made pursuant to the Plan on account of such Claim. The compromise or settlement of all such Claims or controversies is approved under Bankruptcy Rule 9019 as being fair, equitable and reasonable and in the best interests of the Debtors, the Reorganized Debtors and the holders of Claims and Equity Interests.

25. Payment of Fees. All fees payable by the Debtors under 28 U.S.C. § 1930 shall be paid on or before the Effective Date and neither the Debtors nor the Reorganized Debtors, shall thereafter be liable for the payment of any additional fees under 28 U.S.C. § 1930.

26. Failure to Consummate Plan. Unless extended by the mutual agreement of the Debtors and the Pre-Petition Agent, in the event the conditions specified in Section 10.2 of the Plan have not been satisfied or waived in accordance with Section 10.3 of the Plan by the date that is the later of thirty (30) days after entry of this Confirmation Order or June 15, 2005, (i) this Confirmation Order will be vacated; (ii) no distributions under the Plan will be made; (iii) the Debtors and all holders of Claims and Equity Interests will be restored to the status quo ante as of the day immediately preceding the Confirmation Date as though the Confirmation Date had never occurred; and (iv) all the Debtors' obligations with respect to the Claims and Equity Interest will remain unchanged and nothing contained in the Plan will be deemed to constitute a waiver or release of any Claims or claims by or against the Debtors or any other entity or to prejudice in any manner the rights of the Debtors or any other entity in any proceedings further involving the Debtors.

27. Discharge of the Debtors. Pursuant to Section 1141(d) of the Bankruptcy Code, except as otherwise specifically provided in the Plan or in this Confirmation Order, the



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distributions and rights that are provided in the Plan shall be in complete satisfaction, discharge and release, effective as of the Confirmation Date (but subject to the occurrence of the Effective Date), of Claims and Causes of Action, whether known or unknown, against, liabilities of, liens on, obligations of, rights against and Equity Interests in the Debtors or any of their assets or properties, regardless of whether any property shall have been distributed or retained pursuant to the Plan on account of such Claims, rights and Equity Interests, including, but not limited to, demands and liabilities that arose before the Effective Date, any liability (including withdrawal liability) to the extent such Claims relate to services performed by employees of the Debtors prior to the Petition Date and that arise from a termination of employment or a termination of any employee or retiree benefit program regardless of whether such termination occurred prior to or after the Confirmation Date and all debts of the kind specified in Sections 502(g), 502(h) or 502(i) of the Bankruptcy Code, in each case whether or not (i) a proof of Claim or Equity Interest based upon such debt, right, or Equity Interest is filed or deemed filed under Section 501 of the Bankruptcy Code, (ii) a Claim or Equity Interest based upon such debt, right, or Equity Interest is allowed under Section 502 of the Bankruptcy Code, or (iii) the holder of such a Claim, right, or Equity Interest accepted the Plan. This Confirmation Order hereby constitutes a judicial determination of the discharge of all liabilities of and Equity Interests in the Debtors as set forth above, subject to the Effective Date occurring.

28. Retention of Jurisdiction. Pursuant to Sections 105(a) and 1142 of the Bankruptcy Code and notwithstanding the entry of this Confirmation Order or the occurrence of the Effective Date, this Court shall retain exclusive jurisdiction over the bankruptcy cases and also all matters arising under, arising in, or related to, the Chapter 11 cases and the Plan





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to the fullest extent permitted by law, including, among other things, jurisdiction over the matters set forth in section 12.1 of the Plan. Notwithstanding the foregoing sentence, the Bankruptcy Court shall have non-exclusive jurisdiction over any litigation concerning the rights and obligations of any party with respect to any Insurance Policy issued to Debtors or Reorganized Debtors before the Effective Date. However, after the substantial consummation of the Plan, holders of Potentially Insured Claims may pursue recovery on insurance policies (naming one or more Debtor(s) as a nominal party only) in the Bankruptcy Court, to the extent allowed by law, as well as other fora that have appropriate jurisdiction and venue (subject to the below provisions regarding Designated Claims). Nothing in this Order limits the power of the Bankruptcy Court to enforce the Plan or the Bankruptcy Court's judgments and orders or to exercise non-exclusive jurisdiction to the fullest extent permitted by law.

29. Notice of Occurrence of Effective Date. On or before the tenth (10th) Business Day following the occurrence of the Effective Date, the Debtors shall serve notice of entry of this Confirmation Order and occurrence of the Effective Date pursuant to Fed. R. Bankr. P. 2002(f)(7), 2002(k) and 3020(c) on all creditors, equity security holders, the Bankruptcy Administrator and other parties in interest, by causing a notice (the "Notice of Effective Date"), to be delivered to such parties by first-class mail, postage prepaid; provided, however, that notice need not be given or served under the Bankruptcy Code, the Bankruptcy Rules, or this Confirmation Order to any Person to whom the Debtors mailed a notice of the Confirmation Hearing, but received such notice returned marked "undeliverable as addressed," "moved-left no forwarding address" or "forwarding order expired," or similar reason, unless the Debtors have been informed in writing by such Person of that Person's new address. The notice described herein is adequate under the particular circumstances and no



other or further notice is necessary.

30. Publication/Notice. Within ten (10) Business Days after the occurrence of the Effective Date, or as soon thereafter as is practical, the Reorganized Debtors shall cause to be published one time in "*The New York Times*" the Notice of Effective Date. The Reorganized Debtors may, but are not required to, also publish the Notice of Effective Date in such other papers or publications as they deem appropriate.

31. Environmental Issues. Nothing in this Confirmation Order or the Plan shall release, discharge, enjoin, or preclude any environmental Claim of any governmental unit against the Debtors (a) that had not arisen (and therefore could not have been asserted) as of the Effective Date or (b) under environmental statutes or regulations that any entity would be subject to subsequent to the Effective Date as the owner or operator of property after the Effective Date and cannot, as a matter of law, be discharged under the Bankruptcy Code. Moreover, nothing in this Confirmation Order or the Plan releases, nullifies, enjoins, or precludes any liability of non-Debtors to governmental units arising exclusively under environmental statutes or regulations.

32. Headings. The headings contained within this Confirmation Order are used for the convenience of the parties and shall not alter or affect the meaning of the text of this Confirmation Order.

33. References to Plan Provisions. The failure specifically to include or reference any particular provision of the Plan in this Confirmation Order shall not diminish or impair the effectiveness of such provision, it being the intent of the Court that the Plan be confirmed in its entirety.

34. Confirmation Order Controlling. If there is any conflict or inconsistency

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between the Plan and this Confirmation Order, the terms of this Confirmation Order shall control.

35. Pension Plan Issues. Nothing in the Plan or this Confirmation Order shall be construed as discharging or releasing any liability to the PBGC or the Pension Plans of the Debtors or the Debtors' successors, including the Reorganized Debtors, or any fiduciary to the Pension Plans, for any liabilities under any law or regulation governing the Pension Plans. The PBGC and the Pension Plans shall not be enjoined or precluded from enforcing such liabilities as a result of any provision of the Plan or this Confirmation Order.

36. Grimes County. The County of Grimes, Texas and Navasota Independent School District will hereby expressly retain all property tax liens they now hold, including those for post-petition taxes, until all taxes, penalties and interest protected by those liens have been paid and their taxes for the 2005 tax year are hereby designated to be ordinary course expenses and will be timely paid when otherwise due without the necessity of filing Administrative Expense Claims or making requests for payment, or, if not so paid, shall be subject to state court collection without further recourse to the Bankruptcy Court.

37. Ford Rejection Claims. Notwithstanding anything to the contrary in the Plan, any Allowed Claim of Ford Motor Company or its affiliates for rejection damages for a Rejected Executory Contract will be deemed a General Unsecured Claim except to the extent the holder of such Allowed Claim is determined by the Bankruptcy Court, after notice and a hearing, to hold a valid security deposit or other security interest, or valid right of setoff or recoupment. Any other claim of Ford Motor Company or its affiliates for pre-rejection damages arising under a Rejected Executory Contract will have the priority, if any, accorded it under the Bankruptcy Code and applicable bankruptcy law when allowed and as determined

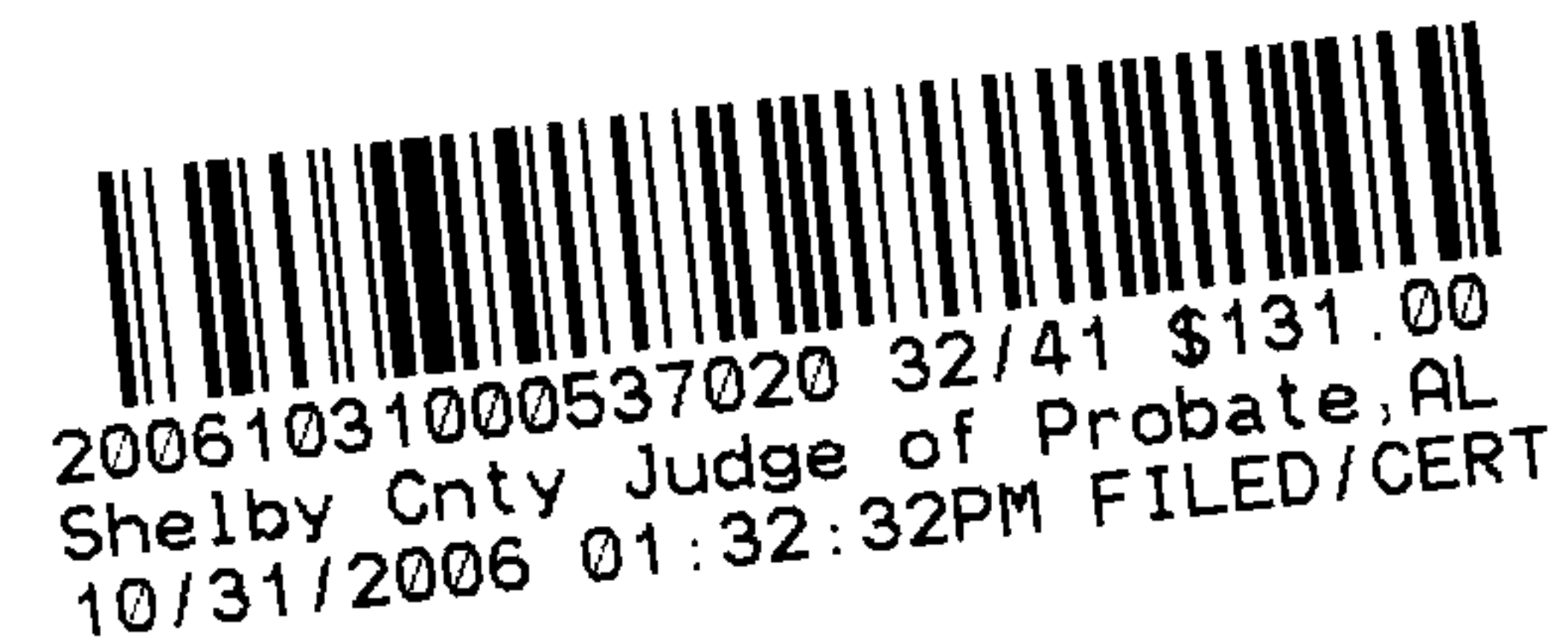


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by the Bankruptcy Court after notice and a hearing as part of the claims allowance process.

38. Certain Silica/Asbestos Claimants. Pursuant to Section 11.3 of the Plan, inter alia, (a) the holders of Potentially Insured Claims that have not been released or Disallowed (including without limitation the Designated Claims as defined below) are entitled, solely to the extent allowed under applicable non-bankruptcy law, to commence and maintain an action in the Bankruptcy Court after the Claims Objection Deadline against the Insurer or Insurers who issued such Insurance Policy or Insurance Policies and, for nominal purposes only, against the relevant Debtor(s); and (b) the Bankruptcy Court shall determine, in the first instance pursuant to applicable bankruptcy law, in what forum such Claims shall ultimately be determined. As agreed to by the Debtors and the holders of those 214 claims listed on Exhibit A hereto (the "Designated Claims"), the Court hereby finds and determines that, after the date that is 90 days after the Effective Date (with any applicable statutes of limitation for the Designated Claims being deemed tolled as if the automatic stay were still in effect until such date), the Designated Claims may be pursued and prosecuted, solely to the extent permissible under applicable non-bankruptcy law, in such non-bankruptcy fora as may have appropriate jurisdiction and venue over such Designated Claims, provided that (1) a Designated Claim was the subject of a Proof of Claim timely filed before the Bar Date and (2) the Proof of Claim was not withdrawn, superseded or replaced by another Proof of Claim. The holders of the Designated Claims irrevocably agree that any judgment or settlement obtained by a holder of a Designated Claim shall be satisfied solely from insurance proceeds to the extent authorized by Section 11.3 of the Plan unless there is a deficiency, in which event the holders of a Designated Claim may seek to recover such deficiency from the Debtors, but that the Holders' recovery from the Debtors or the Reorganized Debtors and their





respective estates on account of all such Designated Claims shall not exceed \$7,500 of Allowed Class 5 Claim per Designated Claim and \$1,597,500 of Allowed Class 5 Claims in the aggregate for all Designated Claim holders, and the distributions to which the holders of Allowed Class 5 Claims in such amount (based on \$7,500 per Designated Claim and a total amount for all Designated Claims not to exceed \$1,597,500) are entitled under the Plan. To the extent any of the Designated Claims are ultimately determined to be Insured Claims, the holders thereof irrevocably waive their right to recover from any Person any self-insured retention or deductible or similar amount. For the avoidance of doubt, the holders of the Designated Claims irrevocably agree, and this Court orders, bars and enjoins, such holders from either receiving or attempting to receive or otherwise recover (whether prior or subsequent to securing any judgment on such Claims from any court or other tribunal) any recovery of any kind from the Debtors, the Reorganized Debtors, the Released Parties or their respective estates other than, with respect to the Debtors, (a) any proceeds available from the insurance policies of the Debtors as authorized by Section 11.3 of the Plan and (b) Class 5 Claims in an amount not to exceed \$7,500 per Designated Claim and \$1,597,500 for all Designated Claims collectively, and the Plan distributions thereon. For the avoidance of doubt, nothing in Sections 5.3 or 5.4 of the Plan shall (a) operate as a release of a Designated Claim against the Debtors or (b) preclude any holder of a Designated Claim that is a Potentially Insured Claim from pursuing nominal actions against the Debtors to the extent expressly permitted by, and as provided for in, Section 11.3 of the Plan. While the Debtors' objections in these bankruptcy cases to the Designated Claims shall technically remain pending, the Court hereby abstains from deciding those objections, which shall be decided, in effect, by the results of any properly maintained non-bankruptcy litigation, other than



objections by any Person asserting that (1) a Designated Claim was not the subject of a Proof of Claim timely filed before the Bar Date or (2) the Proof of Claim was withdrawn, superseded or replaced by another Proof of Claim, which objections may be heard and decided by this Court. Moreover, nothing in this Confirmation Order (including paragraph 2(a) hereof) shall affect or impair the right of any Insurer to disclaim coverage to the extent permissible under any Insurance Policy or applicable law (including to allege that the Debtors' agreement to this paragraph itself provides a valid basis for disclaiming coverage). The Bankruptcy Court shall retain exclusive jurisdiction to interpret the meaning of this provision.

39. AVCO Reserve. The Court shall retain jurisdiction and authority to enter a separate order at any time to provide a reserve for AVCO's Class 5 Claims, if appropriate.

40. Effect of "Gatekeeper" Limitation. The provisions in the second paragraph of Section 11.3 of the Plan and in Section 12.2 of the Plan relating to the requirements that an action on a Potentially Insured Claim be commenced or maintained in the first instance in the Bankruptcy Court and that the Bankruptcy Court has exclusive jurisdiction to determine in which fora the action will proceed (the "Gatekeeper Provision") shall be given effect only until the substantial consummation of the Plan has occurred. However, nothing in this paragraph limits the Bankruptcy Court's jurisdiction as provided by applicable law or other provisions of the Plan or this Confirmation Order.

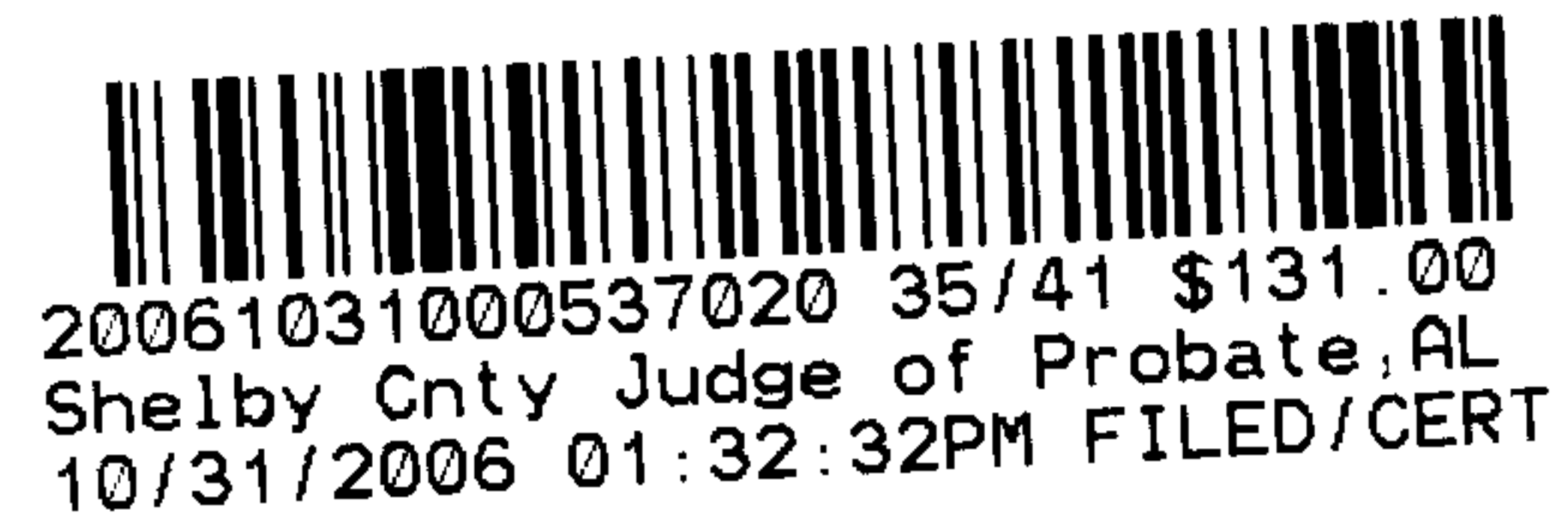
41. Jury Trial. To the extent any claimant is entitled to a jury trial pursuant to 28 U.S.C. § 157(b)(5), nothing in this Confirmation Order diminishes or expands that claimant's right to a jury trial.

42. The Existence of the Committee. On the Effective Date, the Committee will dissolve and the members will be released and discharged from all rights and duties arising

from or related to the Chapter 11 cases. The professionals retained by the Committee and the members thereof shall not be entitled to compensation or reimbursement of expenses for any services rendered after the Effective Date, except for services rendered and expenses incurred in connection with any application for allowance of compensation and reimbursement of expenses pending on the Effective Date or filed and served after the Effective Date.

43. Consolidation for Voting and Distribution Purposes. On and after the Effective Date, each and every Claim filed or to be filed in the Chapter 11 cases against any of the Debtors shall be deemed filed against the consolidated Debtors and shall be deemed a single consolidated Claim against and an obligation of all of the consolidated Debtors. Such limited consolidation shall not affect (other than for Plan voting and distribution purposes) (i) the legal and corporate structures of the Reorganized Debtors, or (ii) pre- or post-Petition Date Liens, guarantees or security interests that are required to be maintained (x) in connection with contracts that were entered into during the Chapter 11 cases or that have been or will be assumed pursuant to § 365 of the Bankruptcy Code, (y) in connection with the terms of the Restated Credit Agreement, the New Preferred Stock, the New Common Stock or the New Subordinated Note or (z) pursuant to the terms and conditions contained in the Plan. From and after the Effective Date, each of the Reorganized Debtors will be deemed a separate and distinct entity, properly capitalized, vested with all of the assets of such debtor as they existed prior to the Effective Date and having the liabilities and obligations provided for under the Plan. Nothing herein shall be deemed to create a claim by AVCO against ISW or any other Debtor against whom it did not specifically file a proof of claim in these jointly administered bankruptcy cases. This provision shall not effect the nature of any claim by or against AVCO and the substantive consolidation provided for in this Section 4.1 shall be solely for voting





and distribution under the Plan.

44. Committee Claims Monitor. The Committee has designated Alan J. Dreher as Committee Claims Monitor. The appointment of the Committee Claims Monitor terminates upon the earlier of (i) the resolution of all Disputed Claims that are General Unsecured Claims the asserted amount of which exceeds \$500,000 and (ii) eighteen (18) months after the Effective Date. The Debtors shall pay the fees and expenses of the Committee Claims Monitor; provided that the aggregate fees and expenses shall not exceed \$50,000. Upon application to the Bankruptcy Court by the Committee Claims Monitor for allowance of additional fees and expenses, the Bankruptcy Court, for good cause shown and upon proper notice to the DIP Agent and Pre-Petition Agent, may allow fees and expenses up to an additional \$50,000 over and above the original \$50,000 authorization, but in no event shall the total allowed fees and expenses of the Committee Claims Monitor exceed \$100,000.


45. Corporate Structure. All changes to the corporate structure of the Debtors that have taken place during the pendency of these bankruptcy cases and the changes to the corporate structure of the Reorganized Debtors contemplated by Section 6.2.2 of the Plan and Exhibit A to the Plan are authorized and approved.

46. Class 3 Record Date. The Distribution Record Date for Class 3 Pre-Petition Credit Agreement Secured Party Claims shall be the Confirmation Date.

47. Substantial Consummation. "Substantial Consummation" of the Plan, as defined in 11 U.S.C. § 1101(2), shall be deemed to occur on the Effective Date.

48. Effectiveness of this Confirmation Order. This Confirmation Order shall be effective according to its terms upon its entry upon the docket.

**ORDERED** that this Bankruptcy Court shall retain jurisdiction to hear and determine

  
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all matters arising from the implementation of this Confirmation Order.

**SO ORDERED**, this 18<sup>th</sup> day of May, 2005.

/s/ Tamara O. Mitchell  
**Tamara O. Mitchell**  
**United States Bankruptcy Judge**



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## EXHIBIT A

### to Order Confirming the Debtors' Third Amended Joint Plan of Reorganization Under Chapter 11 of the Bankruptcy Code

Claim Number	Creditor's Name
1475	Adams, Granville Ray
1476	Allen, John Rickv
1469	Alsbrooks, Oren (Deceased)
1470	Amason, Elmar
1471	Armstrong, David Ray Sr.
1472	Arnold, Joseph Burl
1466	Ash, Cleon
1473	Ash, Tommie Jr.
1467	Babers, William (Deceased)
1132	Bailey, Jr., Mr. Casper
1468	Baker, Wendall Leonard
1465	Bass, Micheal Lanier
1463	Bazoon, Ray E.
1464	Bentley, Anthony Wayne
1462	Bentley, Gerald Don
1461	Blake, Joseph Waylon
1460	Bledsoe, Allene Marrell
1459	Booker, Willie Embry
1458	Boykin, Henry Jr.
1457	Branch, Jessie B.
1456	Brock, James Homer
1454	Brown, Earnest Whit
1133	Brown, Mr. Earnest Whit
1453	Brown, Johnny Mack
1455	Brown, Nolan (Deceased)
1452	Brown, Willie James
1450	Burns, Bobby Dee
1449	Butler, Dennis Wayne
1512	Bvrd, Larry Wayne
1511	Calhoun, Joe (Deceased)
1451	Capps, Hickey Eugene
1510	Cartwright, George Earl
1509	Chambless, Narlon Lindsey
1508	Chapman, Austin Sr.
1131	Chapman, Sr., Mr. Austin
1448	Clark, Acie
1507	Clark Arthur Jr.
1447	Cole Elrige. Jr.



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1443	Coleman, Alton
1444	Colter, James Earl
1445	Coldwell, Euel
1130	Coldwell, Mr. Euel
1446	Costner, Jimmie (Deceased)
1442	Crawford, Paul Fredrick
1440	Crooms, Kervin Dial
1441	Crow, Sammy Joe
1439	Daniel, Howard
1478	Davenport, Deloris Ann
1477	Davensport, Billy Claude
1479	Davis, Jimmy Lee
1129	Davis, Mr. Jimmie Lee
1480	Davis, Luther Edmond
1474	Davis, Roy Eddie
1126	Davis, Mr. Willie Alger
1127	Dixon, Jr., Mr. Oscar
1505	Dixon, Oscar Jr.
1506	Dixon, Robert (Deceased)
1504	Doggett, Bobby
1501	Dunn, Glenn Edward
1503	Dunn, Levi (Deceased)
1500	Dunn, Marvin Glenn
1499	Dunn, Treadwell Stevenson Sr.
1502	Dunn, Willie (Deceased)
1497	Duran, Jack
1498	Durham, Albert Paul
1128	Eillington, Mr. Robert Earl
1495	Ellington, Earl Jr.
1496	Ellington, Glenn
1494	Evans, Robert Lee
1493	Fernandez, Ricardo Monlan
1492	Flemons, James A.
1491	Fletcher, James Allen
1125	Fredregill, Mr. James Autory
1490	Ford, Willie O'Neal
1485	Fowler, Freddie (Deceased)
1486	Garrett, Mr. Meck Jr.
1122	Garrett, Mr. Travis Lee
1487	Ghant, Charles Freeman
1489	Gibson, Helen Crippen
1488	Gibson, J.C.
1483	Gilder, J.D. (Deceased)
1484	Golden, Gerald (Deceased)
1605	Grady, Strafford Eugene
1606	Gray, George (Deceased)
1607	Green, Scott Franklin







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1608	Greening, Martha (Deceased)
1609	Hageon, Willie Edward
1610	Hancock, Emmery D.
1611	Harris, James Wesley
1601	Hathorn, James Corwan
1602	Havard, Hillery Glenn
1603	Hayes, Roy Neel
1123	Haynes, Mr. Eddie
1604	Henderson, Eddie Lee
1597	Hicks, Lee Millard
1124	Hicks, Mr. Lee Millard
1598	Hightower, Clarence G.
1599	Hill, Kenneth Ray
1600	Hollingsworth, Faye B.
1593	Holman, Ouennon
1594	Holmes, Charles Lee
1595	Honeycutt, Lucille (Deceased)
1585	Honeycutt, Troy
1596	Honeycutt, Troy (Deceased)
1586	Horace, Sherman Jr.
1587	Horn, George Reuben
1588	Howard, Johnnie Cole
1589	Hubband, Winfred Norman
1590	Hutchison, Enerstine McCreary
1591	Ivey, Dallas Wade
1579	Jackson, Fulton Edward
1592	Jackson, Otis (Deceased)
1580	Jackson, Stanley Wayne
1581	Jacobs, John H.
1120	James, Mr. Elton
1623	Jones, Larry Wayne
1582	Jenkins, Doris E.
1121	Jenkins, Ms. Doris E.
1583	Johnson, Garfield
1622	Johnson, Marrell Sr.
1119	Johnson, Mr. Mertie (Deceased)
1584	Johnson, Robert
1621	Johnson, Wade D.
1624	Jones, Eugene
1625	Kelley, Garlin Jr.
1626	Kessinger, Ellis
1627	Lane, Harold
1628	Lee, Elray
1617	Lee, Jerry Lynn
1618	Leviness, Dizzy Dean
1619	Lewing, Billy Clark
1620	Manning, Charles (Deceased)

1519	Manthei, Paul Emal
1514	Mark, Cleveland
1516	Mark, Clyde E.
1515	Mark, Earl (Deceased)
1517	Maxie, Tommie Gene
1518	McGaaghey, Kent Allen
1118	McClendon, Mr. Johnnie
1513	Menefee, Elton Ray
1576	Menefee, John A.
1577	Mijares, Juan Alberto
1568	Mitchell, Alma Jo
1566	Mitchell, Clifford
1567	Mitchell, Earnest Carlton
1578	Mitchell, Lewis (Deceased)
1569	Molandes, Leonard Andrew
1570	Monroe, Climie (Deceased)
1571	Moody, Jesse James
1572	Moore, John L.
1573	Morton, James (Deceased)
1574	Mullins, Lonnie Gene
1575	Nettles, Gaston (Deceased)
1560	Patterson, James (Deceased)
1561	Patterson, Jerry Wayne
1562	Patton, Carl Murray
1563	Patton, Raythel
1117	Pelton, Mr. Owen Frank
1564	Pennywell, Curley
1565	Petties, Alonzo Croffard
1557	Pinner, Kenneth Earl
1558	Plummer, Lloyd Wesley
1115	Plummer, Mr. Llovd Wesley
1116	Polk, Mr. John Edward
1114	Polk, Mr. Kelvin
1559	Randle, Charles Ferrol
1555	Rector, Charles Henry
1556	Reynolds, Fred L.
1552	Richard, Ciffer Lee
1553	Rigsby, J.V.
1554	Rivers, Imogene (Deceased)
1545	Rodgers, J.D. (Deceased)
1546	Rogers, Joe Nathan
1547	Ross, Willie Emmitt .
1548	Sanders, Curtis
1109	Sanders, Mr. Curtis
1549	Servin, Jose
1108	Session, Mr. Robert
1550	Sexton, Earnest Oliver

  
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1110	Sexton, Jr., Mr. Earnest Oliver
1551	Shaw, Robert
1541	Siffor, Charles William
1542	Simon, R.A.
1543	Singletary, Billy Ray
1544	Smith, Gregory Hollis
1612	Smith, Jack Earl
1613	Smith, Johnnie
1614	Smith, Melvin
1615	Sowel, J.T.
1539	Stanbery, Bobbv Gene
2183	Stanbery, Bobby Gene
1540	Stansberry, Jamie Louise
1536	Stephens, Reginald Wayne
1537	Taylor, Peggy (Deceased)
1538	Temple, Leeland Wayne
1531	Temple, Olean Beatrice
1532	Thomas, Arthur (Deceased)
1533	Thomas, Lloyd (Deceased)
1534	Thomas, Ruth Laverne
1535	Thompson, David Larry
1111	Tobias, Mr. Abraham
1527	Upshaw, Ethelrine Childress
1528	Walker, William Jackson
1529	Wallace, Loven
1113	William, Mr. John Thomas
1530	Williams, Betty Ruth
1523	Williams, John Thomas.
1524	Williams, Winfield (Deceased)
1525	Willmon, Charles Floyd
1526	Wilson, Willie (Deceased)
1520	Wise, John Thomas
1112	Whisenant, Mr. Elton
1522	Wood, Dorothy Louise
1521	Wood, Lonnie Taylor