

THE STATE OF NEW HAMPSHIRE

MERRIMACK, SS.

SUPERIOR COURT

Docket No. 03-E-0106

**In the Matter of the Liquidation of
The Home Insurance Company**

**LIQUIDATOR'S MOTION FOR APPROVAL OF ESCROW
AGREEMENT PURSUANT TO SETTLEMENT AGREEMENT WITH
WESTERN ASBESTOS SETTLEMENT TRUST**

Roger A. Sevigny, Insurance Commissioner for the State of New Hampshire, as Liquidator ("Liquidator") of The Home Insurance Company ("Home"), moves that the Court enter an order in the form submitted herewith approving an Escrow Agreement ("Escrow Agreement") among the Western Asbestos Settlement Trust ("Trust"), Home (by the Liquidator), and Wells Fargo Bank, N.A. ("Wells Fargo"), as escrow agent ("Escrow Agent"), and establishing the escrow account ("Western Home Escrow") subject to the Court's continuing jurisdiction. As reasons therefor, the Liquidator states:

Background

1. The Trust and the Liquidator propose to enter the Escrow Agreement with Wells Fargo in accordance with the Settlement Agreement and Mutual Release ("Settlement Agreement") dated February 18, 2011 between the Liquidator and the Trust, in its capacity as the sole owner of Western Asbestos Company, and pursuant to the authority granted in the Order Confirming Second Amended Joint Plan of Reorganization and Granting Related Relief as the successor to MacArthur Co. and Western MacArthur Co. to "initiate, prosecute, defend and resolve" all Asbestos Insurance Actions in the name of MacArthur Co., Western MacArthur Co. and/or Western Asbestos Company (the "MacArthur Companies") (collectively, "Claimants"). The Settlement Agreement resolved the Claimants' proofs of claim in the Home liquidation. The

Court approved the Settlement Agreement on May 2, 2011. Affidavit of Peter A. Bengelsdorf, Special Deputy Liquidator, in Support of Motion for Approval of Escrow Agreement Pursuant to Settlement Agreement with Western Asbestos Settlement Trust (“Bengelsdorf Aff.”) ¶ 2.

2. The Settlement Agreement provides that, in the event that the Claimants pursue any claim under the Policies against any Insurance Guaranty Association, the amount allowed as a Class II claim in the Home liquidation shall be the Recommended Amount set forth in the Settlement Agreement minus certain amounts. Settlement Agreement ¶ 9(B)(1). Bengelsdorf Aff. ¶ 3.

3. The Settlement Agreement further provides that if, at the time the Liquidator is to make a distribution, (i) the Claimants are pursuing a claim against any Insurance Guaranty Association with respect to the Policies, (ii) Claimants do not waive the right to pursue claims against any Insurance Guaranty Association with respect to the Policies, or (iii) an Insurance Guaranty Association against whom Claimants have obtained a Recovery could still assert a claim in the Home liquidation regarding the Recovery, then the distribution amount shall be placed in escrow with a mutually acceptable third-party escrow agent pending certain developments. Settlement Agreement ¶ 9(B)(3). The Western Home Escrow is to be established and administered pursuant to a mutually acceptable written escrow agreement and shall be jointly administered with respect to investment of the escrowed funds. *Id.* Bengelsdorf Aff. ¶ 4.

4. The Court approved a 15% interim distribution to claimants with allowed Class II claims by order dated March 13, 2012 (as amended July 2, 2012), subject to receipt of a waiver of Federal Priority Act claims from the United States. As described in the Liquidator’s Report Regarding Release Agreement with the United States (November 6, 2014), the Liquidator received such a waiver on November 5, 2014. Bengelsdorf Aff. ¶ 5.

5. The Trust is pursuing claims under the Policies against the California Insurance Guarantee Association (“CIGA”) in Snyder, et al. v. California Insurance Guarantee Association, No. RG-13-666656 (Superior Court of California, County of Alameda). Accordingly, the distribution amount, as determined in accordance with the Settlement Agreement, must be placed in the Western Home Escrow pursuant to the Settlement Agreement. Bengelsdorf Aff. ¶ 6.

The Escrow Agreement

6. In these circumstances, the Liquidator and the Trust have sought to provide for the Western Home Escrow to hold and invest distributions from the Home estate pursuant to the Settlement Agreement and to provide for disbursement of escrowed amounts in accordance with the provisions of the Settlement Agreement. The Trust, Home, and Wells Fargo have now agreed on the form of Escrow Agreement attached hereto as Exhibit A. The Escrow Agreement is subject to the approval of the Court. Escrow Agreement § 1.1. The Escrow Agreement contemplates that the Western Home Escrow will be a qualified settlement fund under Treasury Regulation § 1.468B, which requires that it be established by court approval and subject to the continuing jurisdiction of the Court. Id. § 1.5(a). Bengelsdorf Aff. ¶ 7.

7. The Escrow Agreement provides that, upon approval by the Court, the Liquidator will deliver \$36,328,251 to the Escrow Agent. Escrow Agreement § 1.1. That sum represents the 15% interim distribution on the Recommended Amount less certain deducted amounts.¹ Additional amounts may be delivered to the Escrow Agent by the Liquidator in the event that additional Class II distributions are made from the Home estate. Id. The Escrow Agent will hold and invest the amounts deposited in accordance with joint written instructions by the parties. Id. §1.2. The Escrow Agent will disburse the Western Home Escrow amounts in accordance with the joint written instructions of the parties. Id. §1.3. Bengelsdorf Aff. ¶ 8.

¹ The parties have reserved their rights as to the deduction of certain amounts under the Settlement Agreement. See Escrow Agreement § 1.1.

8. In the Escrow Agreement, the Trust and the Liquidator acknowledge that all matters between them, including the determination of joint instructions to the Escrow Agent for the disbursement of escrowed amounts, are governed by the Settlement Agreement. Escrow Agreement § 4.5. The Settlement Agreement provides that the exclusive venue for any dispute arising out of the Settlement Agreement is this Court. Settlement Agreement ¶ 13. The Escrow Agreement provides that if any dispute arises or if the Escrow Agent is in doubt as to any action to be taken under the Escrow Agreement, the Escrow Agent may retain the Western Home Escrow amounts pending a determination by this Court as to delivery of the funds or may file an interpleader action with this Court. Escrow Agreement §3.5. Bengelsdorf Aff. ¶ 9.

9. The Escrow Agreement provides for the compensation of the Escrow Agent by the Trust to be paid from the escrowed funds. Escrow Agreement § 3.4 and Ex. C thereto. It also provides for indemnities of the Escrow Agent by the Trust and limits the Escrow Agent's liability. *Id.* §§ 1.5(d), 3.1, 3.2. Bengelsdorf Aff. ¶ 10.

10. The Liquidator and Trust seek to provide clarity for taxation regarding amounts deposited in the Western Home Escrow. The Escrow Agreement accordingly provides for the Western Home Escrow to be classified as a qualified settlement fund under Treasury Regulation § 1.468B-1. Escrow Agreement § 1.5(a). Bengelsdorf Aff. ¶ 11. The establishment of the Western Home Escrow is intended to satisfy the requirements of a Qualified Settlement Fund pursuant to Treasury Regulation § 1.468B-1(c), which requires that:

- (1) It is established pursuant to an order of, or is approved by, the United States, any state (including the District of Columbia), territory, possession, or political subdivision thereof, or any agency or instrumentality (including a court of law) of any of the foregoing and is subject to the continuing jurisdiction of that governmental authority;
- (2) It is established to resolve or satisfy one or more contested or uncontested claims that have resulted or may result from

an event (or related series of events) that has occurred and that has given rise to at least one claim asserting liability—

- (i) Under the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (hereinafter referred to as CERCLA), as amended, 42 U.S.C. 9601 et seq.; or
 - (ii) Arising out of a tort, breach of contract, or violation of law; or
 - (iii) Designated by the Commissioner [of Internal Revenue] in a revenue ruling or revenue procedure; and
- (3) The fund, account, or trust is a trust under applicable state law, or its assets are otherwise segregated from other assets of the transferor (and related persons).

Treasury Regulation Section 1.468B-1(c).

11. In this case, under the Escrow Agreement and the present motion, the three requirements of §1.468B-1(c) are met insofar as: (a) the Western Home Escrow will be established pursuant to this Court's order and approval and subject to its continuing jurisdiction; (b) the Western Home Escrow will be established in accordance with the Settlement Agreement to further the resolution of contested claims of liability for alleged breach of contract (insurance policies) asserted by Claimants against Home by proof of claim in the Home liquidation; and (c) the Western Home Escrow will be segregated from the assets of Home as it will be held by the Escrow Agent.

12. Subject to the terms of the Escrow Agreement, Wells Fargo Bank, N.A., 333 South Grand Ave, Los Angeles, California will serve as the escrow agent to administer the Western Home Escrow subject to the continuing jurisdiction of the Court. See Escrow Agreement § 1.5(a). The Liquidator will report to the Court regarding the status of the Western Home Escrow in the Liquidator's reports. Bengelsdorf Aff. ¶ 12.

13. The Court's approval and order establishing the Western Home Escrow will serve the interests of the Trust and of the Home estate because it will facilitate distributions with

respect to the settlement of Claimants' claims in the Home liquidation. It will also allow the parties to derive the tax benefits associated with qualified settlement funds. Bengelsdorf Aff. ¶ 13.

14. The Liquidator's negotiation of the Escrow Agreement in furtherance of the Settlement Agreement and the Court's approval of the Escrow Agreement are proper in light of the Liquidator's authority, "[s]ubject to the court's control," to "do such other acts . . . as are necessary or expedient for the accomplishment of or in aid of the purpose of liquidation." RSA 402-C:25, XXII.

15. The Liquidator submits that the Escrow Agreement is fair and reasonable, appropriately serves to implement the Settlement Agreement, and is in the best interests of the policyholders and creditors of Home. See Bengelsdorf Aff. ¶ 14.

WHEREFORE, the Liquidator respectfully requests that this Court:

- A. Grant this Motion;
- B. Enter an Order in the form submitted herewith approving the Escrow Agreement and taking continuing jurisdiction over the Western Home Escrow; and
- C. Grant such other and further relief as justice may require.

Respectfully submitted,

ROGER A. SEVIGNY, INSURANCE
COMMISSIONER OF THE STATE OF
NEW HAMPSHIRE SOLELY AS
LIQUIDATOR OF THE HOME
INSURANCE COMPANY,

By his attorneys,

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May 28, 2015

Exhibit A – Escrow Agreement

Certificate of Service

I hereby certify that a copy of the foregoing Liquidator's Motion for Approval of Escrow Agreement Pursuant to Settlement Agreement with Western Asbestos Settlement Trust, the Affidavit of Peter A. Bengelsdorf, and the Proposed Order, were sent this 28th day of May, 2015, by first class mail, postage prepaid to all persons on the attached service list.

A copy of these papers is also being provided to counsel for the Trust and to representatives of Wells Fargo.



Eric A. Smith
NH Bar ID No. 16952

THE STATE OF NEW HAMPSHIRE

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ESCROW AGREEMENT

This Escrow Agreement, dated this ___ day of _____ (the "Escrow Agreement"), is entered into by and among the Western Asbestos Settlement Trust ("Trust") and The Home Insurance Company ("Home"), by Roger A. Sevigny, Commissioner of Insurance the State of New Hampshire, solely in his capacity as Liquidator ("Liquidator") of Home (the Trust and Home together are the "Parties," and individually, a "Party"), and Wells Fargo Bank, National Association, a national banking association, as escrow agent ("Escrow Agent").

RECITALS

A. The Trust is the sole owner of Western Asbestos Company and pursuant to authority granted in the Order Confirming Second Amended Joint Plan of Reorganization and Granting Related Relief, dated January 27, 2004, is authorized as the successor to MacArthur Co. and Western MacArthur Co. to "initiate, prosecute, defend and resolve" all Asbestos Insurance Actions in the name of MacArthur Co., Western MacArthur Co. and/or Western Asbestos Company (the "MacArthur Companies"), In re: Western Asbestos Co. et. al., Bankr. N.D. Cal., Case Nos. 02-46284 T through 02-02-46286 T.

B. Home was declared insolvent and ordered liquidated and the Insurance Commissioner of the State of New Hampshire and her successors in office was appointed as its liquidator by the Order of Liquidation entered by the Superior Court for Merrimack County, New Hampshire (the "Liquidation Court") on June 13, 2003. Roger A. Sevigny, Insurance Commissioner of the State of New Hampshire, is the present Liquidator.

C. The Trust and the MacArthur Companies (collectively "Claimants") and the Liquidator entered into a Settlement Agreement and Mutual Release dated February 18, 2011 (the "Settlement Agreement"). The Settlement Agreement was approved by the Liquidation Court by order issued May 2, 2011.

D. The Settlement Agreement provides that, in the event that Claimants pursue any claim under the Policies against any Insurance Guaranty Association, the amount allowed as a Class II claim in the Home liquidation shall be the Recommended Amount minus certain amounts. Settlement Agreement ¶ 9(B)(1).

E. The Settlement Agreement provides that if, at the time the Liquidator is to make a distribution, (i) the Claimants are pursuing a claim against any Insurance Guaranty Association with respect to the Policies, (ii) Claimants do not waive the right to pursue claims against any Insurance Guaranty Association with respect to the Policies, or (iii) an Insurance Guaranty Association against whom Claimants have obtained a Recovery could still assert a claim in the Home liquidation regarding the Recovery, then the distribution amount shall be placed in escrow with a mutually acceptable third-party escrow agent pending certain developments. Settlement Agreement ¶ 9(B)(3). The Settlement Agreement provides that the escrow shall be established and administered pursuant to a mutually acceptable written escrow agreement and shall be jointly administered with respect to investment of the escrowed funds. Id.

F. The Liquidation Court approved a 15% interim distribution to claimants with allowed Class II claims by order dated March 13, 2012 (as amended July 2, 2012), subject to receipt of a waiver of Federal Priority Act claims from the United States. The Liquidator received such a waiver on November 5, 2014.

G. The Trust is pursuing claims under the Policies against the California Insurance Guarantee Association (“CIGA”) in Snyder, et al. v. California Insurance Guarantee Association, No. RG-13-666656 (Superior Court of California, County of Alameda).

H. The Liquidator and the Trust accordingly seek to establish an escrow account and enter this Escrow Agreement to hold and invest amounts to be distributed to Claimants and to provide for disbursement of amounts in the escrow account to the Trust or to the Liquidator pursuant to joint instructions in accordance with the provisions of the Settlement Agreement.

I. The Parties acknowledge that the Escrow Agent is not a party to, is not bound by, and has no duties or obligations under, the Settlement Agreement, that all references in this Escrow Agreement to the Settlement Agreement are for convenience, and that the Escrow Agent shall have no implied duties beyond the express duties set forth in this Escrow Agreement.

In consideration of the promises and agreements of the Parties and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties and the Escrow Agent agree as follows:

ARTICLE 1 ESCROW DEPOSIT

Section 1.1. Receipt of Escrow Property. Upon approval of this Escrow Agreement by the Liquidation Court, the Liquidator will deliver to the Escrow Agent the amount of \$36,328,251 (the “Escrow Property”) in immediately available funds designated for deposit in accordance with this Escrow Agreement, which amount consists of the 15% initial distribution on the \$242,500,000 Recommended Amount minus \$311,660, which amount is currently disputed between the Trust and the Liquidator. By placing the above undisputed amount of \$36,328,251 into escrow, neither party waives their respective positions as to the disputed amount or any further fees submitted by CIGA to the Liquidator. The Liquidator may deliver additional amounts in the event that additional Class II distributions are made from the Home estate.

Section 1.2. Investments.

(a) The Escrow Agent is authorized and directed to deposit, transfer, hold and invest the Escrow Property and any investment income thereon as set forth in Exhibit A hereto, or as otherwise set forth in any subsequent written instruction signed by both Parties. Any investment earnings and income on the Escrow Property shall become part of the Escrow Property, and shall be disbursed in accordance with Section 1.3 or Section 1.6 of this Escrow Agreement.

(b) The Liquidator and the Trust shall provide joint written instructions signed by both Parties to sell or redeem investments to make any payments or distributions required under

this Escrow Agreement. The Escrow Agent shall have no responsibility or liability for any loss which may result from any investment or sale of investment made pursuant to this Escrow Agreement. In the event of such loss, neither the Liquidator nor the Trust shall have any obligation to contribute additional funds to reinstate the Escrow Property. The Escrow Agent is hereby authorized, in making or disposing of any investment permitted by the joint instructions of the Liquidator and the Trust, to deal with itself (in its individual capacity) or with any one or more of its affiliates, whether it or any such affiliate is acting as agent of the Escrow Agent or for any third person or dealing as principal for its own account, provided such dealing is based on commercially reasonable terms. The Parties acknowledge that the Escrow Agent is not providing investment supervision, recommendations, or advice.

Section 1.3. Disbursements. The Escrow Agent shall disburse the Escrow Property in accordance with the joint written instructions of the Parties.

Section 1.4. Security Procedure For Funds Transfers. The Escrow Agent shall confirm each funds transfer instruction received in the name of a Party by means of the security procedure selected by such Party and communicated to the Escrow Agent through a signed certificate in the form of Exhibit B-1 or Exhibit B-2 attached hereto, which upon receipt by the Escrow Agent shall become a part of this Escrow Agreement. Once delivered to the Escrow Agent, Exhibit B-1 or Exhibit B-2 may be revised or rescinded only by a writing signed by an authorized representative of the Party. Such revisions or rescissions shall be effective only after actual receipt and following such period of time as may be necessary to afford the Escrow Agent a reasonable opportunity to act on it. If a revised Exhibit B-1 or B-2 or a rescission of an existing Exhibit B-1 or B-2 is delivered to the Escrow Agent by an entity that is a successor-in-interest to such Party, such document shall be accompanied by additional documentation satisfactory to the Escrow Agent showing that such entity has succeeded to the rights and responsibilities of the Party under this Escrow Agreement.

The Parties understand that the Escrow Agent's inability to receive or confirm funds transfer instructions pursuant to the security procedure selected by such Party may result in a delay in accomplishing such funds transfer, and agree that the Escrow Agent shall not be liable for any loss caused by any such delay.

Section 1.5. Income Tax Allocation and Reporting.

(a) The parties understand and agree that, following approval of this Escrow Agreement by the Liquidation Court, the Escrow Account shall be classified as a qualified settlement fund under Treasury Regulation section 1.468B-1. The Liquidator will move for such approval upon agreement by the Parties and Escrow Agent to the form of this Escrow Agreement. On approval, the Escrow Account shall be subject to the continuing jurisdiction of the Liquidation Court. The Escrow Account will therefore be subject to federal income tax on its modified gross income annually. The Escrow Account must file an income tax return on Form 1120-SF with respect to each taxable year that the Escrow Account is in existence, whether or not the Escrow Account has gross income for that taxable year under Treasury Regulation Section 1.468B-2(k)(1). The Escrow Account may also be required to file quarterly returns of estimated tax. The Trust shall obtain for the Escrow Account a Taxpayer Identification Number

and provide the Taxpayer Identification Number to the Escrow Agent and the Liquidator. The Trust shall also timely prepare, without charge, all quarterly and annual income tax returns for the Escrow Account and submit them, with a copy to the Liquidator, to the Escrow Agent for signature and filing by the Escrow Agent. The Escrow Agent shall deposit income tax shown on such returns (including any payments of estimated tax) with an authorized government depository in accordance with Treasury Regulations section 1.6302-1 at the time of filing those returns using solely income earned by the Escrow Account, without regard to the joint-written-instructions requirement of Section 1.3 *supra*. The Escrow Agent shall comply with the information reporting requirement of Treasury Regulation section 1.468B-2(l) with respect to payments and distributions from the Escrow Account.

(b) For certain payments made pursuant to this Agreement, the Escrow Agent may be required to make a “reportable payment” or “withholdable payment” and in such cases the Escrow Agent shall have the duty to act as a payor or withholding agent, respectively, that is responsible for any tax withholding and reporting required under Chapters 3, 4, and 61 of the United States Internal Revenue Code of 1986, as amended (the “Code”). The Escrow Agent shall have the sole right to make the determination as to which payments are “reportable payments” or “withholdable payments.” All parties to this Agreement shall provide an executed IRS Form W-9 or appropriate IRS Form W-8 (or, in each case, any successor form) to the Escrow Agent prior to closing, and shall promptly update any such form to the extent such form becomes obsolete or inaccurate in any respect. The Escrow Agent shall have the right to request from any party to this Agreement, or any other Person entitled to payment hereunder, any additional forms, documentation or other information as may be reasonably necessary for the Escrow Agent to satisfy its reporting and withholding obligations under the Code. To the extent any such forms to be delivered under this Section 1.5(b) are not provided prior to or by the time the related payment is required to be made or are determined by the Escrow Agent to be incomplete and/or inaccurate in any respect, the Escrow Agent shall be entitled to withhold on any such payments hereunder to the extent withholding is required under Chapters 3, 4, or 61 of the Code, and shall have no obligation to gross up any such payment.

(c) The Liquidator shall provide to the Escrow Agent no later than February 15 of the year following each calendar year in which the Liquidator makes a transfer to the Escrow Account the statement required by Treasury Regulation section 1.468B-3(e)(2) and shall attach a copy of the statement to (and as part of) Home’s timely filed income tax return (including extensions) for the taxable year of Home in which the transfer is made.

(d) To the extent that the Escrow Agent becomes liable for the payment of any taxes in respect of income derived from the investment of the Escrow Property, the Escrow Agent shall satisfy such liability to the extent possible from the Escrow Property. The Trust shall indemnify, defend and hold the Escrow Agent harmless from and against any tax, late payment, interest, penalty or other cost or expense that may be assessed against the Escrow Agent on or with respect to the Escrow Property and the investment thereof unless such tax, late payment, interest, penalty or other expense was directly caused by the gross negligence or willful misconduct of the Escrow Agent. The indemnification provided by this Section 1.5(d) shall be satisfied to the extent possible from the Escrow Property. The indemnification provided by this Section 1.5(d) is in addition to the indemnification provided in Section 3.1 and shall survive the resignation or

removal of the Escrow Agent and the termination of this Escrow Agreement. Upon such termination, the Trust shall prepare for filing by the Escrow Agent the final income tax return for the Escrow Account and the request for Prompt Assessment set forth in Treasury Regulation § 1.468B-2(m). The Trust shall provide the Liquidator with a copy of the proposed filings when they are provided to the Escrow Agent.

Section 1.6. Statements. The Escrow Agent shall provide the Parties with monthly and annual statements regarding the Escrow Account reflecting all interest and investment earnings and all charges and disbursements during each statement period.

Section 1.7. Termination. This Escrow Agreement shall terminate upon the disbursement of all of the Escrow Property as provided for in ¶ 9(B)(3) of the Settlement Agreement, including any interest and investment earnings thereon, except that the provisions of Sections 1.5(d), 3.1 and 3.2 hereof shall survive termination and the Escrow Agent is authorized and directed to disburse the Escrow Property in accordance with Section 1.3 of this Escrow Agreement.

ARTICLE 2 DUTIES OF THE ESCROW AGENT

Section 2.1. Scope of Responsibility. Notwithstanding any provision to the contrary, the Escrow Agent is obligated only to perform the duties specifically set forth in this Escrow Agreement, which shall be deemed purely ministerial in nature. Under no circumstance will the Escrow Agent be deemed to be a fiduciary to any Party or any other person under this Escrow Agreement. The Escrow Agent will not be responsible or liable for the failure of any Party to perform in accordance with this Escrow Agreement. The Escrow Agent shall neither be responsible for, nor chargeable with, knowledge of the terms and conditions of any other agreement, instrument, or document other than this Escrow Agreement, whether or not an original or a copy of such agreement has been provided to the Escrow Agent; and the Escrow Agent shall have no duty to know or inquire as to the performance or nonperformance of any provision of any such agreement, instrument, or document. References in this Escrow Agreement to any other agreement, instrument, or document are for the convenience of the Parties, and the Escrow Agent has no duties or obligations with respect thereto. This Escrow Agreement sets forth all matters pertinent to the escrow contemplated hereunder, and no additional obligations of the Escrow Agent shall be inferred or implied from the terms of this Escrow Agreement or any other agreement.

Section 2.2. Attorneys and Agents. The Escrow Agent shall be entitled to rely on and shall not be liable for any action taken or omitted to be taken by the Escrow Agent in accordance with the advice of counsel or other professionals retained or consulted by the Escrow Agent. The Escrow Agent shall be reimbursed as set forth in Section 3.1 for any and all compensation (fees, expenses and other costs) paid and/or reimbursed to such counsel and/or professionals. The Escrow Agent may perform any and all of its duties through its agents, representatives, attorneys, custodians, and/or nominees.

Section 2.3. Reliance. The Escrow Agent shall not be liable for any action taken or not taken by it in accordance with the direction or consent of the Parties or their respective agents,

representatives, successors, or assigns. The Escrow Agent shall not be liable for acting or refraining from acting upon any notice, request, consent, direction, requisition, certificate, order, affidavit, letter, or other paper or document believed by it to be genuine and correct and to have been signed or sent by the proper person or persons, without further inquiry into the person's or persons' authority. Concurrent with the execution of this Escrow Agreement, the Parties shall deliver to the Escrow Agent Exhibit B-1 and Exhibit B-2, which contain authorized signer designations in Part I thereof.

Section 2.4. Right Not Duty Undertaken. The permissive rights of the Escrow Agent to do things enumerated in this Escrow Agreement shall not be construed as duties.

Section 2.5. No Financial Obligation. No provision of this Escrow Agreement shall require the Escrow Agent to risk or advance its own funds or otherwise incur any financial liability or potential financial liability in the performance of its duties or the exercise of its rights under this Escrow Agreement.

ARTICLE 3 PROVISIONS CONCERNING THE ESCROW AGENT

Section 3.1. Indemnification. The Trust shall indemnify, defend and hold harmless the Escrow Agent from and against any and all loss, liability, cost, damage and expense, including, without limitation, reasonable attorneys' fees and expenses or other reasonable professional fees and expenses which the Escrow Agent may suffer or incur by reason of any action, claim or proceeding brought against the Escrow Agent, arising out of or relating in any way to this Escrow Agreement or any transaction to which this Escrow Agreement relates, unless such loss, liability, cost, damage or expense shall have been finally adjudicated to have been directly caused by the willful misconduct or gross negligence of the Escrow Agent. The provisions of this Section 3.1 shall survive the resignation or removal of the Escrow Agent and the termination of this Escrow Agreement.

Section 3.2. Limitation of Liability. THE ESCROW AGENT SHALL NOT BE LIABLE, DIRECTLY OR INDIRECTLY, FOR ANY (I) DAMAGES, LOSSES OR EXPENSES ARISING OUT OF THE SERVICES PROVIDED HEREUNDER, OTHER THAN DAMAGES, LOSSES OR EXPENSES WHICH HAVE BEEN FINALLY ADJUDICATED TO HAVE DIRECTLY RESULTED FROM THE ESCROW AGENT'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT, OR (II) SPECIAL, INDIRECT, PUNITIVE, OR CONSEQUENTIAL DAMAGES OR LOSSES OF ANY KIND WHATSOEVER (INCLUDING WITHOUT LIMITATION LOST PROFITS), EVEN IF THE ESCROW AGENT HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH LOSSES OR DAMAGES AND REGARDLESS OF THE FORM OF ACTION.

Section 3.3. Resignation or Removal. The Escrow Agent may resign by furnishing written notice of its resignation to the Parties, and the Parties may remove the Escrow Agent by furnishing to the Escrow Agent a joint written notice of its removal along with payment of all fees and expenses to which the Escrow Agent is entitled through the date of removal. Such resignation or removal, as the case may be, shall be effective thirty (30) days after the delivery of such notice or upon the earlier appointment of a successor, and the Escrow Agent's sole

responsibility thereafter shall be to safely keep the Escrow Property and to deliver the same to a successor escrow agent as shall be appointed by the Parties, as evidenced by a joint written notice filed with the Escrow Agent or in accordance with a court order. If the Parties have failed to appoint a successor escrow agent prior to the expiration of thirty (30) days following the delivery of such notice of resignation or removal, the Escrow Agent may petition the Liquidation Court for the appointment of a successor escrow agent or for other appropriate relief, and any such resulting appointment shall be binding upon the Parties.

Section 3.4. Compensation. The Escrow Agent shall be entitled to compensation for its services as stated in the fee schedule attached hereto as Exhibit C, which compensation shall be paid by the Trust from the Escrow Account. The fee agreed upon for the services rendered hereunder is intended as full compensation for the Escrow Agent's services as contemplated by this Escrow Agreement; provided, however, that in the event that the conditions for the disbursement of funds under this Escrow Agreement are not fulfilled, or the Escrow Agent renders any service not contemplated in this Escrow Agreement, or there is any assignment of interest in the subject matter of this Escrow Agreement, or any material modification hereof, or if any material controversy arises hereunder, or the Escrow Agent is made a party to any litigation pertaining to this Escrow Agreement or the subject matter hereof, then the Escrow Agent shall be compensated for such extraordinary services and reimbursed for all costs and expenses, including reasonable attorneys' fees and expenses, occasioned by any such delay, controversy, litigation or event. If any amount due to the Escrow Agent hereunder is not paid within thirty (30) days of the date due, the Escrow Agent in its sole discretion may charge interest on such amount up to the highest rate permitted by applicable law. The Escrow Agent shall have, and is hereby granted, a prior lien upon the Escrow Property with respect to its unpaid fees, non-reimbursed expenses and unsatisfied indemnification rights, superior to the interests of any other persons or entities and is hereby granted the right to set off and deduct any unpaid fees, non-reimbursed expenses and unsatisfied indemnification rights from the Escrow Property.

Section 3.5. Disagreements. If any conflict, disagreement or dispute arises between, among, or involving any of the Parties or the Escrow Agent concerning the meaning or validity of any provision hereunder or concerning any other matter relating to this Escrow Agreement, or the Escrow Agent is in doubt as to the action to be taken hereunder, the Escrow Agent may, at its option, retain the Escrow Property until the Escrow Agent (i) receives a final non-appealable order of the Liquidation Court directing delivery of the Escrow Property, (ii) receives a written agreement executed by each of the Parties involved in such disagreement or dispute directing delivery of the Escrow Property, in which event the Escrow Agent shall be authorized to disburse the Escrow Property in accordance with such final court order or agreement, or (iii) files an interpleader action in the Liquidation Court, and upon the filing thereof, the Escrow Agent shall be relieved of all liability as to the Escrow Property and shall be entitled to recover reasonable attorneys' fees, expenses and other costs incurred in commencing and maintaining any such interpleader action. The Escrow Agent shall be entitled to act on any such agreement or court order without further question, inquiry, or consent.

Section 3.6. Merger or Consolidation. Any corporation or association into which the Escrow Agent may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer all or substantially all of its corporate trust business and assets as a whole or

substantially as a whole, or any corporation or association resulting from any such conversion, sale, merger, consolidation or transfer to which the Escrow Agent is a party, shall be and become the successor escrow agent under this Escrow Agreement and shall have and succeed to the rights, powers, duties, immunities and privileges as its predecessor, without the execution or filing of any instrument or paper or the performance of any further act. The successor Escrow Agent shall provide notice to the Parties of such succession, including the new information for Section 4.3 hereof, as soon as reasonably possible after the effective date of such succession.

Section 3.7. Attachment of Escrow Property; Compliance with Legal Orders. In the event that any Escrow Property shall be attached, garnished or levied upon by any court order, or the delivery thereof shall be stayed or enjoined by an order of a court, or any order, judgment or decree shall be made or entered by any court order affecting the Escrow Property, the Escrow Agent shall immediately notify the Parties. The Escrow Agent is hereby expressly authorized, in its sole discretion, to respond as it deems appropriate or to comply with all writs, orders or decrees so entered or issued, or which it is advised by legal counsel of its own choosing is binding upon it, whether with or without jurisdiction; provided, however, that the Escrow Agent agrees to confer with the Parties in advance of any response. In the event that the Escrow Agent obeys or complies with any such writ, order or decree it shall not be liable to any of the Parties or to any other person, firm or corporation, should, by reason of such compliance notwithstanding, such writ, order or decree be subsequently reversed, modified, annulled, set aside or vacated.

Section 3.8 Force Majeure. The Escrow Agent shall not be responsible or liable for any failure or delay in the performance of its obligation under this Escrow Agreement arising out of or caused, directly or indirectly, by circumstances beyond its reasonable control, including, without limitation, acts of God; earthquakes; fire; flood; wars; acts of terrorism; civil or military disturbances; sabotage; epidemic; riots; interruptions, loss or malfunctions of utilities, computer (hardware or software) or communications services; accidents; labor disputes; acts of civil or military authority or governmental action; it being understood that the Escrow Agent shall use commercially reasonable efforts which are consistent with accepted practices in the banking industry to resume performance as soon as reasonably practicable under the circumstances.

ARTICLE 4 MISCELLANEOUS

Section 4.1. Successors and Assigns. This Escrow Agreement shall be binding on and inure to the benefit of the Parties and the Escrow Agent and their respective successors and permitted assigns. No other persons shall have any rights under this Escrow Agreement. No assignment of the interest of any of the Parties shall be binding unless and until written notice of such assignment shall be delivered to the other Party and the Escrow Agent and shall require the prior written consent of the other Party and the Escrow Agent (such consent not to be unreasonably withheld).

Section 4.2. Escheat. The Parties are aware that under applicable state law, property which is presumed abandoned may under certain circumstances escheat to the applicable state. The Escrow Agent shall have no liability to the Parties, their respective heirs, legal representatives,

successors and assigns, or any other party, should any or all of the Escrow Property escheat by operation of law.

Section 4.3. Notices. All notices, requests, demands, and other communications required under this Escrow Agreement shall be in writing, in English, and shall be deemed to have been duly given if delivered (i) personally, (ii) by facsimile transmission with written confirmation of receipt, (iii) on the day of transmission if sent by electronic mail (“e-mail”) to the e-mail address given below, and written confirmation of receipt is obtained promptly after completion of transmission, (iv) by overnight delivery with a reputable national overnight delivery service, or (v) by mail or by certified mail, return receipt requested, and postage prepaid. If any notice is mailed, it shall be deemed given five business days after the date such notice is deposited in the United States mail. If notice is given to a party, it shall be given at the address for such party set forth below. It shall be the responsibility of the Parties to notify the Escrow Agent and the other Party in writing of any name or address changes. In the case of communications delivered to the Escrow Agent, such communications shall be deemed to have been given on the date received by the Escrow Agent.

If to the Trust:

Sara Beth Brown, Executive Director
Western Asbestos Settlement Trust
300 East 2nd Street
Suite 1410
Reno, NV 89501
Telephone: 775-324-5511
Fax: 775-325-6200
E-mail: sbbrown@524gtrust.com

and

Paul A. Zevnik
Morgan, Lewis & Bockius, LLP
1111 Pennsylvania Avenue, N.W.
Washington, D.C. 20004
Telephone: 202-739-3000
Fax: 202-739-4755
E-mail: pzevnik@morganlewis.com

If to Home:

Thomas W. Kober, Chief Claims Officer
The Home Insurance Company in Liquidation
61 Broadway
New York, New York 10006-2504
Telephone:

Fax: 212-299-3824
E-mail: tom.kober@homeinsco.com

and

J. Christopher Marshall
Civil Bureau, New Hampshire Department of Justice
33 Capitol Street
Concord, New Hampshire 03301-6397
Telephone: 603-271-3650
Fax: 603-271-2110
E-mail: christopher.marshall@doj.nh.gov

and

J. David Leslie
Rackemann, Sawyer & Brewster, P.C.
160 Federal Street
Boston, Massachusetts 02110
Telephone: 617-951-1131
Fax: 617-542-7437
E-mail: dleslie@rackemann.com

and

Roger E. Warin
Steptoe & Johnson
1330 Connecticut Avenue, N.W.
Washington, D.C. 20036
Telephone: 1 202 429 6280
Fax: 202-429-3902
E-mail: rwarin@steptoe.com

If to the Escrow Agent:

Kheang "TK" Tan
Assistant Vice President
Wells Fargo Bank, N.A.
333 South Grand Ave
Suite 5A
MAC E2064-05A
Los Angeles, CA 90071
Telephone (213) 253-7505
E-mail: Kheang.B.Tan@wellsfargo.com

Section 4.4. Governing Law. This Escrow Agreement shall be governed by and construed in accordance with the laws of the State of New Hampshire.

Section 4.5. Entire Agreement. This Escrow Agreement and the exhibits hereto set forth the entire agreement and understanding of the Parties and the Escrow Agent related to the Escrow Property. The Parties acknowledge that matters between them, including the determination of joint instructions to the Escrow Agent for the disbursement of Escrow Property, are governed by the Settlement Agreement.

Section 4.6. Amendment. This Escrow Agreement may be amended, modified, superseded, rescinded, or canceled only by a written instrument executed by the Parties and the Escrow Agent.

Section 4.7. Waivers. The failure of any party to this Escrow Agreement at any time or times to require performance of any provision under this Escrow Agreement shall in no manner affect the right at a later time to enforce the same performance. A waiver by any party to this Escrow Agreement of any such condition or breach of any term, covenant, representation, or warranty contained in this Escrow Agreement, in any one or more instances, shall neither be construed as a further or continuing waiver of any such condition or breach nor a waiver of any other condition or breach of any other term, covenant, representation, or warranty contained in this Escrow Agreement.

Section 4.8. Headings. Section headings of this Escrow Agreement have been inserted for convenience of reference only and shall in no way restrict or otherwise modify any of the terms or provisions of this Escrow Agreement.

Section 4.9. Counterparts. This Escrow Agreement may be executed in one or more counterparts, each of which when executed shall be deemed to be an original, and such counterparts shall together constitute one and the same instrument.

Section 4.10 Publication; disclosure. The Parties and Escrow Agent acknowledge that this Escrow Agreement and its attachments will be disclosed as an exhibit to public filings with the Liquidation Court. In any public filing with the Liquidation Court, and to the extent that it is necessary to disclose this Escrow Agreement and/or its attachments to individuals or entities not a party or acting for a party to this Escrow Agreement, the Parties and Escrow Agent agree to redact the manual signatures of the signatories to this Escrow Agreement, taxpayer identification numbers, and account numbers (unless disclosure is otherwise required by law).

[The remainder of this page left intentionally blank.]

IN WITNESS WHEREOF, this Escrow Agreement has been duly executed as of the date first written above.

WESTERN ASBESTOS SETTLEMENT TRUST

By: _____
Sara Beth Brown, Executive Director

THE HOME INSURANCE COMPANY, by
ROGER A. SEVIGNY, COMMISSIONER OF
INSURANCE OF THE STATE OF NEW
HAMPSHIRE, SOLELY IN HIS CAPACITY AS
LIQUIDATOR OF THE HOME INSURANCE
COMPANY

By: _____
Thomas W. Kober, Chief Claims Officer

WELLS FARGO BANK, NATIONAL
ASSOCIATION, as Escrow Agent

By: _____

Name: _____

Title: _____

EXHIBIT A

**Agency and Custody Account Direction
For Cash Balances
Wells Fargo Money Market Deposit Accounts**

Direction to use the following Wells Fargo Money Market Deposit Accounts for Cash Balances for the escrow account (the "Account") established under the Escrow Agreement to which this Exhibit A is attached.

You are hereby directed to deposit, as indicated below, or as we both shall direct further in writing from time to time, all cash in the Account in the following money market deposit account of Wells Fargo Bank, National Association:

[Wells Fargo Money Market Deposit Account (MMDA)]

We understand that amounts on deposit in the MMDA are insured, subject to the applicable rules and regulations of the Federal Deposit Insurance Corporation (FDIC), in the basic FDIC insurance amount of \$250,000 per depositor, per insured bank. This includes principal and accrued interest up to a total of \$250,000.

We acknowledge that we have full power to direct investments of the Account.

We understand that we may change this direction at any time and that it shall continue in effect until revoked or modified by us by written notice to you.

Western Asbestos Settlement Trust

By: _____
Sara Beth Brown, Executive Director

The Home Insurance Company, by Roger A.
Sevigny, Commissioner of Insurance of the State
of New Hampshire, solely in his capacity as
Liquidator of Home

By: _____
Thomas W. Kober, Chief Claims Officer

EXHIBIT B-1

The Liquidator certifies that the names, titles, telephone numbers, e-mail addresses and specimen signatures set forth in Parts I and II of this Exhibit B-1 identify the persons authorized to provide direction and initiate or confirm transactions, including funds transfer instructions, on behalf of Liquidator, and that the option checked in Part III of this Exhibit B-1 is the security procedure selected by the Liquidator for use in verifying that a funds transfer instruction received by the Escrow Agent is that of Liquidator.

The Liquidator has reviewed each of the security procedures and has determined that the option checked in Part III of this Exhibit B-1 best meets its requirements; given the size, type and frequency of the instructions it will issue to the Escrow Agent. By selecting the security procedure specified in Part III of this Exhibit B-1, the Liquidator acknowledges that it has elected to not use the other security procedures described and agrees to be bound by any funds transfer instruction, whether or not authorized, issued in its name and accepted by the Escrow Agent in compliance with the particular security procedure chosen by the Liquidator.

NOTICE: The security procedure selected by the Liquidator will not be used to detect errors in the funds transfer instructions given by the Liquidator. If a funds transfer instruction describes the beneficiary of the payment inconsistently by name and account number, payment may be made on the basis of the account number even if it identifies a person different from the named beneficiary. If a funds transfer instruction describes a participating financial institution inconsistently by name and identification number, the identification number may be relied upon as the proper identification of the financial institution. Therefore, it is important that the Liquidator take such steps as it deems prudent to ensure that there are no such inconsistencies in the funds transfer instructions it sends to the Escrow Agent.

Part I

Name, Title, Telephone Number, Electronic Mail ("e-mail") Address and Specimen Signature for person(s) designated to provide direction, including but not limited to funds transfer instructions, and to otherwise act on behalf of the Liquidator

<u>Name</u>	<u>Title</u>	<u>Telephone Number</u>	<u>E-mail Address</u>	<u>Specimen Signature</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

Part II

Name, Title, Telephone Number and E-mail Address for person(s) designated to confirm funds transfer instructions

<u>Name</u>	<u>Title</u>	<u>Telephone Number</u>	<u>E-mail Address</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

Part III

Means for delivery of instructions and/or confirmations

The security procedure to be used with respect to funds transfer instructions is checked below:

- Option 1. Confirmation by telephone call-back. The Escrow Agent shall confirm funds transfer instructions by telephone call-back to a person at the telephone number designated on Part II above. The person confirming the funds transfer instruction shall be a person other than the person from whom the funds transfer instruction was received, unless only one person is designated in both Parts I and II of this Exhibit B-1.
- CHECK box, if applicable:
If the Escrow Agent is unable to obtain confirmation by telephone call-back, the Escrow Agent may, at its discretion, confirm by e-mail, as described in Option 2.
- Option 2. Confirmation by e-mail. The Escrow Agent shall confirm funds transfer instructions by e-mail to a person at the e-mail address specified for such person in Part II of this Exhibit B-1. The person confirming the funds transfer instruction shall be a person other than the person from whom the funds transfer instruction was received, unless only one person is designated in both Parts I and II of this Exhibit B-1. [“_____”] understands the risks associated with communicating sensitive matters, including time sensitive matters, by e-mail. [“_____”] further acknowledges that instructions and data sent by e-mail may be less confidential or secure than instructions or data transmitted by other methods. The Escrow Agent shall not be liable for any loss of the confidentiality of instructions and data prior to receipt by the Escrow Agent.
- CHECK box, if applicable:
If the Escrow Agent is unable to obtain confirmation by e-mail, the Escrow Agent may, at its discretion, confirm by telephone call-back, as described in Option 1.
- Option 3. Delivery of funds transfer instructions by password protected file transfer system only - no confirmation. The Escrow Agent offers the option to deliver funds transfer instructions through a password protected file transfer system. If [“_____”] wishes to use the password protected file transfer system, further instructions will be provided by the Escrow Agent. If [“_____”] chooses this Option 3, it agrees that no further confirmation of funds transfer instructions will be performed by the Escrow Agent.
- Option 4. Delivery of funds transfer instructions by password protected file transfer system with confirmation. Same as Option 3 above, but the Escrow Agent shall confirm funds transfer instructions by telephone call-back or e-mail (must check at least one, may check both) to a person at the telephone number or e-mail address designated on Part II above. By checking a box in the prior sentence, the party shall be deemed to have agreed to the terms of such confirmation option as more fully described in Option 1 and Option 2 above.

Dated this ____ day of May, 2015.

By _____
Name:
Title:

EXHIBIT B-2

The Trust certifies that the names, titles, telephone numbers, e-mail addresses and specimen signatures set forth in Parts I and II of this Exhibit B-2 identify the persons authorized to provide direction and initiate or confirm transactions, including funds transfer instructions, on behalf of the Trust, and that the option checked in Part III of this Exhibit B-2 is the security procedure selected by the Trust for use in verifying that a funds transfer instruction received by the Escrow Agent is that of the Trust.

The Trust has reviewed each of the security procedures and has determined that the option checked in Part III of this Exhibit B-2 best meets its requirements; given the size, type and frequency of the instructions it will issue to the Escrow Agent. By selecting the security procedure specified in Part III of this Exhibit B-2, the Trust acknowledges that it has elected to not use the other security procedures described and agrees to be bound by any funds transfer instruction, whether or not authorized, issued in its name and accepted by the Escrow Agent in compliance with the particular security procedure chosen by the Trust.

NOTICE: The security procedure selected by the Trust will not be used to detect errors in the funds transfer instructions given by the Trust. If a funds transfer instruction describes the beneficiary of the payment inconsistently by name and account number, payment may be made on the basis of the account number even if it identifies a person different from the named beneficiary. If a funds transfer instruction describes a participating financial institution inconsistently by name and identification number, the identification number may be relied upon as the proper identification of the financial institution. Therefore, it is important that the Trust take such steps as it deems prudent to ensure that there are no such inconsistencies in the funds transfer instructions it sends to the Escrow Agent.

Part I

Name, Title, Telephone Number, Electronic Mail (“e-mail”) Address and Specimen Signature for person(s) designated to provide direction, including but not limited to funds transfer instructions, and to otherwise act on behalf of the Trust

<u>Name</u>	<u>Title</u>	<u>Telephone Number</u>	<u>E-mail Address</u>	<u>Specimen Signature</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

Part II

Name, Title, Telephone Number and E-mail Address for person(s) designated to confirm funds transfer instructions

<u>Name</u>	<u>Title</u>	<u>Telephone Number</u>	<u>E-mail Address</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

Part III

Means for delivery of instructions and/or confirmations

The security procedure to be used with respect to funds transfer instructions is checked below:

- Option 1. Confirmation by telephone call-back. The Escrow Agent shall confirm funds transfer instructions by telephone call-back to a person at the telephone number designated on Part II above. The person confirming the funds transfer instruction shall be a person other than the person from whom the funds transfer instruction was received, unless only one person is designated in both Parts I and II of this Exhibit B-2.
- CHECK box, if applicable:
If the Escrow Agent is unable to obtain confirmation by telephone call-back, the Escrow Agent may, at its discretion, confirm by e-mail, as described in Option 2.
- Option 2. Confirmation by e-mail. The Escrow Agent shall confirm funds transfer instructions by e-mail to a person at the e-mail address specified for such person in Part II of this Exhibit B-2. The person confirming the funds transfer instruction shall be a person other than the person from whom the funds transfer instruction was received, unless only one person is designated in both Parts I and II of this Exhibit B-2. [“_____”] understands the risks associated with communicating sensitive matters, including time sensitive matters, by e-mail. [“_____”] further acknowledges that instructions and data sent by e-mail may be less confidential or secure than instructions or data transmitted by other methods. The Escrow Agent shall not be liable for any loss of the confidentiality of instructions and data prior to receipt by the Escrow Agent.
- CHECK box, if applicable:
If the Escrow Agent is unable to obtain confirmation by e-mail, the Escrow Agent may, at its discretion, confirm by telephone call-back, as described in Option 1.
- Option 3. Delivery of funds transfer instructions by password protected file transfer system only - no confirmation. The Escrow Agent offers the option to deliver funds transfer instructions through a password protected file transfer system. If [“_____”] wishes to use the password protected file transfer system, further instructions will be provided by the Escrow Agent. If [“_____”] chooses this Option 3, it agrees that no further confirmation of funds transfer instructions will be performed by the Escrow Agent.
- Option 4. Delivery of funds transfer instructions by password protected file transfer system with confirmation. Same as Option 3 above, but the Escrow Agent shall confirm funds transfer instructions by telephone call-back or e-mail (must check at least one, may check both) to a person at the telephone number or e-mail address designated on Part II above. By checking a box in the prior sentence, the party shall be deemed to have agreed to the terms of such confirmation option as more fully described in Option 1 and Option 2 above.

Dated this _ day of May, 2015.

By _____
Name:
Title:

EXHIBIT C

FEES OF ESCROW AGENT

Corporate Trust Services
Schedule of fees to provide escrow agent services



Western Asbestos Settlement Trust – Escrow Account
Approximate size: \$36,000,000.00

Acceptance fee Waived
A one-time fee for our initial review of governing documents, account set-up and customary duties and responsibilities related to the closing. This fee is payable at closing.

Annual administration fee \$5,000.00
A fee for customary administrative services provided by the escrow agent, including daily routine account management; investment transactions, cash transactions processing (including wire and check processing), disbursement of funds in accordance with the agreement, tax reporting for one entity, and providing account statements to the parties. The administration fee is payable annually in advance per escrow account established. The first installment of the administrative fee is payable at closing.

Out-of-pocket expenses At cost
Out-of-pocket expenses will be billed as incurred at cost at the sole discretion of Wells Fargo.

Extraordinary services Standard rate
The charges for performing services not contemplated at the time of execution of the governing documents or not specifically covered elsewhere in this schedule will be at Wells Fargo's rates for such services in effect at the time the expense is incurred.

Assumptions

This proposal is based upon the following assumptions with respect to the role of escrow agent:

- Number of escrow accounts to be established: One (1)
- Amount of escrow: \$36,000,000.00
- Term of escrow: up to Two (2) years
- Number of tax reporting parties: One (1)
- Number of parties to the transaction: Three (3)
- Fees quoted assumes balances invested under the escrow agreement will be held in: MMDA

Terms and conditions

- The recipient acknowledges and agrees that this proposal does not commit or bind Wells Fargo to enter into a contract or any other business arrangement, and that acceptance of the appointment described in this proposal is expressly conditioned on (1) compliance with the requirements of the USA Patriot Act of 2001, described below, (2) satisfactory completion of Wells Fargo's internal account acceptance procedures, (3) Wells Fargo's review of all applicable governing documents and its confirmation that all terms and conditions pertaining to its role are satisfactory to it and (4) execution of the governing documents by all applicable parties.
- Should this transaction fail to close or if Wells Fargo determines not to participate in the transaction, any acceptance fee and any legal fees and expenses may be due and payable.
- Legal counsel fees and expenses, any acceptance fee and any administrative fee are payable at closing.
- Should any of the assumptions, duties or responsibilities of Wells Fargo change, Wells Fargo reserves the right to affirm, modify or rescind this proposal.
- The fees described in this proposal subject to periodic review and adjustment by Wells Fargo.
- Invoices outstanding for over 30 days are subject to a 1.5% per month late payment penalty.
- This fee proposal is good for 90 days.

Together we'll go far



Corporate Trust Services
Schedule of fees to provide escrow agent services

Western Asbestos Settlement Trust – Escrow Account
Approximate size: \$36,000,000.00

Important information about identifying our customers

To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each person (individual, corporation, partnership, trust, estate or other entity recognized as a legal person) for whom we open an account.

What this means for you: Before we open an account, we will ask for your name, address, date of birth (for individuals), TIN/EIN or other information that will allow us to identify you or your company. For individuals, this could mean identifying documents such as a driver's license. For a corporation, partnership, trust, estate or other entity recognized as a legal person, this could mean identifying documents such as a Certificate of Formation from the issuing state agency.

Date: January 30, 2015 (Revised 2/11/15)