

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

In re:	)	Chapter 11
	)	
FEDERAL-MOGUL GLOBAL, INC.,	)	Case No. 01-10578 (RTL)
<u>et al.</u> ,	)	
	)	Jointly Administered
Debtors.	)	
	)	<b>Related Docket No. 7955</b>

**ORDER PURSUANT TO 11 U.S.C. § 363 AND FED. R. BANKR. P.  
9019 APPROVING JOINT MOTION OF DEBTORS AND DEBTORS IN  
POSSESSION AND THE STATE OF MICHIGAN FOR AN ORDER  
APPROVING SETTLEMENT AGREEMENT**

Upon the joint motion (the “Motion”) of the debtors and debtors in possession in the above-captioned cases (collectively, the “Debtors”) and the State of Michigan, requesting that the Court enter an order, pursuant to 11 U.S.C. § 363 and rule 9019 of the Federal Rules of Bankruptcy Procedure, approving a settlement agreement (the “Settlement”) between certain of the Debtors<sup>1</sup>, on the one hand, and the State of Michigan on the other hand; and upon the argument and representations made by counsel during the hearing conducted on the Motion; and it appearing that the Court has jurisdiction to consider the Motion and the relief requested therein in accordance with 28 U.S.C §§ 157 and 1334; and it appearing that this matter is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and appearing that this Motion is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Motion having been given; and it appearing that the relief requested in the Motion is in the best interest of the U.S. Debtors and their estates and creditors; and after due deliberation and sufficient cause appearing therefor, it is hereby:

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<sup>1</sup> The Debtors that are party to the Settlement are the U.S. Debtors.

ORDERED that the Motion is granted on a final basis; and it is further

ORDERED that the Settlement annexed hereto as Exhibit A is approved and the U.S. Debtors are authorized to enter into the Settlement and to implement the terms thereof; and it is further

ORDERED that pursuant to the terms of the Settlement, the State of Michigan shall be deemed to have Allowed Unsecured Claims<sup>2</sup> fixed in the amounts and against the applicable debtors set forth on Exhibit B annexed hereto; and it is further

ORDERED that pursuant to the terms of the Settlement, those certain sites located in the state of Michigan, which are set forth in paragraph 1(L) of the Settlement, and Exhibit B annexed hereto, shall be given the Liquidated Site treatment provided in the Settlement; and it is further

ORDERED that pursuant to the terms of the Settlement, those certain sites located in the state of Michigan, which are set forth in Attachment A to the Settlement annexed hereto, shall be given the Additional Site treatment provided in the Settlement; and it is further

ORDERED that pursuant to the terms of the Settlement, those certain sites located in the state of Michigan, which are set forth in Attachment C to the Settlement annexed hereto, shall be given the Debtor-Owned Site treatment provided in the Settlement; and it is further

ORDERED that pursuant to the terms of the Settlement, the certain site located in the state of Michigan, which is set forth in paragraph 1(W) of the Settlement annexed hereto, shall be given the Specified Site treatment provided in the Settlement; and it is further

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

ORDERED that the Settlement does not address the tax-related claims of the State of Michigan, Department of Treasury (the "Tax Claims"), and nothing in this Order or the Settlement releases or waives the Tax Claims; and it is further

ORDERED that nothing in this Order or the Settlement releases or waives the claims filed by Kurdziel Industries, Inc., Sparta Property Holding Company LLC, and Sparta Foundry, Inc.; and it is further

ORDERED that nothing in the Settlement Agreement or the Motion limits, affects, modifies or impairs in any way any or all of (i) Travelers' rights or obligations under the "Travelers Policies" (as defined in Travelers' response to the Motion), or (ii) the rights or obligations of Certain Underwriters at Lloyd's, London and Certain London Market Insurers under any policies they may have issued that are applicable to the sites covered by the Settlement Agreement; and it is further

ORDERED that this Court shall retain jurisdiction to construe and enforce this Order, the Settlement, and the parties' rights and obligations thereunder.

Dated: Wilmington, Delaware

\_\_\_\_\_, 2005

\_\_\_\_\_  
HONORABLE RAYMOND T. LYONS  
UNITED STATES BANKRUPTCY JUDGE

**Exhibit A – Settlement Agreement**

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE

In re: )  
 )  
FEDERAL-MOGUL GLOBAL, INC., ) Jointly Administered  
et al., ) Case No. 01-10578 (RTL)  
 )  
Debtors. ) Chapter 11  
 )  
 )  
 )

SETTLEMENT AGREEMENT:

Between Federal-Mogul Global, Inc. et al  
and the State of Michigan

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WHEREAS Federal-Mogul Corporation and certain of its subsidiaries filed with the United States Bankruptcy Court for the District of Delaware (the "Court") voluntary petitions for relief under title 11 of the United States Code (the "Bankruptcy Code") on October 1, 2001 (the "Petition Date") (the "Chapter 11 Cases") which are jointly administered as Case No. 01-10578 (RTL);

WHEREAS the State of Michigan contends that certain Debtors are liable for Response Costs incurred and to be incurred by the State in the course of responding to the releases and threats of releases of Hazardous Substances into the environment for certain sites as set forth herein and natural resource damages relating to such sites.

WHEREAS the Debtors dispute the State of Michigan's contentions;

WHEREAS the Debtors seek, to the maximum extent permitted by law, to obtain protection, through the resolution of environmental liabilities for the Liquidated Sites from and against all Claims that have been or may in the future be asserted for Response Costs or natural resource damages and to provide a framework for the resolution of environmental liabilities for Additional Sites as set forth herein;

WHEREAS, the Debtors seek to reaffirm their continuing legal obligations and responsibilities regarding Debtor-Owned Sites, which are sites they will own on or after the confirmation of the Plan of Reorganization;

WHEREAS the Debtors and the State of Michigan wish to resolve their differences with respect to the Liquidated Sites, provide a framework for addressing Additional Sites, and deal with other issues relating to environmental matters as provided herein;

WHEREAS in consideration of, and in exchange for, the promises and covenants herein, including, without limitation, the covenants not to sue set forth in Paragraphs 18, 20, and 24 and, subject to the provisions of Paragraphs 28-30, intending to be legally bound hereby, the Debtors and the State of Michigan, hereby agree to the terms and provisions of this Settlement Agreement subject to Court approval;

WHEREAS settlement of the matters governed by this Settlement Agreement is in the public interest and is an appropriate means of resolving these matters;

NOW, THEREFORE, without the admission of liability or any adjudication on any issue of fact or law, and upon the consent and agreement of the parties to this Settlement Agreement by

their attorneys and authorized officials, it is hereby agreed as follows:

#### DEFINITIONS

1. In this Agreement, the following terms shall have the following meanings:

A. "Additional Sites" means all sites, including, without limitation, all facilities, as that term is defined in CERCLA, other than the Liquidated Sites, Specified Sites and the Debtor-Owned Sites, for which Claims might be asserted against any Debtor. An "Additional Site" shall be construed to include (i) for those sites now or hereafter included on the NPL, all areas of a site as defined by EPA or Michigan, respectively, for purposes of the NPL, including any later expansion of such site as may be determined by EPA or Michigan, respectively, and any affected natural resources, and (ii) for those sites not included on the NPL, all areas affected or potentially affected by the release or threatened release of Hazardous Substances, and affected natural resources, as a direct or indirect result of the operations or activities occurring on that site which gave rise to the release or threatened release. The Additional Sites include, but are not limited to, those sites identified on Attachment A.

B. "Allowed Unsecured Claim" shall have the meaning set forth in the Plan of Reorganization. Attachment F contains the current definitions of the terms "Allowed" and "Unsecured Claim" as they appear in the Disclosure Statement describing the Proposed Third Amended Joint Plan of Reorganization. If those definitions are revised upon confirmation of the Plan of Reorganization, the parties to this Agreement agree to substitute the revised definitions in place of those currently set forth in Attachment F.

C. "CERCLA" refers to the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. §§ 9601 et seq., as now in effect or hereafter amended.

D. "Claims" has the meaning provided in Section 101(5) of the Bankruptcy Code.

E. "Debtors" shall mean Federal-Mogul Corporation and certain of its United States subsidiaries listed on Attachment B hereto that filed voluntary petitions for relief on October 1, 2001, as debtors, debtors-in-possession or in a new or reorganized form as a result of the Chapter 11 Cases.

F. "Debtor-Owned Sites" means any properties or sites in Michigan owned by any of the Debtors at or at any time after the Plan of Reorganization. As of the date of the execution of this Agreement, properties or sites in Michigan owned by any of

the Debtors are listed in Attachment C. If at any time prior to or at the confirmation of the Plan of Reorganization, any of the properties or sites listed on Attachment C are no longer owned by any of the Debtors, such properties or sites shall become Specified Sites, as provided herein.

G. "Effective Date" means the date of the entry of the order of the Court which provides final approval of this Settlement Agreement.

H. "EPA" means the United States Environmental Protection Agency or any legal successor thereto.

I. "Federal-Mogul Sparta Site" means the property located at 200 Maple Street, Sparta MI, which as of the Effective Date of this Settlement Agreement, is owned by Federal-Mogul Piston Rings, Inc., and comprises approximately 12.2 acres of land; it expressly does not include the Sparta Foundry, Inc. Site.

J. "Future Response Costs" means those Response Costs incurred by the State of Michigan on or after the Petition Date.

K. "Hazardous Substances" means the substances listed or described as hazardous in Section 101(14) of CERCLA, 42 U.S. C. §9601(14), or Section 20101(1)(t) of NREPA, MCL § 324.20101(1)(t).

L. "Liquidated Sites" means the following sites located within the State of Michigan:

- (i) Sparta Foundry, Inc. Site;
- (ii) Sweet Haven/Gutter Supply Lambertville Site;
- and
- (iii) Tiller Morenci Site.

A "Liquidated Site" delineated above shall be construed to include (a) for those sites now or hereafter included on the NPL, all areas of a site as defined by EPA, for purposes of the NPL, including any later expansion of such site as may be determined by EPA, and any affected natural resources, or (b) for those sites not included on the NPL, all areas affected or potentially affected by the release or threatened release of Hazardous Substances, and affected natural resources, as a direct or indirect result of the operations or activities occurring on that site which gave rise to the release or threatened release.

M. "ICD Muskegon Site" means the property located at 1839 Sixth Street a/k/a 331 W. Laketon Ave., Muskegon, MI, which at the Effective Date is owned by ICD Property Company, L.L.C., and comprises approximately 5.68 acres of land.

N. "NPL" means the National Priorities List, 40 C.F.R. Part 300.

O. "NREPA" refers to the Michigan Natural Resources and Environmental Protection Act, 1994 PA 451, as amended, MCL § 324.101 et seq., as now in effect or hereafter.

P. "Past Response Costs" means those Response Costs incurred by the State of Michigan prior to the Petition Date.

Q. "Plan of Reorganization" or "Plan" means any plan of reorganization (the most recent version of which is the Third Amended Joint Plan of Reorganization) that is confirmed and becomes effective in the chapter 11 cases of the Debtors.

R. "Prepetition" refers to the time period prior to the filing of the petition by the Debtors at approximately 8:00 a.m. on October 1, 2001. "Postpetition" refers to the time period following the filing of the petition by the Debtors on October 1, 2001.

S. "RCRA" refers to the Resource Conservation and Recovery Act, 42 U.S.C. §§ 6901 et seq., as now in effect or hereafter amended.

T. "Response" shall have the same meaning as defined in § 101(25) of CERCLA, 42 U.S.C. § 9601(25), "Response Activity" as defined in Section 20101(1)(ee) of NREPA, MCL 324.20101(1)(ee), and "Corrective Action" as defined in Section 21302(d) of NREPA, MCL 324.21302(d).

U. "Response Costs" shall be all costs and expenses to carry out a Response.

V. "Sparta Foundry, Inc. Site" means the property located at 252 Gardner Street, Sparta, MI which, as of the Effective Date, is owned by Kurdziel Industries, Inc., and is comprised of approximately 9.8 acres of land; and expressly does not include the Federal-Mogul Sparta Site.

W. "Specified Sites" means the following sites within the State of Michigan:

(i) ICD Muskegon Site; and

(ii) Any property or site on Attachment C which, at any time prior to or at the confirmation of the Plan of Reorganization, is no longer owned by any of the Debtors.

X. "State" means the State of Michigan, and all of its agencies, departments and instrumentalities individually or collectively.

Y. "Sweet Haven/Gutter Supply Lambertville Site" means the property located at 7325 Douglas Road, Lambertville, MI, which as of the Effective Date, is owned by Sweet Haven Realty, L.L.C. and operated by Gutter Supply, and comprises approximately 8.9 acres of land.

Z. "Tiller Morenci Site," means the property located at 555 W. Main St., Morenci, MI, which as of the Effective Date,

is owned by Gerald & Carrie Tiller and operated by Versacut Industries, and comprises approximately 6.4 acres of land.

#### **JURISDICTION**

2. The Court has jurisdiction over the subject matter hereof pursuant to 28 U.S.C. §§ 157, 1331, and 1334, and 42 U.S.C. §§ 9607 and 9613(b).

#### **PARTIES BOUND; SUCCESSION AND ASSIGNMENT**

3. This Settlement Agreement applies to, is binding upon, and shall inure to the benefit of the State of Michigan, the Debtors, and the Debtors' legal successors and assigns, and any trustee appointed in the Bankruptcy Cases.

#### **WITHDRAWAL OF ADMINISTRATIVE EXPENSE APPLICATION**

4. On August 25, 2003, the State filed an Application for Administrative Expenses in the Debtors' bankruptcy proceedings as captioned above. By this Settlement Agreement, the State withdraws with prejudice and agrees not to re-file this and any other Application for Administrative Expenses and agrees that any Claims it may have in the Debtors' bankruptcy cases are treated as unsecured claims as provided for under this Settlement Agreement.

#### **ALLOWANCE OF LIQUIDATED SITES CLAIMS**

5. (A) In settlement and satisfaction of each of the State's Claims with respect to Liquidated Sites, the Debtors

consent to the Allowed Unsecured Claims in the amounts specified below. The specified Debtors, against which the State's Claims are applicable and which consent to these Unsecured Allowed Claims, are set forth in Attachment E. The State shall receive no distributions from the Debtors in the Chapter 11 Cases with respect to the Debtors' liabilities and obligations under CERCLA, RCRA, Part 201, Part 213, Part 111, or any other similar federal or state law or common law for the Liquidated Sites other than as set forth in this Settlement Agreement.

(i) With respect to the Sparta Foundry, Inc. Site, the State shall have an Allowed Unsecured Claim of \$1,618,303.55, consisting of \$18,303.55 in Past Response Costs and \$1.6 million in Future Response Costs.

(ii) With respect to the Sweet Haven/Gutter Supply Lambertville Site, the State shall have an Allowed Unsecured Claim of \$510,099.00, consisting of \$10,099.00 in Past Response Costs and \$500,000 in Future Response Costs.

(iii) With respect to the Tiller Morenci Site, the State shall have an Allowed Unsecured Claim of \$161,862.67, consisting of \$11,826.67 in Past Response Costs and \$150,036.00 in Future Response Costs.

(B) Summary of Total Allowed Unsecured Claims Under Paragraph 5: The State shall have an Allowed Unsecured Claim of \$2,290,265.22.

6. With respect to Liquidated Sites:

(A) The Claims allowed in Paragraph 5 are in full settlement of, and the payments provided for under Paragraph 16, will be deemed allocated toward all past, present and future Claims with respect to all Past and Future Response Costs and natural resource damages for the Liquidated Sites, whether to address matters known or unknown, for which a Claim of any kind or nature has been or could be asserted against the Debtors pursuant to CERCLA, RCRA, NREPA, or any other similar federal or state statute or common law. With respect to the Allowed Unsecured Claim set forth above for the State of Michigan:

(B) To the extent that at any time after October 1, 2001 the Debtors recover insurance proceeds on account of any Liquidated Site in excess of the Debtors' costs of pursuing such insurance proceeds, then the Debtors may retain 50% of such excess insurance proceeds and the Debtors shall pay the remaining 50% of such excess insurance proceeds to the State as provided for below.

(i) The Debtors agree to allocate in writing any insurance proceeds that cover both Liquidated Sites liabilities

and other covered insured liabilities. Such allocation shall be made on a fair and equitable basis based upon all of the facts and circumstances, including but not limited to any defenses asserted by insurers, and with deference to any allocation by a court or in an approved settlement document. In determining the Debtors' cost of pursuing insurance proceeds for the Liquidated Sites, the Debtors shall use the same percentage allocation of costs as is used in the Debtors' allocation of recovery of insurance proceeds attributed to Liquidated Sites liabilities as compared to other covered insured liabilities. The State reserves the right to petition the Court for an adjustment of Debtors' allocation based upon all of the facts and circumstances.

(ii) Payments of excess insurance proceeds shall be made by the Debtors only to cover and compensate the State for its expenditures of Past and Future Response Costs incurred and paid up to the date the Debtors notify the State of any excess insurance proceeds at Liquidated Sites, as well as including a reasonable and fair estimate of Future Response Costs not yet incurred but reasonably expected to be incurred prior to 2015 or 5 years following the Debtors' recovery of any excess insurance proceeds, whichever is later ("Estimated Remaining Future

Costs") (collectively described for the purpose of this paragraph only as "State's Response Costs").

(iii) Regarding the determination of the State's Response Costs, within a reasonable time after Debtors have notified the State that the State may be entitled to excess insurance proceeds, the State shall submit to the Debtors adequate documentation to document all of the State's Past and Future Response Costs incurred and paid up to the date the Debtors notify the State of any excess insurance proceeds. Except as provided in paragraph 6(B)(iv) below, the Debtors agree to pay all such Past and Future Response Costs subject only to the Debtors demonstrating to the Court that such Past and Future Response Costs were not lawfully incurred under State law. For Estimated Remaining Future Costs, the State shall submit to the Debtors adequate documentation to quantify and support a good faith and reasonable estimate of the State's Estimated Remaining Future Response Costs. The Debtors and the State shall in good faith attempt to reach agreement on the State's Estimated Remaining Future Response Costs. If the parties are unable to reach such an agreement, both the Debtors and the State reserve the right to petition the Court for a determination of the State's Estimated Remaining Future Response

Costs, based upon all of the relevant facts and circumstances, pursuant to this Agreement.

(iv) Payments required to be made under this paragraph shall be in addition to payments required to be made under Paragraphs 5 and 10. However, under no circumstances may the payments required to be made under this paragraph, when combined with the consideration received for the Liquidated Sites under Paragraphs 5 and 10, exceed the lesser amount of the State's Response Costs or the Allowed Unsecured Claim Amounts for the Liquidated Sites in question under Paragraph 5 of this Settlement Agreement. In the event that the excess insurance proceeds sharing requirements of this paragraph would otherwise result in such an exceedance, the Debtors shall retain such amount of excess insurance proceeds as is necessary to avoid such an exceedance.

7. **Reserved**

**NON-DISCHARGEABILITY AND RESERVATION OF RIGHTS**

8. (A) The following Claims of or obligations to the State of Michigan shall not be discharged under Section 1141 of the Bankruptcy Code by the confirmation of a Plan of Reorganization nor shall such Claims or obligations be impaired or affected in any way by the Chapter 11 Cases or confirmation of a Plan of Reorganization:

(i) With respect to any Debtor-Owned Sites:

(a) Claims against the Debtors by the State under CERCLA, NREPA, or any other similar federal or state law or common law, for recovery of Response Costs incurred Postpetition with respect to Response action taken at a Debtor-Owned Site, including such Response action taken to address Hazardous Substances that have migrated from a Debtor-Owned Site to a proximate location;

(b) Actions against the Debtors by the State under CERCLA, RCRA, NREPA or any other similar federal or state law or common law seeking to compel the performance of a removal action, remedial action, corrective action, closure or any other cleanup action, or financial assurance therefore, at a Debtor-Owned Site, including actions to address hazardous substances that have migrated to a proximate location from a Debtor-Owned Site;

(c) Claims against the Debtors by the State under CERCLA or NREPA for recovery of natural resource damages arising as a result of Postpetition releases or ongoing releases of Hazardous Substances at or which migrate or leach from a Debtor-Owned Site; or

(d) Claims against the Debtors by the State for recovery of civil penalties for violations of law resulting from

Postpetition conduct of the Debtors at a Debtor-Owned Site. As used in this Paragraph 8, "Postpetition conduct" shall not include a failure to satisfy or comply with any Prepetition liability or obligations, or to pay a claim (including, without limitation, a penalty claim) except as required by or resulting from the terms of the Plan of Reorganization, any other provision of this Settlement Agreement, or a final order of the Court confirming a Plan of Reorganization.

(ii) With respect to any Additional Site, Claims against the Debtors by the State under CERCLA, NREPA or any other similar federal or state law or common law, arising as a result of the Debtors' Postpetition conduct, which would give rise to liability under the foregoing.

(B) The State may pursue enforcement actions or proceedings under applicable law, with respect to the Claims and obligations of the Debtors to the State under Paragraph 8(A) in the manner, as appropriate, and by the administrative or judicial tribunals, in which the State could have pursued such actions or proceedings if the Chapter 11 Cases had never been commenced. The Debtors reserve the right to assert any and all defenses and counterclaims available to them under applicable law with respect to any Claims and obligations of the Debtors to the State under Paragraph 8(A) that are asserted by the State

except for any alleged defense of discharge of liabilities provided under the Bankruptcy Code, as embodied in any plan of reorganization or order of confirmation. The State reserves all of its rights with respect to any defenses or counterclaims asserted by the Debtors under this subparagraph B.

(C) With respect to any Liquidated Site, the State reserves all rights and defenses it may have with respect to Postpetition conduct of the Debtors occurring after the date of the lodging of this Settlement Agreement which would give rise to liability under CERCLA or NREPA. Nothing in this Settlement Agreement shall affect or limit such rights and defenses.

#### TREATMENT OF ADDITIONAL SITES

9. (A) With respect to all Additional Sites, all liabilities and obligations of the Debtors to the State under CERCLA, NREPA or any other similar federal or state law or common law, arising from Prepetition acts, omissions or conduct of the Debtors or their predecessors, including without limitation the Prepetition generation, transportation, disposal or release of hazardous wastes or materials or the Prepetition ownership or operation of hazardous waste facilities, shall be discharged under Section 1141 of the Bankruptcy Code pursuant to the terms of the confirmed Plan of Reorganization, and the State shall receive no distributions in the Chapter 11 Cases with

respect to such liabilities and obligations, but the applicable reorganized Debtors shall be required to pay the State or such other party as they may designate, such amounts as are provided for in this Paragraph and Paragraph 10. Such liabilities and obligations shall be treated and liquidated as unsecured claims and paid on the terms specified herein.

(B) If and when the State undertakes Response activities in the ordinary course with respect to any Additional Site, the State may seek a determination of the liability, if any, of the Debtors and may seek to obtain and liquidate a judgment of liability of the Debtors or enter into a settlement with the Debtors with regard to any of the Additional Sites in the manner and before the administrative or judicial tribunal in which the State's claims would have been resolved or adjudicated if the Chapter 11 Cases had never been commenced. However, the State shall not issue or cause to be issued any unilateral order or seek any injunction against the Debtors under NREPA or any other similar federal or state law or common law, arising from the Prepetition acts, omissions or conduct of the Debtors or their predecessors with respect to any Additional Sites.

(C) The State and the Debtors will attempt to settle each liability or obligation asserted by the State against the Debtors relating to an Additional Site on a basis that is fair

and equitable under the circumstances, including consideration of (i) settlement proposals made to other Potentially Responsible Persons who are similar to the Debtors in the nature of their involvement with the site, (ii) the fact of the Debtors' bankruptcy, and (iii) the circumstances of this Agreement; but nothing in this sentence shall create an obligation of the State that is subject to judicial review. The Plan of Reorganization shall provide for: (i) the liquidation of claims relating to any Additional Sites in accordance with the provisions of this Agreement, notwithstanding that any such liquidation shall occur following confirmation of the Plan of Reorganization and any order discharging the Debtors from their Prepetition liabilities, and (ii) the prompt payment of any claims relating to any Additional Sites that have been liquidated and resolved or adjudicated with finality, in accordance with the provisions of this Agreement.

(D) In any action or proceeding with respect to an Additional Site, the Debtors and the State reserve any and all rights, claims, and defenses they would have been entitled to assert had the claim been liquidated in the ordinary course or during the course of the Chapter 11 Cases, including, without limitation, any argument that joint and several liability should or should not be imposed upon the Debtors. Nothing herein shall

be construed to limit the parties' rights to assert any and all rights, claims and defenses they may have in actions or proceedings involving other parties with respect to Additional Sites.

10. In the event any Claim is liquidated pursuant to Paragraph 9 by settlement or judgment to a determined amount (the "Determined Amount"), the applicable Debtor(s) with which such settlement is made or against which such judgment is entered will satisfy such Claim within 30 days after the date on which the settlement or judgment is final and effective (the "Settlement/Judgment Date") by providing the holder of the Claim the "Distribution Amount." The Distribution Amount shall be the value of the consideration which would have been distributed under the Plan of Reorganization to the holder of such Claim if the Determined Amount had been an Allowed General Unsecured Claim in such amount under the Plan of Reorganization. Except as provided in Paragraph 11, the Distribution Amount shall be paid in the same form (e.g., cash, notes, etc.) as was distributed under the Plan of Reorganization. If the Plan of Reorganization provides for installment payments and any installments have not yet been paid to other creditors as of the Settlement/Judgment Date, the Distribution Amount will be paid

in the same manner as to other creditors for installments not yet paid.

11. In the event that the Plan of Reorganization provides that Allowed Unsecured Claims will receive consideration other than cash, Debtors may, in their sole discretion, provide the non-cash portion of the Distribution Amount to the State in cash that has an aggregate value as of the Settlement/Judgment Date that is equivalent to the Distribution Amount. For purposes of determining the value of the consideration paid to the State, as the holder of an Allowed Unsecured Claim at the time of distribution, notes shall have a value equal to their face value and equity securities shall have a value equal to the weighted average of the reported regular way sales prices of all transactions for the security on the New York Stock Exchange on the date of distribution (or the first date thereafter on which the security trades), or if the security is not listed or admitted to trade on such exchange, on the principal national securities exchange on which the security is listed or admitted to trading or, if not listed or admitted to trading on any national securities exchange, the weighted average of the reported bid prices for the security on all transactions on the National Association of Securities Dealers Automated Quotations National Market System or, if the security is not listed or

admitted to trading on any national securities exchange or quoted on such National Market System, the weighted average of the reported sales prices for such security on all transactions in the over-the-counter market in the United States as furnished by any New York Stock Exchange member firm selected by the Debtors and the State for that purpose. For purposes of determining the number of shares of securities that have the value of the Distribution Amount on the Settlement/Judgment Date, the fair market value per share of securities on the Settlement/Judgment Date shall be determined as set forth in the immediately preceding sentence. The terms of Paragraphs 9 and 10 and this Paragraph 11 of this Settlement Agreement shall apply to, be binding on, and inure to the benefit of any successor or assign of the Debtors to the extent that and only to the extent that the alleged liability of the successor or assign for an Additional Site is based solely on its status as and in its capacity of a successor or assign of the Debtors.

#### **TREATMENT OF ALLOWED CLAIM**

12. All Allowed Unsecured Claims under or pursuant to the terms of this Settlement Agreement, including without limitation the Claim allowed under Paragraph 5 and any such Claims as may eventually be allowed pursuant to Paragraphs 9-11 for Additional Sites: (A) will receive the same treatment under the Plan of

Reorganization, without discrimination, as other Allowed Unsecured Claims with all attendant rights provided by the Bankruptcy Code and other applicable law; and (B) will not be entitled to any priority in distribution. In no event shall the Unsecured Claims allowed or to be allowed pursuant to this Settlement Agreement be subordinated to any other Allowed Unsecured Claims pursuant to any provision of the Bankruptcy Code or other applicable law that authorizes or provides for subordination of allowed Claims, including without limitation Sections 105, 510 and 726(a)(4) of the Bankruptcy Code.

13. The parties acknowledge and agree that the Claims allowed in this Settlement Agreement are not nor shall they be construed as forfeitures, fines or penalties (or payments in lieu thereof), and nothing herein is intended, or shall be construed, as an admission by Debtors of any facts or any violation of law. Notwithstanding the foregoing, Debtors do agree to comply with all terms of this Settlement Agreement upon the Effective Date.

14. Notwithstanding any other provision of this Settlement Agreement, and except as provided under applicable law, there shall be no restrictions on the ability and right of the State to transfer or sell all or a portion of any securities distributed to it pursuant to the Plan of Reorganization; to

sell its right to all or a portion of any distributions under the Plan to one or more third parties; or to transfer or sell to one or more third parties all or a portion of any Allowed Unsecured Claims pursuant to this Settlement Agreement:

15. The State shall be deemed to have filed a proof of claim for matters addressed in this Settlement Agreement, which proof of claim shall be deemed satisfied in full in accordance with the terms of this Settlement Agreement. Any and all Claims for matters addressed in this Settlement Agreement with respect to Liquidated Sites, whether filed or not, and including but not limited to those identified claims set forth in the Proofs of Claims identified in Attachment D, shall be deemed satisfied in their entirety by the treatment and reservation provided for in this Settlement Agreement and shall be discharged pursuant to the provisions of Section 9.1 of the Plan of Reorganization and in accordance with 11 U.S.C. §1141(d)(1) upon confirmation of the Plan of Reorganization.

#### **DISTRIBUTION INSTRUCTIONS**

16. Distributions to the State of Michigan shall be sent to:

Revenue Control Unit  
Financial and Business Services Division  
Michigan Department of Environmental Quality  
P.O. Box 30657  
Lansing, MI 48909-8157

Via Courier:

Constitution Hall, 5<sup>th</sup> Floor, South Tower  
525 West Allegan  
Lansing, MI 48933

To ensure proper credit, all payments made pursuant to this Order must reference the Federal-Mogul Global, Inc., et al. bankruptcy Case No. 01-10578 (RTL) Chapter 11, and the RRD Account Number RRD 2197.

A copy of all correspondence that is sent to the Revenue Control Unit shall also be provided to the State contacts designated in Paragraph 27.

**SPECIFIED SITES**

17. With respect to the State only, the Debtors shall remain responsible for any of Debtors' legal obligations and liabilities to the State under NREPA to remediate or address any release of a Hazardous Substance from a Specified Site that occurred on or prior to the last day of ownership of the property or site by any Debtor (the "Transfer Date"), as if that site was a Debtor-Owned Site. However, Debtors shall not be responsible for any releases of Hazardous Substances from a Specified Site that occur after the Transfer Date, other than continuation of releases to the environment after that time that originated prior to that date or migrations therefrom. Furthermore, after the Transfer Date, Debtors shall not be

responsible for compliance with any legal obligations, environmental or otherwise, pertaining to the Specified Site, other than permit or other obligations that are required in connection with the remediation of any release of Hazardous Substances from a Specified Site that occurred or originated prior to the Transfer Date. This Settlement Agreement shall not alter or otherwise change any contractual obligations or rights Debtors may have regarding Specified Sites and neither shall any such contractual obligations or rights alter or otherwise change any of the terms of this Settlement Agreement.

**COVENANT NOT TO SUE AND RESERVATION OF RIGHTS**

18. In consideration of all of the foregoing, including, without limitation, the payments and/or distributions that will be made and the Claims allowed pursuant to the terms of this Settlement Agreement, and except as specifically provided in Paragraphs 21 through 23 (below), the State covenants not to sue or file a civil judicial action or to take any administrative or other action against the Debtors pursuant to CERCLA, RCRA, NREPA, or any similar federal or state law or state common law, that would raise an obligation or liability of the Debtors regarding Response Costs or actions, with respect to each of the Liquidated Sites. Furthermore, the State releases and agrees the Debtors have no further or continuing obligation, liability

or responsibility under CERCLA, RCRA, NREPA or any equivalent or similar federal or state law or state common law, regarding the Liquidated Sites. This covenant not to sue shall take effect on the Effective Date.

19. This Settlement Agreement in no way impairs the scope and effect of the Debtors' discharge under Section 1141 of the Bankruptcy Code as to any third parties or as to any Claims that are not addressed by this Settlement Agreement.

20. Without in any way limiting the covenant not to sue set forth in Paragraph 18 and the reservations in this Settlement Agreement, and notwithstanding any other provision of this Settlement Agreement, the covenant not to sue provided by the parties in Paragraph 18 shall also apply to the Debtors' successors and assigns including but not limited to any subsequent purchasers from Debtors of assets or stock, officers, directors, employees and trustees, but only to the extent that the alleged liability of the successor or assign, officer, director, employee, or trustee of any Debtor is based solely on its status as and in its capacity as a successor or assign, officer, director, employee, or trustee of any Debtor.

21. The covenants not to sue contained in Paragraphs 18 and 20 of this Settlement Agreement extend only to the Debtors and the persons described in Paragraphs 18 and 20 above and do

not extend to any other person. Nothing in this Agreement is intended as a covenant not to sue or a release from liability for any person or entity other than the Debtors, the State, and the persons described in Paragraph 20. The State and the Debtors expressly reserve all claims, demands and causes of action either judicial or administrative, past, present or future, in law or equity, which they may have against all other persons, firms, corporations, or entities, for any matter arising at or relating in any manner to the sites or claims addressed herein.

22. Notwithstanding the foregoing, the covenants not to sue contained in this Settlement Agreement shall not apply to nor affect any action based on (i) a failure to meet a requirement of this Settlement Agreement; (ii) criminal liability; or (iii) matters reserved in Paragraph 8(A) through (C) above.

23. Nothing in this Settlement Agreement shall be deemed to limit the authority of the State to take Response action under NREPA, or any other similar federal or state law, or to alter the applicable legal principles governing judicial review of any action taken by the State pursuant to that authority. Nothing in this Settlement Agreement shall be deemed to limit the information gathering authority of the State under Section

20117 of NREPA, MCL 324.20117, or any other applicable federal or state law or regulation, or to excuse the Debtors from any disclosure or notification requirements imposed by CERCLA, RCRA, NREPA, or any other applicable federal or state law or regulation.

24. The Debtors hereby covenant not to sue and agree not to assert or pursue any claims or causes of action against the State with respect to the Liquidated Sites.

#### CONTRIBUTION PROTECTION

25. With regard to all existing or future third-party Claims against the Debtors with respect to the Liquidated Sites, including claims for contribution, the parties hereto agree that the Debtors are entitled to such protection from actions or Claims as is provided by Section 113(f)(2) of CERCLA, 42 U.S.C. § 9613(f)(2), Section 20129(5) of NREPA, MCL 324.20129(5), or any other similar federal or state law or common law.

26. The Debtors each agree that with respect to any suit for contribution brought against any of them after the Effective Date for matters related to this Settlement Agreement, they will notify the State within fifteen business days of service of the complaint upon it. In addition, in connection with such suit, the Debtors shall notify the State within fifteen business days of service or receipt of any Motion for Summary Judgment and

within fifteen business days of receipt of any order from a court setting a case for trial (provided, however, that the failure to notify the State pursuant to this Paragraph shall not in any way affect the provisions of Paragraphs 18 through 25).

**NOTICES AND SUBMISSIONS**

27. Whenever, under the terms of this Settlement Agreement, written notice is required to be given, or a report or other document is required to be sent by one party to another, it shall be directed to the individual at the address specified below via U.S. certified mail, return receipt requested, or some other equally verifiable means, unless that individual or their successor gives notice of a change of address to the other parties in writing. All notices and submissions shall be considered effective upon receipt, unless otherwise provided. Except as otherwise provided in this Settlement Agreement, written notice as specified herein shall constitute complete satisfaction of any written notice requirement in the Settlement Agreement with respect to the State and the Debtors, respectively.

As to the State of Michigan:

Robert P. Reichel  
Joshua W. Gubkin  
Assistant Attorney General  
Environmental, Natural Resources

and Agriculture Division  
6<sup>th</sup> Floor, G Mennen Williams Building  
525 West Ottawa Street  
Lansing, Michigan 48933

and

Chief, Compliance and Enforcement Section  
Remediation and Redevelopment Division  
Constitution Hall, 4<sup>th</sup> Floor South  
525 West Allegan Street  
Lansing, MI 48933

As to the Debtors:

Roger Strelow, Esq.  
Director, EHS/Associate General Counsel  
Federal-Mogul Corporation  
26555 Northwestern Highway  
Southfield, Michigan 48034

**APPROVAL, LODGING AND OPPORTUNITY FOR PUBLIC COMMENT**

28. This Settlement Agreement is subject to approval of the Court under Bankruptcy Rule 9019. To meet this requirement, the Debtors and the State shall promptly file a joint motion seeking the Court's approval of this Settlement Agreement under Bankruptcy Rule 9019.

29. Reserved.

30. If for any reason (i) the Settlement Agreement is not approved by the Court, or (ii) the Chapter 11 Cases are dismissed or converted to cases under Chapter 7 of the Bankruptcy Code before the effective date of a Plan of

Reorganization: (a) this Settlement Agreement shall be null and void and the parties shall not be bound hereunder or under any documents executed in connection herewith; (b) the parties shall have no liability to one another arising out of or in connection with this Settlement Agreement or under any documents executed in connection herewith; (c) the parties shall be provided an opportunity to file a proof of claim by a deadline to be established by the Court; (d) this Settlement Agreement and any documents prepared in connection herewith shall have no residual or probative effect or value and it shall be as if they had never been executed; and (e) this Settlement Agreement, any statements made in connection with settlement discussions, and any documents prepared in connection herewith may not be used as evidence in any litigation between the parties.

31. The Debtors shall not take any action in the Chapter 11 Cases that is inconsistent with the terms and provisions of this Settlement Agreement. The State will not oppose any term or provision of a Plan of Reorganization filed by the Debtors that is addressed by this Settlement Agreement. The parties reserve all other rights and defenses they may have with respect to any Plan of Reorganization filed by the Debtors.

**AMENDMENTS/INTEGRATION AND COUNTERPARTS**

32. This Settlement Agreement and any other documents to be executed in connection herewith shall constitute the sole and complete agreement of the parties hereto with respect to the matters addressed herein. This Settlement Agreement may not be amended except by a writing signed by all parties to this Settlement Agreement.

33. This Settlement Agreement may be executed in counterparts each of which shall constitute an original and all of which shall constitute one and the same agreement.

#### RETENTION OF JURISDICTION

34. Except as provided in Paragraphs 8-11 regarding proceedings in other administrative or judicial tribunals, the Court (or, upon withdrawal of the Court's reference, the U.S. District Court of the District of Delaware) shall retain jurisdiction over the subject matter of this Settlement Agreement and the parties hereto for the duration of the performance of the terms and provisions of this Settlement Agreement for the purpose of enabling any of the parties to apply to the Court at any time for such further order, direction and relief as may be necessary or appropriate for the construction or interpretation of this Settlement Agreement or to effectuate or enforce compliance with its terms.

THE UNDERSIGNED PARTIES ENTER INTO THIS SETTLEMENT AGREEMENT

FOR THE STATE OF MICHIGAN:

Date: 6-21-05

By:

Robert P. Reichel  
Robert P. Reichel  
Joshua W. Gubkin  
Assistant Attorney General  
Environmental, Natural Resources  
and Agriculture Division  
Michigan Department of Attorney  
General

Date: 6-20-05

By:

Andrew W. Hogarth  
Andrew W. Hogarth  
Chief, Remediation and  
Redevelopment Division  
Michigan Department of  
Environmental Quality

FOR THE DEBTORS:

FEDERAL-MOGUL CORPORATION, ET AL

Date: June 28, 2005

By: Roger Strelow  
Roger Strelow, Esq.  
Director, EHS/Assoc. General  
Counsel  
Federal-Mogul Corporation

Attachment A: Additional Sites

SITE/CASE NAME	ADDRESS	CITY	COUNTY	STATE	DEBTOR
A-1/Otsego Landfill Site		Otsego	Allegan	MI	Federal-Mogul Corporation
Central Michigan Railway Site		St. John	Clinton	MI	Federal-Mogul Corporation
East Jordan		East Jordan	Charlevoix	MI	Federal-Mogul Corporation
Ionia Superfund Site		Ionia	Ionia	MI	Federal-Mogul Corporation
Jackson, MI	717 Woodworth Road	Jackson	Jackson	MI	Federal-Mogul Powertrain, Inc.
Reclamation Oil Site		Detroit	Wayne	MI	Federal-Mogul Corporation
Shoemaker Street	11031 Shoemaker Street	Detroit	Wayne	MI	Federal-Mogul Corporation
Sunrise Landfill Site		Wayland Township	Allegan	MI	Federal-Mogul Corporation; Federal-Mogul Piston Rings, Inc.
Thermo-Chem Inc. Superfund Site	4331 Evanston Ave.	Muskegon	Muskegon	MI	Federal-Mogul Corporation
Verona Well Field Superfund		Battle Creek	Calhoun	MI	Federal-Mogul Corporation

**Attachment B: List of Debtors**

Carter Automotive Company, Inc.  
Federal-Mogul Corporation  
Federal-Mogul Dutch Holdings Inc.  
Federal-Mogul FX, Inc.  
Federal-Mogul Global Inc.  
Federal-Mogul Global Properties, Inc.  
Federal-Mogul Ignition Company  
Federal-Mogul Machine Tool, Inc.  
Federal-Mogul Mystic, Inc.  
Federal-Mogul Piston Rings, Inc.  
Federal-Mogul Powertrain, Inc.  
Federal-Mogul Products, Inc.  
Federal-Mogul Puerto Rico, Inc.  
Federal-Mogul U.K. Holdings, Inc.  
Federal-Mogul Venture Corporation  
Federal-Mogul World Wide, Inc.  
Felt Products Manufacturing Company  
Ferodo America, Inc.  
FM International LLC  
Gasket Holdings Inc.  
J.W.J. Holdings, Inc.  
McCord Sealing, Inc.  
T&N Industries Inc.

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**Attachment C: List of Michigan Sites Currently Owned by Debtors<sup>1</sup>**

Ann Arbor (3990 Research Park Drive)  
Ann Arbor (3935 Research Park Drive)  
Ann Arbor (3874 Research Park Drive)  
Ann Arbor (560 Avis Drive)  
Federal-Mogul Sparta Site (200 South Maple)  
Grand Haven (11118 Rte U.S. 31)  
Greenville (510 East Grove Street)  
Greenville (527 East Market Street)  
Greenville (Lots 10, 11, and 12 on East Market Street)  
(Sale Pending: expected date of closing June 2005)  
Plymouth Tech Center(47001 Port Street)  
St. Johns (310 Steel Street)

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<sup>1</sup> ICD Muskegon Site was sold Postpetition by a Debtor, and is treated as a Specified Site pursuant to Paragraph 17 of this Agreement

**Attachment D: List of Claims Filed by the State**

Site/Location	Claim No.
Greenville, MI	5350
Lambertville, MI (Sweet Haven/Gutter Supply Lambertville Site)	5352
Morcenci, MI (Tiller Morenci Site)	5352
Muskegon, MI (ICD Muskegon Site)	5353 5351 6938
Sparta Foundry, MI (both the Federal-Mogul Sparta Site and the Sparta Foundry, Inc. Site)	5353 5351 6938
St. John's, MI	5350

**Attachment E: List of the State's Claims and their Corresponding Debtor**

<b>Site</b>	<b>Debtor</b>
Lambertville	Federal Mogul Ignition Company
Morenci	Federal-Mogul Ignition Company
Sparta Foundry	Federal-Mogul Piston Rings, Inc.

**Attachment F: Definitions of "Allowed" and "Unsecured Claims"**

**1.1.10. Allowed means:**

1.1.10.1. With respect to any Claim (other than an Administrative Claim, an Administration Claim, an Asbestos Personal Injury Claim, a Bonded Claim or an Other U.K. Claim), (a) any Claim that is specifically designated as Allowed under this Plan, (b) any Claim that has been, or hereafter is, listed in the Schedules as liquidated in amount and not disputed or contingent or (c) any Claim, proof of which was timely filed in a liquidated non-contingent amount with the Bankruptcy Court or its duly appointed claims agent, or, in compliance with any order of the Bankruptcy Court regarding the filing of a proof of claim and with respect to which either (i) no objection to the allowance thereof has been filed within the applicable period of limitation fixed by the Plan, the Bankruptcy Code, the Bankruptcy Rules or the Bankruptcy Court or (ii) the Claim has been allowed by a Final Order (but only to the extent so allowed).

1.1.10.2. With respect to an Asbestos Personal Injury Claim other than a Bonded Claim, the amount of any such Claim that is determined pursuant to the procedures set forth in the Asbestos Personal Injury Trust Distribution Procedures or, if applicable, pursuant to a Final Order of the Bankruptcy Court or the U.K. Court. An Asbestos Personal Injury Claim that is Allowed in accordance with the foregoing, shall be, and be deemed to be, a judgment determining the legal liability against the Trust in the Allowed Amount of such Asbestos Personal Injury Claim.

1.1.10.3. With respect to any Bonded Claim, any Claim that qualifies as a Bonded Claim under the applicable definitions of the Plan, with respect to which the Bankruptcy Court or other court of competent jurisdiction determines by Final Order, or the applicable Debtor or Reorganized Debtor and the holder of such Claim agree, that such holder is entitled to some or all of the proceeds of the applicable supersedeas bond or other payment assurance (but only to the extent so ordered or agreed). A Bonded Claim that is "Allowed" shall constitute a final, non-appealable judgment determining the legal liability of the Debtors or their Estates, as applicable.

1.1.10.4. With respect to any Claim that is asserted to constitute an Administrative Expense (a) a Claim that represents

an actual and necessary expense of preserving the estate or operating the business of the Debtors, to the extent such Claim is determined by the Plan Proponents to constitute an Administrative Expense; (b) other than with respect to a Claim of a professional person employed under Sections 327, 328 or 1103 of the Bankruptcy Code that is required to apply to the Bankruptcy Court for the allowance of compensation and reimbursement of expenses pursuant to Section 330 of the Bankruptcy Code, a Claim that the Plan Proponents do not believe constitutes an Administrative Expense, and such Claim is allowed in whole or in part by a Final Order of the Bankruptcy Court and only to the extent that such allowed portion is determined pursuant to a Final Order to constitute a cost or expense of administration under Sections 503(b) and 507(a)(1) of the Bankruptcy Code; or (c) that represents a Claim of a professional person employed under Sections 327, 328 or 1103 of the Bankruptcy Code that is required to apply to the Bankruptcy Court for the allowance of compensation or reimbursement of expenses pursuant to Section 330 of the Bankruptcy Code, to the extent such Claim is allowed by a Final Order of the Bankruptcy Court under Section 330 of the Bankruptcy Code.

1.1.10.5. With respect to any Claim that is asserted to constitute an Administration Claim, a Claim that is noncontingent and (i) is properly and reasonably accepted as an Administration Claim by the Administrators or (ii) to the extent that it is determined to be an Administration Claim by a Final Order of the U.K. Court having competent jurisdiction over the matter.

1.1.10.6. With respect to any Other U.K. Claim, the amount of such Claim that is non-contingent and (i) is properly and reasonably accepted by the Administrators or Voluntary Arrangement Supervisors, as applicable, of the relevant U.K. Debtor as owing by that U.K. Debtor, (ii) is accepted by the relevant Reorganized U.K. Debtor as owing by that U.K. Debtor or (iii) that is determined to be such by Final Order of the U.K. Court pursuant to the terms of the Scheme of Arrangement and/or Voluntary Arrangement, as applicable, for such U.K. Debtor.

1.1.10.7. With respect to any Equity Interest, the shares of common and/or preferred stock of the Debtors held by any Person as of the Record Date.

1.1.164. *Unsecured Claim* means any Claim (regardless of whether such Claim is covered by insurance), not specifically

included in a separately identified Class of Claims or Equity Interests, and to the extent that such Claim is neither secured nor entitled to priority under applicable law. Unsecured Claims shall expressly include, without limitation, (a) any claim arising from the rejection of an executory contract or unexpired lease under Section 365 of the Bankruptcy Code, (b) any portion of a Claim to the extent the value of the holder's interest in the applicable Estate's interest in the property securing such Claim is less than the amount of the Claim, or to the extent that the amount of the Claim subject to setoff is less than the amount of the Claim, as determined pursuant to Section 506(a) of the Bankruptcy Code, (c) Surety Claims against T&N Limited and/or Gasket Holdings Inc., (d) Other U.K. Claims (including, specifically, Off-Site Environmental Claims and Asbestos Property Damage Claims against any U.K. Debtors to the extent that the Allowed Amounts of such Claims are not otherwise satisfied by any applicable insurance coverage), (e) any unsecured deficiency claims held by the holders of Bonded Non-Asbestos Claims and/or Surety Claims, (f) Asbestos Property Damage Claims against any U.S. Debtors to the extent that the Allowed Amounts of such Claims are not otherwise satisfied by any applicable insurance coverage, and to the extent that such Claims are not Bonded Claims; (g) Excluded Non-Qualified Pension Claims, (h) Off-Site Environmental Claims, (i) Claims arising from the provision of goods or services to the Debtors prior to the Petition Date, including the Claims of commercial trade creditors and (j) Affiliate Claims against the U.K. Debtors which are not subject to the Subordination Deed. Unless otherwise specifically provided in an applicable provision of the Plan, Unsecured Claims shall not include (i) Administrative Claims, (ii) Administration Claims, (iii) Priority Claims, (iv) Preferential Claims, (v) Secured Bank Claims, (vi) Secured Surety Claims, (vii) Noteholder Claims, (viii) Other Secured Claims, (ix) On-Site Environmental Claims, (x) Non-Priority Employee Benefit Claims, (xi) Asbestos Personal Injury Claims, (xii) Bonded Claims, (xiii) Affiliate Claims against U.K. Debtors which are subject to the Subordination Deed and (xiv) Equity Interests.

**Exhibit B – Liquidated Sites**

<b>Site</b>	<b>Claimant</b>	<b>Allowed Claim</b>	<b>Claim No.</b>	<b>Status</b>	<b>Debtor</b>
Lambertville	Michigan	\$510,099.00	5352	Unsecured	Federal-Mogul Ignition Company
Morenci	Michigan	\$161,862.67	5352	Unsecured	Federal-Mogul Ignition Company
Sparta Foundry	Michigan	\$1,618,303.55	6938 <sup>3</sup>	Unsecured	Federal-Mogul Piston Rings, Inc.

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<sup>3</sup> Only the portion of proof of claim no. 6938 allocable to the Sparta Foundry, Inc. Site shall receive Liquidated Site treatment. The remaining portions of the claim relating to the Federal-Mogul Sparta Site and ICD Muskegon Site shall receive Debtor-Owned Site and Specified Site treatment, respectively.