

UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE

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<i>In re</i>	: Chapter 11
NTK HOLDINGS, INC., <i>et al.</i> , ¹	: Case No. 09 – 13611 (KJC)
	: (Jointly Administered)
Debtors.	:
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FINDINGS OF FACT, CONCLUSIONS OF LAW, AND ORDER
(I) APPROVING THE DEBTORS' (A) DISCLOSURE STATEMENT PURSUANT
TO SECTIONS 1125 AND 1126(b) OF THE BANKRUPTCY CODE, (B) SOLICITATION
OF VOTES AND VOTING PROCEDURES, AND (C) FORMS OF BALLOTS, AND
(II) CONFIRMING THE DEBTORS' JOINT PREPACKAGED PLANS OF
REORGANIZATION UNDER CHAPTER 11 OF THE BANKRUPTCY CODE

NTK Holdings, Inc. ("*NTK Holdings*"), and its affiliated debtors in the above-referenced chapter 11 cases, as debtors and debtors in possession (collectively, the "*Debtors*"), having jointly proposed and filed (A) the First Amended Joint Prepackaged Plans of Reorganization of NTK Holdings, Inc. *et al.*, dated as of December 3, 2009, and filed with the United States Bankruptcy Court for the District of Delaware (the "*Court*") on December 3, 2009 (the "*Prepackaged Plans*") (D.I. 198), annexed hereto as Exhibit "A", and that certain supplement to the Prepackaged Plans, dated and filed with the Court on November 13, 2009 (as

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: NTK Holdings, Inc. (4298); Nortek Holdings, Inc. (9907); Nortek, Inc. (4991); Aigis Mechtronics, Inc. (6764); Broan-Mexico Holdings, Inc. (1438); Broan-NuTone LLC (4397); Broan-NuTone Storage Solutions LP (4328); CES Group, Inc. (5781); CES International Ltd. (6119); Cleanpak International, Inc. (2925); Elan Home Systems, L.L.C. (7629); Gefen, Inc. (1217); Governair Corporation (1240); GTO, Inc. (6645); HC Installations, Inc. (0110); Huntair, Inc. (2838); International Electronics, LLC (4321); Linear LLC (9070); Linear H.K. LLC (9638); Lite Touch, Inc. (0152); Magenta Research Ltd. (5160); Mammoth-Webco, Inc. (3077); Niles Audio Corporation (2001); Nordyne Inc. (4381); NORDYNE International, Inc. (7842); Nortek International, Inc. (0717); NuTone LLC (9551); OmniMount Systems, Inc. (7936); Operator Specialty Company, Inc. (6248); Pacific Zephyr Range Hood, Inc. (8936); Panamax Inc. (0890); Rangaire GP, Inc. (4327); Rangaire LP, Inc. (9900); Secure Wireless, Inc. (2485); SpeakerCraft, Inc. (6374); Temtrol, Inc. (3996); Xantech Corporation (1552); and Zephyr Corporation (1650). The Debtors' principal offices are located at 50 Kennedy Plaza, Suite 1900, Providence, Rhode Island 02903. The addresses for all of the Debtors are available at the website chapter11.epiqsystems.com/nortek.

the documents contained therein have been or may be further amended or supplemented, the “**Plan Supplement**”) (D.I. 101) and (B) (i) the Disclosure Statement Relating to the Joint Prepackaged Plans of Reorganization of NTK Holdings, Inc. *et al.*, Under Chapter 11 of the Bankruptcy Code, dated September 18, 2009 (the “**Disclosure Statement**”) (D.I. 21), and (ii) appropriate ballots for voting on the Prepackaged Plans, in the forms attached as Exhibits “2” through “12” to the Affidavit of Service and Vote Certification of Financial Balloting Group LLC (the “**FBG Affidavit**”), sworn to by Christina Pullo of Financing Balloting Group LLC (“**FBG**”) and filed with the Court on November 13, 2009 (the “**Voting Certification**”) (D.I. 100) having been duly transmitted to holders of Claims² in compliance with the procedures (the “**Solicitation Procedures**”) set forth in the Voting Certification; and the Court having entered an order (I) Scheduling a Combined Hearing to Consider (A) Approval of the Disclosure Statement, (B) Approval of Solicitation Procedures and Form of Ballots, and (C) Confirmation of the Prepackaged Plans, (II) Establishing an Objection Deadline to Object to the Disclosure Statement and the Prepackaged Plans, (III) Approving the Form and Manner of Notice Thereof, and (IV) Granting Related Relief (the “**Scheduling Order**”) (D.I. 42), which, among other things, scheduled the hearing to approve the Disclosure Statement for December 4, 2009 (the “**Disclosure Statement Hearing**”), to be immediately followed by a hearing to consider confirmation of the Prepackaged Plans (the “**Confirmation Hearing**,” and together with the Disclosure Statement Hearing, the “**December 4 Hearings**”); and due notice of the December 4 Hearings having been given to holders of Claims against the Debtors and other parties in interest in compliance with the Bankruptcy Code, the Federal Rules of Bankruptcy Procedures (the “**Bankruptcy Rules**”), the Scheduling Order, and the Solicitation Procedures, as established by

² Capitalized terms used but not otherwise defined shall have the meanings ascribed to them in the Prepackaged Plans.

the affidavits of service, mailing, and/or publication filed with the Court, including (1) the Affidavit of Service of Karen K. Dinsmore regarding the Notice of Commencement of Cases Under Chapter 11 of the Bankruptcy Code and Summary of Prepackaged Plans of Reorganization and Notice of (i) Hearing to Consider (a) Debtors' Compliance with Disclosure Requirements and (b) Confirmation of Plans of Reorganization, dated November 3, 2009 (D.I. 80), and (2) the Affidavit of Erin Ostenson regarding publication in *The Wall Street Journal* of the Notice of Commencement of Cases Under Chapter 11 of the Bankruptcy Code and Summary of Prepackaged Plans of Reorganization and Notice of (i) Hearing to Consider (a) Debtors' Compliance with Disclosure Requirements and (b) Confirmation of Plans of Reorganization, dated October 29, 2009 (D.I. 135) (the "**Notice Affidavits**"), and such notice being sufficient under the circumstances and no further notice being required; and due notice of the Plan Supplement having been given to holders of Claims against the Debtors and other parties in interest in compliance with the Bankruptcy Code, the Bankruptcy Rules, the Solicitation Procedures, as established by the Affidavit of Service of Eleni Kossivas regarding the Plan Supplement for Joint Prepackaged Plans of Reorganization of NTK Holdings, Inc., *et al.* (D.I. 130); and such filing and notice thereof being sufficient under the circumstances and no further notice being required; and based upon and after full consideration of the entire record of the December 4 Hearings, including (A) the Disclosure Statement, the Prepackaged Plans (including the Plan Supplement), the Voting Certification, (B) the Debtors' memorandum of law, dated December 1, 2009, in support of confirmation of the Prepackaged Plans, (C) the Declaration of Richard L. Bready in Support of Confirmation of the Prepackaged Plans, dated December 1, 2009 (the "**Bready Declaration**") (D.I. 172), (D) the Declaration of Almon C. Hall in Support of Confirmation the Debtors' First Amended Joint Prepackaged Plans of Reorganization Under

Chapter 11 of the Bankruptcy Code (the “**Hall Declaration**”) (D.I. 173), (E) the Declaration of Albert J. Cappelloni in Support of Confirmation of the Debtors’ First Amended Joint Prepackaged Plans of Reorganization Under Chapter 11 of the Bankruptcy Code (the “**Cappelloni Declaration**”) [(D.I. 175)]; (F) the Declaration of Timothy R. Coleman in Support of Confirmation of the Debtors’ First Amended Joint Prepackaged Plans of Reorganization Under Chapter 11 of the Bankruptcy Code (the “**Coleman Declaration**”) (D.I. 174); (G) the Declaration of Robert Dangremond in Support of Entry of an Order (I) Approving the Debtors’ (A) Disclosure Statement Pursuant to Sections 1125 and 1126(b) of the Bankruptcy Code, (B) Solicitation of Votes and Voting Procedures, and (C) Forms of Ballots, and (II) Confirming the Debtors’ Joint Prepackaged Plans of Reorganization Under Chapter 11 of the Bankruptcy Code (the “**Dangremond Declaration**” (D.I. 171) and, together with the Bready Declaration, the Hall Declaration, the Cappelloni Declaration, and the Coleman Declaration, the “**Supporting Declarations**”); and no objections having been filed to the approval of the Disclosure Statement; and Ore Hill Partners LLC having filed that certain *Objection and Reservation of Rights by Ore Hill to the First Amended Joint Prepackaged Plan of Reorganization of NTK Holdings, Inc.* (D.I. 143); and the Court being familiar with the Disclosure Statement and the Prepackaged Plans and other relevant factors affecting the Debtors’ chapter 11 cases; and the Court being familiar with, and having taken judicial notice of, the entire record of the Debtors’ chapter 11 cases; and upon the arguments of counsel and the evidence proffered and adduced at the December 4 Hearings; and the Court having found and determined that the Disclosure Statement should be approved and the Prepackaged Plans should be confirmed as reflected by the Court’s rulings made herein and at the December 4 Hearings; and after due deliberation and sufficient cause appearing therefore; the Court hereby FINDS, DETERMINES, AND CONCLUDES that:

FINDINGS OF FACT AND CONCLUSIONS OF LAW

A. Findings and Conclusions. The findings and conclusions set forth herein and in the record of the December 4 Hearings constitute the Court's findings of fact and conclusions of law pursuant to Rule 52 of the Federal Rules of Civil Procedure, as made applicable herein by Bankruptcy Rules 7052 and 9014. To the extent any of the following findings of fact constitute conclusions of law, they are adopted as such. To the extent any of the following conclusions of law constitute findings of fact, they are adopted as such.

B. Jurisdiction, Venue, Core Proceeding (28 U.S.C. §§ 157(b)(2), 1334(a)).
The Court has jurisdiction over the Debtors' chapter 11 cases pursuant to 28 U.S.C. § 1334. Approval of the Disclosure Statement and confirmation of the Prepackaged Plans are core proceedings pursuant to 28 U.S.C. § 157(b) and this Court has jurisdiction to enter a final order with respect thereto. The Debtors are eligible debtors under section 109 of the Bankruptcy Code. Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409. The Debtors are proper plan proponents under section 1121(a) of the Bankruptcy Code.

C. Chapter 11 Petitions. On October 21, 2009 (the "*Petition Date*"), each Debtor commenced with this Court a voluntary case under chapter 11 of the Bankruptcy Code (the "*Reorganization Cases*"). The Debtors are authorized to continue to operate their businesses and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No trustee or examiner has been appointed pursuant to section 1104 of the Bankruptcy Code. No statutory committee of unsecured creditors has been appointed pursuant to section 1102 of the Bankruptcy Code. Further, in accordance with an order of this Court, the Debtors' cases are being jointly administered pursuant to Bankruptcy Rule 1015(b).

D. Judicial Notice. The Court takes judicial notice of the docket of the Reorganization Cases maintained by the Clerk of the Court, including all pleadings and other documents filed, all orders entered, and all evidence and arguments made, proffered, or adduced at the hearings held before the Court during the pendency of the Reorganization Cases.

E. Burden of Proof. The Debtors have the burden of proving the elements of sections 1129(a) and (b) of the Bankruptcy Code by a preponderance of the evidence. Each Debtor has met such burden.

F. Adequacy of Disclosure Statement. The Disclosure Statement (a) contains sufficient information of a kind necessary to satisfy the disclosure requirements of all applicable non-bankruptcy law, including the Securities Act of 1933, as amended (the “*Securities Act*”), (b) contains “adequate information” (as such term is defined in section 1125(a)(1) and used in section 1126(b)(2) of the Bankruptcy Code) with respect to the Debtors, the Prepackaged Plans, and the transactions contemplated therein, and (c) is approved in all respects.

G. Voting. As evidenced by the Voting Certification, votes to accept or reject the Prepackaged Plans have been solicited and tabulated fairly, in good faith, and in a manner consistent with the Bankruptcy Code, the Bankruptcy Rules, and the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the “*Local Rules*”) and applicable nonbankruptcy law.

H. Solicitation. Prior to the Petition Date, the Prepackaged Plans, the Disclosure Statement, and the Ballots, and, subsequent to the Petition Date, notice of the December 4 Hearings, were transmitted and served in compliance with the Bankruptcy Rules, including Bankruptcy Rules 3017 and 3018, the Local Rules, and the Scheduling Order. The forms of the Ballots adequately addressed the particular needs of these Reorganization Cases and

were appropriate for holders of NTK Holdings Class 2 (NTK Holdings 10 ¾% Notes Claims), NTK Holdings Class 3 (NTK Holdings Senior Unsecured Loan Claims), Nortek Class 3 (10% Notes Claims), Nortek Class 5 (8 ½% Notes Claims), Nortek Class 6 (9 ⅞% Notes Claims), Nortek Class 8 (Nortek Intercompany Claims), and Nortek Class 9 (Parent Company Intercompany Claims) – the Classes of Claims entitled under the Prepackaged Plans to vote to accept or reject the Prepackaged Plans. The period during which the Debtors solicited acceptances to the Prepackaged Plans was a reasonable period of time for holders to make an informed decision to accept or reject the Prepackaged Plans. The Debtors were not required to solicit votes from the holders of NTK Holdings Class 1 (NTK Holdings Priority Non-Tax Claims), NTK Holdings Class 4 (NTK Holdings Secured Claims), NTK Holdings Class 5 (NTK Holdings General Unsecured Claims), Nortek Holdings Class 1 (Nortek Holdings Priority Non-Tax Claims), Nortek Holdings Class 2 (Nortek Holdings Secured Claims), Nortek Holdings Class 3 (Nortek Holdings General Unsecured Claims), Nortek Class 1 (Priority Non-Tax Claims), Nortek Class 2 (ABL Facility Claims), Nortek Class 4 (Nortek Other Secured Claims), and Nortek Class 7 (General Unsecured Claims), as each such class is unimpaired under the Prepackaged Plans. The Debtors also were not required to solicit votes from the holders of NTK Holdings Class 6 (NTK Holdings Equity Interests), Nortek Holdings Class 4 (Nortek Holdings Equity Interests), and Nortek Class 10 (Nortek Equity Interests), as such Classes receive no recovery under the Prepackaged Plans and are deemed to reject the Prepackaged Plans. As described in and as evidenced by the Voting Certification and the Notice Affidavits, the transmittal and service of the Prepackaged Plans, the Disclosure Statement, the Ballots, the notice of the December 4 Hearings, and publication of such notice of the December 4 Hearings (all of the foregoing, the “*Solicitation*”) was timely, adequate and sufficient under the

circumstances. The Solicitation of votes on the Prepackaged Plans complied with the Solicitation Procedures, was appropriate and satisfactory based upon the circumstances of the Reorganization Cases, was conducted in good faith, and was in compliance with the provisions of the Bankruptcy Code, the Bankruptcy Rules, and the Local Rules, and any other applicable rules, laws and regulations. The Debtors, the Ad Hoc Committee, the Ad Hoc Group of 10% Noteholders, the Sponsor, any Sponsor Affiliate, the ABL Facility Agent, the NTK Lender Agent, the Indenture Trustees, and their respective successors, predecessors, control persons, members, officers, directors, employees and agents and their respective attorneys, financial advisors, investment bankers, accountants, and other professionals retained by such persons, the Reorganized Debtors, and any and all affiliates, members, managers, shareholders, partners, employees, attorneys and advisors of the foregoing are entitled to the protection of section 1125(e) of the Bankruptcy Code.

I. Notice. As is evidenced by the Voting Certification and the Notice Affidavits, the transmittal and service of the Prepackaged Plans, the Disclosure Statement, and Ballots were adequate and sufficient under the circumstances, and all parties required to be given notice of the December 4 Hearings (including the deadline for filing and serving objections to confirmation of the Prepackaged Plans) have been given due, proper, timely, and adequate notice in accordance with the Scheduling Order and in compliance with the Bankruptcy Code, the Bankruptcy Rules, and the Local Rules and applicable nonbankruptcy law and such parties have had an opportunity to appear and be heard with respect thereto. No other or further notice is required.

J. Plan Supplement. On November 13, 2009, the Debtors filed the Plan Supplement, which includes, among other things, the following documents: (i) the Restated

Certificate of Incorporation, (ii) the Restated Bylaws, (iii) the New Nortek Senior Secured Notes Indenture, (iv) the New Warrant Agreement, (v) the Equity Incentive Plan, (vi) the Emergence Bonus Plan, (vii) the Registration Rights Agreement, (viii) the credit agreement for the Debtors' Exit Facility (as defined in the Prepackaged Plans), and (ix) the schedule of executory contracts and unexpired leases to be rejected.

K. Modifications of the Prepackaged Plans. Modifications made to the Prepackaged Plans since the Solicitation complied in all respects with section 1127 of the Bankruptcy Code and Bankruptcy Rule 3019.

Compliance with the Requirements of Section 1129 of the Bankruptcy Code

L. Prepackaged Plans Compliance with the Bankruptcy Code (11 U.S.C. § 1129(a)(1)). The Prepackaged Plans comply with the applicable provisions of the Bankruptcy Code and, as required by Bankruptcy Rule 3016, the Prepackaged Plans are dated and identifies the Debtors as proponents, thereby satisfying section 1129(a)(1) of the Bankruptcy Code.

(a) Proper Classification (11 U.S.C. §§ 1122, 1123(a)(1)). In addition to Administrative Expense Claims, Professional Compensation and Reimbursement Claims, Secured Tax Claims, and Priority Tax Claims, which need not be classified, Articles III and IV of the Prepackaged Plans classify twenty (20) Classes of Claims and Equity Interests for the Debtors. The Claims and Equity Interests placed in each Class are substantially similar to other Claims and Equity Interests, as the case may be, in each such Class. Valid business, factual, and legal reasons exist for separately classifying the various Classes of Claims and Equity Interests created under the Prepackaged Plans, and such Classes do not unfairly discriminate between holders of Claims and Equity Interests. The Prepackaged Plans therefore satisfy sections 1122 and 1123(a)(1) of the Bankruptcy Code.

(b) Specified Unimpaired Classes (11 U.S.C. § 1123(a)(2)). Articles III, IV and V of the Prepackaged Plans specify that NTK Holdings Class 1 (NTK Holdings Priority Non-Tax Claims), NTK Holdings Class 4 (NTK Holdings Secured Claims), NTK Holdings Class 5 (NTK Holdings General Unsecured Claims), Nortek Holdings Class 1 (Nortek Holdings Priority Non-Tax Claims), Nortek Holdings Class 2 (Nortek Holdings Secured Claims), Nortek Holdings Class 3 (Nortek Holdings General Unsecured Claims), Nortek Class 1 (Priority Non-Tax Claims), Nortek Class 2 (ABL Facility Claims), Nortek Class 4 (Nortek Other Secured Claims), and Nortek Class 7 (General Unsecured Claims), are unimpaired under the Prepackaged Plans within the meaning of section 1124 of the Bankruptcy Code, thereby satisfying section 1123(a)(2) of the Bankruptcy Code.

(c) Specified Treatment of Impaired Classes (11 U.S.C. § 1123(a)(3)). Articles III, IV and V of the Prepackaged Plans designate NTK Holdings Class 2 (NTK Holdings 10 ¾% Notes Claims), NTK Holdings Class 3 (NTK Holdings Senior Unsecured Loan Claims), Nortek Class 3 (10% Notes Claims), Nortek Class 5 (8 ½% Notes Claims), Nortek Class 6 (9 ⅞% Notes Claims), Nortek Class 8 (Nortek Intercompany Claims), and Nortek Class 9 (Parent Company Intercompany Claims) as impaired within the meaning of section 1124 of the Bankruptcy Code and specify the treatment of the Claims and Equity Interests in those Classes, thereby satisfying section 1123(a)(3) of the Bankruptcy Code.

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

(e) Implementation of the Prepackaged Plans (11 U.S.C. § 1123(a)(5)). The Prepackaged Plans and the various documents and agreements set forth in the Plan Supplement provide adequate and proper means for the implementation of the Prepackaged Plans, thereby satisfying section 1123(a)(5) of the Bankruptcy Code, including (i) the substantive consolidation of the Nortek and the Subsidiary Debtors for Prepackaged Plans purposes only, (ii) all corporate action as set forth more fully in Article VI, Section 6.2 of the Prepackaged Plans, including the adoption and filing with the Secretary of State of the State of Delaware of the Restated Certificate of Incorporation and, as applicable, amendments to the certificates of incorporation or organization documents of the other Reorganized Debtors and the adoption of restated by-laws of each of the other Reorganized Debtors, (iii) the issuance of the New Common Stock, the New Nortek Senior Secured Indenture, the New Nortek Senior Secured Notes, and the New Warrants, (iv) the cancellation of existing securities and agreements and the surrender of existing securities, (v) entry into, or assumption of, employment agreements with existing management, (vi) adoption of the Equity Incentive Plan and the Emergence Bonus Plan, and (vii) entry into the Exit Facility.

(f) Non-Voting Equity Securities / Allocation of Voting Power (11 U.S.C. § 1123(a)(6)). The Restated Certificate of Incorporation of Nortek, Inc. ("**Nortek**") prohibits the issuance of non-voting equity securities, thereby satisfying section 1123(a)(6) of the Bankruptcy Code, and authorizes the issuance of one (1) class of common stock (the New Common Stock), as well as preferred stock. Pursuant to the Prepackaged Plans, only the New Common Stock is being issued. The issuance of the New Common Stock complies with section 1123(a)(6) of the Bankruptcy Code. On or before the Effective Date, pursuant to and only to the extent required by section 1123(a)(6) of the Bankruptcy Code, the Restated Certificate of Incorporation, the

certificates of incorporation of the Debtors that are corporations and the organization documents for the Debtors that are limited liability companies, shall also be amended (and as to the corporate debtors filed with the Secretary of State of their respective states of incorporation) as necessary to satisfy the provisions of the Bankruptcy Code and shall include, among other things, a provision prohibiting the issuance of non-voting equity securities. On the Effective Date, the boards of directors of each Reorganized Debtor shall be deemed to have adopted the restated bylaws for such Reorganized Debtor.

(g) Designation of Directors and Officers (11 U.S.C. § 1123(a)(7)). The Plan Supplement and Sections 6.2(c) and (d) of Article 6 of the Prepackaged Plans contain provisions with respect to the manner of selection of directors and officers of the Reorganized Debtors that are consistent with the interests of creditors, equity security holders, and public policy, thereby satisfying section 1123(a)(7) of the Bankruptcy Code.

(h) Impairment/Unimpairment of Classes of Claims and Equity Interests (11 U.S.C. § 1123(b)(1)). Pursuant to Article III of the Prepackaged Plans, (a) NTK Holdings Class 1 (NTK Holdings Priority Non-Tax Claim), NTK Holdings Class 4 (NTK Holdings Secured Claims), NTK Holdings Class 5 (NTK Holdings General Unsecured Claims), Nortek Holdings Class 1 (Nortek Holdings Priority Non-Tax Claim), Nortek Holdings Class 2 (Nortek Holdings Secured Claims), Nortek Holdings Class 3 (Nortek Holdings General Unsecured Claims), Nortek Class 1 (Priority Non-Tax Claim), Nortek Class 2 (ABL Facility Claims), Nortek Class 4 (Nortek Other Secured Claims), and Nortek Class 7 (General Unsecured Claims) are unimpaired, as contemplated by section 1123(b)(1) of the Bankruptcy Code, and (b) NTK Holdings Class 2 (NTK 10 ¾% Notes Claims), NTK Holdings Class 3 (NTK Holdings Senior Unsecured Loan Claims), Nortek Class 3 (10% Notes Claims), Nortek Class 5 (8 ½% Notes Claims), Nortek

Class 6 (9 7/8% Notes Claims), Nortek Class 8 (Intercompany Claims), and Nortek Class 9 (Parent Company Intercompany Claims) are impaired or may be impaired.

(i) Assumption and Rejection (11 U.S.C. § 1123(b)(2)). Article IX of the Prepackaged Plans (and Exhibit “I” of the Plan Supplement) addresses the assumption and rejection of executory contracts and unexpired leases, and meets the requirements of section 365(b) of the Bankruptcy Code. There have been no objections to the Debtors’ assumption of executory contracts and unexpired leases pursuant to Article IX of the Prepackaged Plans.

(j) Additional Plan Provisions (11 U.S.C. § 1123(b)(6)). The provisions of the Prepackaged Plans are appropriate and consistent with the applicable provisions of the Bankruptcy Code, thereby satisfying section 1123(b)(6) of the Bankruptcy Code.

(k) Cure of Defaults (11 U.S.C. § 1123(d)). Section 9.2 of the Prepackaged Plans provides for the satisfaction of default claims associated with each executory contract and unexpired lease to be assumed pursuant to the Prepackaged Plans in accordance with section 365(b)(1) of the Bankruptcy Code. All cure amounts will be determined in accordance with the underlying agreements and applicable bankruptcy and nonbankruptcy law. Thus, the Prepackaged Plans comply with section 1123(d) of the Bankruptcy Code.

M. The Debtors’ Compliance with the Bankruptcy Code (11 U.S.C. § 1129(a)(2)). The Debtors have complied with the applicable provisions of the Bankruptcy Code. Specifically:

(a) Each of the Debtors is an eligible debtor under section 109 of the Bankruptcy Code; and

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

transmitting the Prepackaged Plans, the Plan Supplement, the Disclosure Statement, the Ballots, and related documents and notices and in soliciting and tabulating the votes on the Prepackaged Plans, the Debtors have complied with the applicable provisions of the Bankruptcy Code, including sections 1125 and 1126(b), the Bankruptcy Rules, the Local Rules, applicable nonbankruptcy law, the Scheduling Order, and all other applicable law.

N. Plan Proposed in Good Faith (11 U.S.C. § 1129(a)(3)). The Debtors have proposed the Prepackaged Plans (including the Exit Facility contemplated thereunder and all documents necessary to effectuate the Prepackaged Plans) in good faith and not by any means forbidden by law, thereby satisfying section 1129(a)(3) of the Bankruptcy Code. The Debtors' good faith is evident from the facts and record of these Reorganization Cases, the Disclosure Statement, and the record of the December 4 Hearings and other proceedings held in these Reorganization Cases. The Prepackaged Plans were proposed with the legitimate and honest purpose of maximizing the value of the Debtors' estates and to effectuate a successful reorganization of the Debtors. The Prepackaged Plans (including all documents necessary to effectuate the Prepackaged Plans) were negotiated at arms' length among representatives of the Debtors, the Ad Hoc Committee, the Ad Hoc Group of 10% Noteholders, the Sponsor, the ABL Facility Agent, and their respective professionals. The Ad Hoc Committee, the Ad Hoc Group of 10% Noteholders, as well as the individual signatories to the Restructuring Agreement, support confirmation of the Prepackaged Plans. Further, the Prepackaged Plans' classification, indemnification, exculpation, release, and injunction provisions have been negotiated in good faith and at arms' length, are consistent with sections 105, 1122, 1123(b)(3)(A), 1123(b)(6), 1129, and 1142 of the Bankruptcy Code, and are each necessary for the Debtors' successful reorganization.

O. Payment for Services or Costs and Expenses (11 U.S.C. § 1129(a)(4)).

(a) Any payment made or to be made by the Debtors for services or for costs and expenses of the Debtors' professionals in connection with their Reorganization Cases, or in connection with the Prepackaged Plans and incident to the Reorganization Cases, has been approved by, or is subject to the approval of, the Court as reasonable, thereby satisfying section 1129(a)(4) of the Bankruptcy Code.

(b) As part of the negotiated terms on which the Debtors, the Ad Hoc Committee, the Ad Hoc Group of 10% Noteholders, the Sponsor, and the ABL Facility Agent agreed to proceed with the consensual, pre-packaged restructuring reflected in the Prepackaged Plans, the Debtors have agreed to pay without any requirement to file any retention or fee applications the reasonable fees and expenses of certain professional advisors to such parties.

P. Directors, Officers, and Insiders (11 U.S.C. § 1129(a)(5)). The Debtors have complied with section 1129(a)(5) of the Bankruptcy Code. The identity and affiliations of the persons proposed to serve as the initial directors and officers of the Reorganized Debtors after confirmation of the Prepackaged Plans have been fully disclosed to the extent such information is available, and the appointment to, or continuance in, such offices of such persons is consistent with the interests of holders of Claims against and Equity Interests in the Debtors and with public policy. As set forth in the Plan Supplement, on the Effective Date, the new board of directors of Nortek, Inc. shall be initially comprised of seven (7) members, each of whom is identified in the Plan Supplement, and as may be supplemented as described on the record of the December 4 hearing. Each such member will serve in accordance with the terms and subject to the conditions of the Restated Certificate of Incorporation, the Restated Bylaws, and other relevant organizational documents, each as applicable. The identity of any insider that

will be employed or retained by the Reorganized Debtors and the nature of such insider's compensation have also been disclosed, to the extent necessary.

Q. No Rate Changes (11 U.S.C. § 1129(a)(6)). The Prepackaged Plans do not provide for rate changes by any of the Reorganized Debtors. Thus, section 1129(a)(6) of the Bankruptcy Code is not applicable in these Reorganization Cases.

R. Best Interest of Creditors (11 U.S.C. § 1129(a)(7)). The Prepackaged Plans satisfy section 1129(a)(7) of the Bankruptcy Code. The liquidation analysis provided in the Disclosure Statement and other evidence proffered or adduced at the Confirmation Hearing (i) are persuasive and credible, (ii) have not been controverted by other evidence, and (iii) establish that each holder of an impaired Claim or Equity Interest either has accepted the Prepackaged Plans or will receive or retain under the Prepackaged Plans, on account of such Claim or Equity Interest, property of a value, as of the Effective Date, that is not less than the amount that such holder would receive or retain if the Debtors were liquidated under chapter 7 of the Bankruptcy Code on such date.

S. Acceptance by Certain Classes (11 U.S.C. § 1129(a)(8)). NTK Holdings Class 1 (NTK Holdings Priority Non-Tax Claim), NTK Holdings Class 4 (NTK Holdings Secured Claims), NTK Holdings Class 5 (NTK Holdings General Unsecured Claims), Nortek Holdings Class 1 (Nortek Holdings Priority Non-Tax Claim), Nortek Holdings Class 2 (Nortek Holdings Secured Claims), Nortek Holdings Class 3 (Nortek Holdings General Unsecured Claims), Nortek Class 1 (Priority Non-Tax Claim), Nortek Class 2 (ABL Facility Claims), Nortek Class 4 (Nortek Other Secured Claims), and Nortek Class 7 (General Unsecured Claims) are Classes of unimpaired Claims that are conclusively presumed to have accepted the Prepackaged Plans in accordance with section 1126(f) of the Bankruptcy Code. Nortek Class 3

(10% Notes Claims), Nortek Class 5 (8 ½% Notes Claims), Nortek Class 6 (9 ⅞% Notes Claims), Nortek Class 8 (Intercompany Claims), Nortek Class 9 (Parent Company Intercompany Claims), and NTK Holdings Class 2 (NTK 10 ¾% Notes Claims) have voted to accept the Prepackaged Plans in accordance with sections 1126(b) and (c) of the Bankruptcy Code, without regard to the votes of insiders of the Debtors.

T. Treatment of Administrative Expense Claims, Priority Tax Claims, and Other Priority Claims (11 U.S.C. § 1129(a)(9)). The treatment of Allowed Administrative Expense Claims pursuant to Section 2.1 of the Prepackaged Plans satisfies the requirements of section 1129(a)(9)(A) of the Bankruptcy Code. The treatment of Priority Non-Tax Claims pursuant to Sections 4.1, 4.7, and 4.11 of the Prepackaged Plans satisfies the requirements of section 1129(a)(9)(B) of the Bankruptcy Code. The treatment of Priority Tax Claims pursuant to Section 2.4 of the Prepackaged Plans satisfies the requirements of section 1129(a)(9)(C) of the Bankruptcy Code. Pursuant to the Prepackaged Plans, no holder of an Administrative Expense Claim other than a retained professional is required to file a proof of claim or request for payment of administrative expenses under section 503(b) of the Bankruptcy Code. On and after the Effective Date, all valid Administrative Expense Claims, Priority Tax Claims, and Other Priority Claims shall be paid in the ordinary course of business of the Reorganized Debtors, subject to parties' ability to dispute such Claims in accordance with Article VIII of the Prepackaged Plans and applicable non-bankruptcy law.

U. Acceptance by Impaired Class (11 U.S.C. § 1129(a)(10)). Nortek Class 3 (10% Notes Claims), Nortek Class 5 (8 ½% Notes Claims), Nortek Class 6 (9 ⅞% Notes Claims), Nortek Class 8 (Intercompany Claims), Nortek Class 9 (Parent Company Intercompany Claims), and NTK Holdings Class 2 (NTK 10 ¾% Notes Claims) voted to accept the

Prepackaged Plans by the requisite majorities, determined without including any acceptance of the Prepackaged Plans by any insider, thereby satisfying the requirements of section 1129(a)(10) of the Bankruptcy Code.

V. Feasibility (11 U.S.C. § 1129(a)(11)). The information in the Disclosure Statement, the Supporting Declarations, and the evidence proffered or adduced at the Confirmation Hearing (i) is persuasive and credible, (ii) has not been controverted by other evidence, and (iii) establishes that the Prepackaged Plans are feasible and that there is a reasonable prospect of the Reorganized Debtors being able to meet their financial obligations under the Prepackaged Plans and their business in the ordinary course and that confirmation of the Prepackaged Plans is not likely to be followed by the liquidation or the need for further financial reorganization of the Reorganized Debtors, thereby satisfying the requirements of section 1129(a)(11) of the Bankruptcy Code.

W. Payment of Fees (11 U.S.C. § 1129(a)(12)). All fees currently payable under section 1930 of title 28, United States Code, as determined by the Bankruptcy Code, have been or will be paid on or before the Effective Date pursuant to Section 13.1 of the Prepackaged Plans, thereby satisfying the requirements of section 1129(a)(12) of the Bankruptcy Code.

X. Continuation of Retiree Benefits (11 U.S.C. § 1129(a)(13)). Section 9.4 of the Prepackaged Plans provides that except and to the extent previously assumed by an order of the Bankruptcy Court, on or before the Confirmation Date, all employee compensation and Benefit Plans of the Debtors, including Benefit Plans and programs subject to sections 1114 and 1129(a)(13) of the Bankruptcy Code, entered into before or after the Petition Date and not since terminated, shall be deemed to be, and shall be treated as if they were, executory contracts that

are to be assumed under the Prepackaged Plans. The Prepackaged Plans satisfy the requirements of section 1129(a)(13) of the Bankruptcy Code.

Y. No Domestic Support Obligations (11 U.S.C. § 1129(a)(14)). The Debtors are not required by a judicial or administrative order, or by statute, to pay a domestic support obligation. Accordingly, section 1129(a)(14) of the Bankruptcy Code is inapplicable in these Reorganization Cases.

Z. Debtors Are Not Individuals (11 U.S.C. § 1129(a)(15)). The Debtors are not individuals, and accordingly, section 1129(a)(15) of the Bankruptcy Code is inapplicable in these Reorganization Cases.

AA. No Applicable Nonbankruptcy Law Regarding Transfers (11 U.S.C. § 1129(a)(16)). The Debtors are each a moneyed, business, or commercial corporation, and accordingly, section 1129(a)(16) of the Bankruptcy Code is inapplicable in these Reorganization Cases.

BB. No Unfair Discrimination; Fair and Equitable (11 U.S.C. § 1129(b)). NTK Holdings Class 6 (NTK Holdings Equity Interests), Nortek Holdings Class 4 (Nortek Holdings Equity Interests), and Nortek Class 10 (Nortek Equity Interests) are deemed to have rejected the Prepackaged Plans. In addition, NTK Holdings Class 3 (NTK Holdings Senior Unsecured Loan Claims) voted to reject the Prepackaged Plans. Based upon the evidence proffered, adduced, and presented by the Debtors at the Confirmation Hearing, the Prepackaged Plans do not discriminate unfairly with respect to and are fair and equitable with respect the aforementioned Classes, as required by sections 1129(b)(1) and (b)(2) of the Bankruptcy Code, because no holder of any interest that is junior to each such Class will receive or retain any property under the Prepackaged Plans on account of such junior interest, and no holder of a

Claim in a Class senior to such Classes is receiving more than 100% recovery on account of its Claim. Thus, the Prepackaged Plans may be confirmed notwithstanding the deemed rejection or the rejection of the Prepackaged Plans by these Classes.

CC. Only One Plan (11 U.S.C. § 1129(c)). The Prepackaged Plans are the only plans filed in each of these cases, and accordingly, section 1129(c) of the Bankruptcy Code is inapplicable in these Reorganization Cases.

DD. Principal Purpose of the Prepackaged Plans (11 U.S.C. § 1129(d)). The principal purpose of the Prepackaged Plans is not the avoidance of taxes or the avoidance of the application of section 5 of the Securities Act and no governmental entity has objected to the confirmation of the Prepackaged Plans on any such grounds. The Prepackaged Plans, therefore, satisfy the requirements of section 1129(d) of the Bankruptcy Code.

EE. Good Faith Solicitation (11 U.S.C. § 1125(e)). Based on the record before the Court in these Reorganization Cases, including evidence presented at the December 4 Hearing, the Debtors, the Ad Hoc Committee, the Ad Hoc Group of 10% Noteholders, the Sponsor, any Sponsor Affiliate, the ABL Facility Agent, the NTK Lender Agent, the Indenture Trustees, and their respective successors, predecessors, control persons, members, officers, directors, employees and agents and their respective attorneys, financial advisors, investment bankers, accountants, and other professionals retained by such persons (i) have acted in “good faith” within the meaning of section 1125(e) of the Bankruptcy Code in compliance with the applicable provisions of the Bankruptcy Code, Bankruptcy Rules, the Local Rules and any applicable non-bankruptcy law, rule, or regulation governing the adequacy of disclosure in connection with all their respective activities relating to the solicitation of acceptances to the Prepackaged Plans and their participation in the activities described in section 1125 of the

Bankruptcy Code and (ii) shall be deemed to have participated in good faith and in compliance with the applicable provisions of the Bankruptcy Code in the offer and issuance of any securities under the Prepackaged Plans, and therefore are not, and on account of such offer, issuance and solicitation will not be, liable at any time for the violation of any applicable law, rule or regulation governing the solicitation of acceptances or rejections of the Prepackaged Plans or the offer and issuance of the securities under the Prepackaged Plans, and are entitled to the protections afforded by section 1125(e) of the Bankruptcy Code and, to the extent such parties are listed therein, the exculpation provisions set forth in Section 11.4 of the Prepackaged Plans.

FF. Satisfaction of Confirmation Requirements. Based upon the foregoing, the Prepackaged Plans satisfies the requirements for confirmation set forth in section 1129 of the Bankruptcy Code.

GG. Implementation. All documents necessary to implement the Prepackaged Plans, including those contained in the Plan Supplement, and all other relevant and necessary documents have been negotiated in good faith and at arms' length and shall, upon completion of documentation and execution (including the documentation of the Exit Facility), be valid, binding, and enforceable agreements and not be in conflict with any federal or state law.

HH. Injunction, Exculpation, and Releases. The Court has jurisdiction under sections 1334(a) and (b) of title 28 of the United States Code to approve the injunction, exculpation, and releases set forth in Sections 11.4, 11.5, 11.6, and 11.9 of the Prepackaged Plans, respectively. Section 105(a) of the Bankruptcy Code permits issuance of the injunction and approval of the unopposed releases set forth in Sections 11.4, 11.5, 11.6, and 11.9 of the Prepackaged Plans, respectively, if, as has been established here based upon the record in the Reorganization Cases and the evidence presented at the December 4 Hearing, such provisions (i)

were integral to the agreement among the various parties in interest, as reflected in the Restructuring Agreement, and are essential to the formulation and implementation of the Prepackaged Plans, as provided in section 1123 of the Bankruptcy Code, (ii) confer substantial benefits on the Debtors' estates, (iii) are fair, equitable and reasonable, and (iv) are in the best interests of the Debtors, their estates, and parties in interest. Pursuant to section 1123(b)(3) of the Bankruptcy Code and Bankruptcy Rule 9019(a), the releases, exculpation, and injunction set forth in the Prepackaged Plans and implemented by this Order are fair, equitable, reasonable, and in the best interests of the Debtors, the Reorganized Debtors and their estates, creditors and equity holders. The releases of non-Debtors under the Prepackaged Plans are fair to holders of Claims and are necessary to the proposed reorganization, thereby satisfying the requirements of *In re Continental Airlines, Inc.*, 203 F.3d 203, 214 (3d Cir. 2000). Such releases are given in exchange for and are supported by fair, sufficient, and adequate consideration provided by each and all of the parties providing such releases. The record of the Confirmation Hearing and these chapter 11 cases is sufficient to support the releases, exculpation, and injunction provided for in Sections 11.4, 11.5, 11.6, and 11.9 of the Prepackaged Plans. Accordingly, based upon the record of these Reorganization Cases, the representations of the parties, and/or the evidence proffered, adduced, and/or presented at the Confirmation Hearing, this Court finds that the injunction, exculpation, and releases set forth in Article 11 of the Prepackaged Plans are consistent with the Bankruptcy Code and applicable law. The failure to implement the injunction, exculpation and releases would seriously impair the Debtors' ability to confirm the Prepackaged Plans.

II. Except as otherwise provided in the Prepackaged Plans and this Order, the Prepackaged Plans represent a settlement between and among the Debtors and their creditors and

equity holders of all Claims and litigation against the Debtors, pending or threatened, or that was or could have been commenced against the Debtors prior to the date of entry of this Order (other than the Reorganized Debtors' ability to prosecute objections to Claims and other retained causes of action to the extent preserved under the Prepackaged Plans), including pursuant to Section 11.11 of the Prepackaged Plans.

JJ. Good Faith. The Debtors and the Prepetition Secured Lenders (as defined in the *Interim Order (I) Authorizing Use of Cash Collateral, (II) Granting Adequate Protection, (III) Modifying the Automatic Stay, And (IV) Scheduling a Final Hearing* (D.I. 51) (the "**Cash Collateral Order**") and the lenders and the agents under the Exit Facility, will be acting in good faith if they proceed to (i) consummate the Prepackaged Plans and the agreements, settlements, transactions, and transfers contemplated thereby and (ii) take the actions authorized and directed by this Order.

KK. Exit Facility. Upon diligent inquiry, the Debtors have determined that the Exit Facility is the best alternative available to the Debtors. The Exit Facility has been negotiated in good faith and on an arms' length basis and each party thereto may rely upon the provisions of this Order in closing the Exit Facility. The availability of Exit Facility is necessary to the consummation of the Prepackaged Plans and the operation of the Reorganized Debtors. The material documentation for the Exit Facility is set forth in the Plan Supplement, and the accompanying exit financing fee letters are fair and reasonable, reflect the Debtors' exercise of prudent business judgment consistent with their fiduciary duties, are supported by reasonably equivalent value and fair consideration and are in the best interests of the Debtors' estates and their creditors. The execution, delivery, or performance by the Debtors or Reorganized Debtors, as the case may be, of any documents in connection with the Exit Facility, and compliance by the

Debtors or Reorganized Debtors, as the case may be, with the terms thereof is authorized by, and will not conflict with, the terms of the Prepackaged Plans or this Order. The financial accommodations to be extended pursuant to the Exit Facility are being extended in good faith, for legitimate business purposes, are reasonable, and shall not be subject to recharacterization for any purposes whatsoever and shall not constitute preferential transfers or fraudulent conveyances under the Bankruptcy Code or any other applicable nonbankruptcy law.

LL. Valuation. Pursuant to the valuation analysis set forth in the Disclosure Statement, the enterprise value of the Debtors is insufficient to support a distribution to holders of NTK Holdings Equity Interests under absolute priority principles.

MM. Retention of Jurisdiction. The Court may properly, and upon the Effective Date shall, retain exclusive jurisdiction over all matters arising out of, and related to, the Reorganization Cases, including the matters set forth in Article XII of the Prepackaged Plans and section 1142 of the Bankruptcy Code.

ORDER

ACCORDINGLY, IT IS HEREBY ORDERED, ADJUDGED, DECREED, AND DETERMINED THAT:

1. Findings of Fact and Conclusions of Law. The above-referenced findings of fact and conclusions of law are hereby incorporated by reference as though fully set forth herein and shall constitute findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052, made applicable herein by Bankruptcy Rule 9014. To the extent that any finding of fact shall be determined to be a conclusion of law, it shall be deemed so, and vice versa.

2. Notice of the December 4 Hearings. Notice of the December 4 Hearings complied with the terms of the Scheduling Order, was appropriate and satisfactory based upon

the circumstances of the Reorganization Cases, and was in compliance with the provisions of the Bankruptcy Code, the Bankruptcy Rules, and the Local Rules.

3. Solicitation. The solicitation of votes on the Prepackaged Plans complied with the Solicitation Procedures, was appropriate and satisfactory based upon the circumstances of the Reorganization Cases, and was in compliance with the provisions of the Bankruptcy Code, the Bankruptcy Rules, the Local Rules and applicable nonbankruptcy law.

4. Ballots. The forms of Ballots annexed to the Voting Certification are in compliance with Bankruptcy Rule 3018(c), conform to Official Form Number 14, and are approved in all respects.

5. Plan Modifications. Modifications made to the Prepackaged Plans following the solicitation of votes thereon satisfied the requirements of section 1127 of the Bankruptcy Code and Bankruptcy Rule 3019.

6. The Disclosure Statement. The Disclosure Statement (i) contains adequate information of a kind generally consistent with the disclosure requirements of applicable nonbankruptcy law, including the Securities Act, (ii) contains “adequate information” (as such term is defined in section 1125(a)(1) and used in section 1126(b)(2) of the Bankruptcy Code) with respect to the Debtors, the Prepackaged Plans, and the transactions contemplated therein, and (iii) is approved in all respects. To the extent that the Debtors’ solicitation of acceptances of the Plan is deemed to constitute an offer of new securities, the Debtors are exempt from the registration requirements of the Securities Act (and of any equivalent state securities or “blue sky” laws) with respect to such solicitation under section 4(2) of the Securities Act and Regulation D promulgated thereunder. Section 4(2) exempts from registration under the Securities Act all “transactions by an issuer not involving any public offering.” 15 U.S.C. §

77d(2). The Debtors have complied with the requirements of section 4(2) of the Securities Act, as the prepetition solicitation of acceptances would constitute a private placement of securities. The solicitation to creditors was made only to those creditors who are "Accredited Investors" as defined in Regulation D under the Securities Act, as creditors were required to certify on their Ballots that they were accredited investors.

7. Confirmation of the Prepackaged Plans. The Prepackaged Plans and each of their provisions shall be, and hereby are, CONFIRMED under section 1129 of the Bankruptcy Code. The documents contained in the Plan Supplement are authorized and approved. The terms of the Prepackaged Plans, including the Plan Supplement, are incorporated by reference into and are an integral part of this Order.

8. Objections. All Objections, responses to, and statements and comments, if any, in opposition to, the Prepackaged Plans and/or the Disclosure Statement, respectively, other than those withdrawn with prejudice in their entirety prior to, or on the record at, the December 4 Hearings, shall be, and hereby are, overruled in their entirety for the reasons stated on the record.

9. No Action. Pursuant to the appropriate provisions of the General Corporation Law of the State of Delaware and section 1142(b) of the Bankruptcy Code, no action of the respective directors or stockholders of the Debtors shall be required to authorize the Debtors to enter into, execute, deliver, file, adopt, amend, restate, consummate, or effectuate, as the case may be, the Prepackaged Plans and any contract, instrument, or other document to be executed, delivered, adopted or amended in connection with the implementation of the Prepackaged Plans, including any documentation executed in connection with the Debtors' Exit Facility.

10. Binding Effect. On or after entry of this Order and subject to the occurrence of the Effective Date, the provisions of the Prepackaged Plans shall bind the Debtors, the Reorganized Debtors, all holders of Claims and Equity Interests of the Debtors (irrespective of whether such Claims or Equity Interests are impaired under the Prepackaged Plans or whether the holders of such Claims or Equity Interests accepted or are deemed to have accepted the Prepackaged Plans), any and all non-Debtor parties to executory contracts and unexpired leases with any of the Debtors, any other party in interest in the Reorganization Cases, and the respective heirs, executors, administrators, successors, or assigns, if any, of any of the foregoing.

11. Free and Clear. Except as otherwise provided in the Prepackaged Plans or in this Order, from and after the Effective Date, the Reorganized Debtors shall be vested with all property of the Estates, free and clear of all Claims, liens, encumbrances, charges and other interests of creditors and equity security holders of the Debtors. From and after the Effective Date, the Reorganized Debtors may operate each of their businesses and use, acquire or dispose of assets free of any restrictions imposed by the Bankruptcy Code, the Bankruptcy Court, or the United States Trustee (except for quarterly operating reports and fees associated therewith).

12. Substantive Consolidation. Pursuant to Section 6.1 of the Prepackaged Plans, the Prepackaged Plans are premised upon the substantive consolidation of Nortek and the Subsidiary Debtors for purposes of the Prepackaged Plans only. Accordingly, on the Effective Date, all of Nortek and the Subsidiary Debtors and their Estates shall, for purposes of the Prepackaged Plans only, be deemed merged and (i) all assets and liabilities of Nortek and the Subsidiary Debtors shall be treated for purposes of the Prepackaged Plans only as though they were merged, (ii) all guarantees of Nortek and the Subsidiary Debtors of payment, performance, or collection of obligations of any other of Nortek or the Subsidiary Debtors shall be eliminated

and cancelled, (iii) all joint obligations of two or more of Nortek and/or the Subsidiary Debtors and all multiple Claims against such entities on account of such joint obligations, shall be considered a single claim against Nortek and the Subsidiary Debtors, and (iv) any Claim filed in the Reorganization Cases of Nortek or any of the Subsidiary Debtors shall be deemed filed against the consolidated Nortek and the Subsidiary Debtors and a single obligation of the consolidated Nortek and the Subsidiary Debtors on and after the Effective Date. Such substantive consolidation shall not (other than for voting, treatment, and distribution purposes under the Prepackaged Plans) affect (x) the legal and corporate structures of Nortek and the Subsidiary Debtors (including the corporate ownership of the Subsidiary Debtors), or (y) any Intercompany Claim or Parent Company Intercompany Claim.

13. Implementation of the Prepackaged Plans. The Debtors and the Reorganized Debtors shall be authorized to execute, deliver, file, or record such documents, contracts, instruments, releases, and other agreements, including those contained in the Plan Supplement, and take such other actions as may be necessary to effectuate, implement, and further evidence the terms and conditions of the Prepackaged Plans, including all such actions delineated in Section 6.2 of the Prepackaged Plans. On the Effective Date, the appropriate officers or representatives of the Reorganized Debtors and members of the boards of directors of the same are authorized and empowered to issue, execute, file and deliver or record such documents, contracts, instruments, releases and other agreements, including those contained in the Plan Supplement, contemplated by the Prepackaged Plans, in the name of and on behalf of the Reorganized Debtors.

14. Issuance of New Notes, New Common Stock, and New Warrants. The Reorganized Debtors are authorized to issue the New Common Stock, the New Nortek Senior

Secured Indenture, the New Nortek Senior Secured Notes, and the New Warrants. The New Common Stock, the New Nortek Senior Secured Indenture, the New Nortek Senior Secured Notes, and the New Warrants shall be, upon execution and delivery, legal, valid, and binding obligations of the Reorganized Debtors and enforceable against the Reorganized Debtors in accordance with their terms.

15. Compliance with Section 1123(a)(6) of the Bankruptcy Code. The Restated Certificate of Incorporation of Nortek, and the terms governing the issuance of the New Common Stock and New Warrants, comply in all respects with section 1123(a)(6) of the Bankruptcy Code, and are hereby approved. The adoption and filing by Nortek of the Restated Certificate of Incorporation is hereby authorized, ratified, and approved. The Debtors have complied in all respects, to the extent necessary, with section 1123(a)(6) of the Bankruptcy Code.

16. Exemption from Securities Law. The issuance of the New Common Stock, the New Warrants (and the New Common Stock for which such New Warrants are exercisable), the New Senior Secured Indenture, the New Notes (including any guarantees issued in connection with the foregoing), and any other securities pursuant to the Prepackaged Plans and any subsequent sales, resales or transfers, or other distributions of any such securities shall be exempt from any federal or state securities laws registration requirements, including section 5 of the Securities Act, to the fullest extent permitted by section 1145 of the Bankruptcy Code.

17. Cancellation of Existing Securities and Agreements. On the Effective Date, the 8 ½% Indenture, 9 ⅞% Indenture, 10% Indenture, ABL Facility Agreement, NTK 10 ¾% Indenture, NTK Holdings Senior Unsecured Loan Agreement, and the Nortek Equity Interests, and related guarantees under the 8 ½% Indenture, 10% Indenture, and the ABL Facility

Agreement Guarantee shall be cancelled; *provided, however* the 8 ½% Indenture, 9 ⅞% Indenture, 10% Indenture, ABL Facility Agreement, NTK 10 ¾ % Indenture, NTK Holdings Senior Unsecured Loan Agreement shall continue in effect solely for the purposes of (i) allowing the holders of 8 ½% Notes Claims, 9 ⅞% Notes Claims, 10% Notes Claims, ABL Facility Agreement, NTK 10 ¾ % Notes Claims, and NTK Holdings Senior Unsecured Loan Claims to receive their distributions under the Prepackaged Plans and (ii) allowing and preserving the rights of the Indenture Trustee to (A) make distributions, subject to any Lien or other priority in payment or right available to the Indenture Trustee pursuant to the Indentures or otherwise available to the Indenture Trustee under applicable law, for the payment of Indenture Trustee Claims, in satisfaction of the applicable Notes Claims, (B) exercise its charging lien against such distributions and (C) seek compensation and reimbursement for any fees and expenses incurred in making such distributions. Upon completion of all such distributions, the Indentures shall terminate completely. From and after the Effective Date, the Indenture Trustee shall have no duties or obligations under the Indentures, other than to make distributions.

18. Surrender of Existing Securities. As soon as practicable, on or after the Effective Date, each holder of 8 ½% Notes Claim, 9 ⅞% Notes Claim, 10% Notes Claim, and NTK 10 ¾ % Notes Claim shall surrender its note(s) to the Indenture Trustee or in the event such note(s) are held in the name of, or by a nominee of, any third party, the Reorganized Debtors shall seek the cooperation of such third party to provide appropriate instructions to the Indenture Trustee or appropriate instructions from such third party shall be received by the Indenture Trustee or the loss, theft or destruction of such note is established to the reasonable satisfaction of the Indenture Trustee as applicable, which satisfaction may require such holder to submit (a) a lost instrument affidavit and (b) an indemnity bond holding the Debtors, the Reorganized

Debtors, and the Indenture Trustee harmless in respect of such note and any distributions made on account thereof. Upon compliance with Section 6.8 of the Prepackaged Plans and this Order by a holder of any note, such holder shall, for all purposes under the Prepackaged Plans, be deemed to have surrendered such note. Any holder that fails to surrender such note or to satisfactorily explain its non-availability to the Indenture Trustee within one (1) year after the Effective Date shall be deemed to have no further Claim against the Debtors and the Reorganized Debtors (or their property) or the Indenture Trustee in respect of such Claim and shall not participate in any distribution under the Prepackaged Plans. All property in respect of such forfeited distributions, including interest thereon, shall be promptly returned to the Reorganized Debtors by the Indenture Trustee and any such security shall be cancelled.

19. Subordination. Except as otherwise expressly provided in the Prepackaged Plans, this Order or a separate order of this Court, the classification and manner of satisfying all Claims and Equity Interests under the Prepackaged Plans takes into consideration all subordination rights, whether arising by contract or under general principles of equitable subordination, section 510 of the Bankruptcy Code, or otherwise. All subordination rights that a holder of a Claim or Equity Interest may have with respect to any distribution to be made under the Prepackaged Plans shall be discharged and terminated and all actions related to the enforcement of such subordination rights shall be enjoined permanently. Accordingly, the distributions under the Prepackaged Plans to the holders of Allowed Claims will not be subject to payment of a beneficiary of such subordination rights, or to levy, garnishment, attachment or other legal process by a beneficiary of such terminated subordination rights.

20. Agreements with Existing Management. The Debtors are hereby authorized to, and shall on the Effective Date, either enter into new employment agreements with

existing Nortek management who are currently subject to a written employment agreement with Nortek, subject to Noteholder Consent, or assume the existing Nortek employment agreements; provided, however, that certain employees have agreed to delay receipt of a cash lump sum payment they might otherwise be entitled to under their existing employment agreement, until the earliest to occur of: (i) termination of employment for any reason, (ii) change in control after the date of emergence or (iii) the third anniversary of the date of emergence.

21. Equity Incentive Plan. The Debtors are hereby authorized, after the Effective Date, to establish the Equity Incentive Plan.

22. Emergence Bonus Plan. The Debtors are hereby authorized, on the Effective Date, to adopt and make any payments approved under the Emergence Bonus Plan and any actions taken or to be taken that are necessary or appropriate in connection therewith by Nortek, its officers, directors and shareholders are hereby authorized and approved.

23. Cancellation of Liens. Except as otherwise provided in the Prepackaged Plans, upon the occurrence of the Effective Date, any Lien securing any Secured Claim shall be deemed released, and the holder of such Secured Claim shall be authorized and directed to release any collateral or other property of any Debtor (including any cash collateral) held by such holder and to take such actions as may be requested by the Reorganized Debtors, to evidence the release of such Lien, including the execution, delivery and filing or recording of such releases as may be requested by the Reorganized Debtors. All right, title and interest of any holder of a Lien shall revert to the Reorganized Debtors.

24. Compromise of Controversies. In consideration for the distributions and other benefits, including releases, provided under the Prepackaged Plans, the provisions of the Prepackaged Plans constitute a good faith compromise and settlement of all Claims and

controversies resolved under the Prepackaged Plans, and the entry of this Order constitutes approval of such compromise and settlement under Bankruptcy Rule 9019, subject to section 11.11 of the Prepackaged Plans.

25. Assumption or Rejection of Contracts and Leases. Pursuant to Section 9.1 of the Prepackaged Plans, except as otherwise provided herein, or in any contract, instrument, release, indenture, or other agreement or document entered into in connection with the Prepackaged Plans, as of the Effective Date, each Debtor shall be deemed to have assumed each executory contract and unexpired lease to which it is a party, pursuant to section 365 of the Bankruptcy Code, unless such contract or lease (i) was previously assumed or rejected by the Debtors, (ii) previously expired or terminated pursuant to its own terms or by agreement of the Parties, (iii) is the subject of a motion to reject filed by the Debtors on or before the Confirmation Date or (iv) is set forth in a schedule, as an executory contract or unexpired lease to be rejected, if any, filed by the Debtors as part of the Plan Supplement. Notwithstanding the foregoing, the Management Agreement shall be either rejected or terminated pursuant to its terms as of the Effective Date and, except for Sponsor Expense Claims, no General Unsecured Claim shall arise, survive, or result from such rejection or termination. The Order shall constitute an order of the Bankruptcy Court under sections 365 and 1123(b) of the Bankruptcy Code approving the contract and lease assumptions or rejections described above, as of the Effective Date.

26. Conditions to Effective Date. The Prepackaged Plans shall not become effective unless and until the conditions set forth in Section 10.1 of the Prepackaged Plans have been satisfied or waived pursuant to Section 10.2 of the Prepackaged Plans.

27. Professional Compensation. Except as provided in Section 2.1 of the Prepackaged Plans, all entities seeking awards by the Court of compensation for services rendered or reimbursement of expenses incurred through and including the Confirmation Date under sections 330, 331, 503(b)(2), 503(b)(3), 503(b)(4) or 503(b)(5) of the Bankruptcy Code shall (a) file, on or before the date that is ninety (90) days after the Effective Date their respective applications for final allowances of compensation for services rendered and reimbursement of expenses incurred (a “**Final Fee Application**”) and (b) be paid in full, in Cash, in such amounts as are Allowed by the Court in accordance with the order relating to or Allowing any such Administrative Expense Claim. Notice of a hearing (the “**Final Fee Hearing**”) on the Final Fee Applications shall be provided in accordance with the Bankruptcy Rules and Local Rules. The Reorganized Debtors are authorized to pay compensation for professional services rendered and reimbursement of expenses incurred after the Confirmation Date in the ordinary course and without the need for Bankruptcy Court approval.

28. Objections to Final Fee Applications. All objections to any Final Fee Applications shall be filed with the Court, together with proof of service thereof, and served upon the applicant and the Notice Parties, so as to be received not later than 4:00 p.m. prevailing Eastern Time on the date that is five (5) Business Days prior to the Final Fee Hearing.

29. Administrative Expenses. Subject to the terms and conditions of any interim or final order of the Bankruptcy Court authorizing the use of cash collateral, administrative expenses incurred by the Debtors or the Reorganized Debtors after the Effective Date, including Claims for professionals’ fees and expenses, shall not be subject to application and may be paid by the Debtors or the Reorganized Debtors, as the case may be, in the ordinary course of business and without further Bankruptcy Court approval.

30. Discharge. As of the Effective Date, the confirmation of the Prepackaged Plans shall (i) pursuant to Section 11.3 of the Prepackaged Plans and except as otherwise provided in the Prepackaged Plans, discharge and release all Claims against or Equity Interests in the Debtors of any nature whatsoever, known or unknown, including any interest accrued or expenses incurred thereon from and after the Petition Date, or against their estates or properties or interests in property, and except as provided otherwise in the Prepackaged Plans, all persons or entities shall be precluded from asserting against the Debtors or the Reorganized Debtors or their respective properties or interests in property, any other Claims based upon any act or omission, transaction or other activity of any kind or nature that occurred prior to the Effective Date and (ii) pursuant to Section 6.7 of the Prepackaged Plans, cancel the 8 ½% Indenture, 9 ⅞% Indenture, 10% Indenture, ABL Facility Agreement, NTK 10 ¾ % Indenture, NTK Holdings Senior Unsecured Loan Agreement, and the Nortek Equity Interests, and related guarantees under the 8 ½% Indenture, 10% Indenture, and the ABL Facility Agreement Guarantee shall be cancelled; *provided, however* the 8 ½% Indenture, 9 ⅞% Indenture, 10% Indenture, ABL Facility Agreement, NTK 10 ¾ % Indenture, NTK Holdings Senior Unsecured Loan Agreement shall continue in effect solely for the purpose of allowing the holders of 8 ½% Notes Claims, 9 ⅞% Notes Claims, 10% Notes Claims, ABL Facility Agreement, NTK 10 ¾ % Notes Claims, and NTK Holdings Senior Unsecured Loan Claims to receive their distributions hereunder.

31. Releases by the Debtors. Except for the right to enforce the Prepackaged Plans, the Debtors shall, effective upon the occurrence of the Effective Date, be deemed to forever release, waive and discharge the Released Parties of and from any and all Claims, demands, causes of action and the like, relating to the Debtors and/or their affiliates, advisors, officers, directors and holders of NTK Holdings Equity Interests, existing as of the Effective

Date or thereafter arising from any act, omission, event, or other occurrence that occurred on or prior to the Effective Date, whether direct or derivative, liquidated or unliquidated, fixed or contingent, matured or unmatured, disputed or undisputed, known or unknown, foreseen or unforeseen, in law, equity or otherwise. Furthermore, any party that is included within the definition of Released Party by virtue of its relationship to the NTK Lender Agent or the Indenture Trustee shall only be a Released Party to the extent that the NTK Lender Agent or the Indenture Trustee, as applicable, is a Released Party. Furthermore, notwithstanding the foregoing, such release, waiver and discharge shall not operate as a release, waiver or discharge of (i) any Released Party in respect of any express contractual obligation of any such Released Party or (ii) solely in the case of Released Parties that are officers of the Debtors, intentional fraud or theft; it being understood that prospective or forward-looking guidance or projections prepared or released by such officers shall be deemed not to constitute intentional fraud or theft.

32. Releases by Holders of Claims and Equity Interests. Except for the right to enforce the Prepackaged Plans, each Person who votes to accept the Prepackaged Plans, or who, directly or indirectly, is entitled to receive a distribution under the Prepackaged Plans, including Persons entitled to receive a distribution via an attorney, agent, indenture trustee or securities intermediary, shall be deemed to forever release, waive and discharge the Released Parties of and from any and all Claims, demands, causes of action and the like, relating to the Debtors or their affiliates, advisors, officers, directors and holders of NTK Holdings Equity Interests, existing as of the Effective Date or thereafter arising from any act, omission, event, or other occurrence that occurred on or prior to the Effective Date, whether direct or derivative, liquidated or unliquidated, fixed or contingent, matured or unmatured, disputed or undisputed, known or unknown, foreseen or unforeseen, in law, equity or otherwise. Furthermore, any party

that is included within the definition of Released Party by virtue of its relationship to the NTK Lender Agent or the Indenture Trustee shall only be a Released Party to the extent that the NTK Lender Agent or the Indenture Trustee, as applicable, is a Released Party. Furthermore, notwithstanding the foregoing, such release, waiver and discharge shall not operate as a release, waiver or discharge of (i) any Released Party in respect of any express contractual obligation of any such Released Party or (ii) solely in the case of Released Parties that are officers of the Debtors, intentional fraud or theft; it being understood that prospective or forward-looking guidance or projections prepared or released by such officers shall be deemed not to constitute intentional fraud or theft.

33. Release and Exculpation Provisions. All release and exculpation provisions embodied in the Prepackaged Plans, including but not limited to those contained in Sections 11.4, 11.5 and 11.6 of the Prepackaged Plans, are (i) integral parts of the Prepackaged Plans, (ii) fair, equitable and reasonable, (iii) given for valuable consideration and (iv) are in the best interest of the Debtors and all parties in interest, and such provisions are approved and shall be effective and binding on all persons and entities, to the extent provided herein.

34. Releases by Parties to Lock-Up Agreements. The releases set forth in that certain *Restructuring and Lock Up Agreement* dated as of September 3, 2009, by and among the Debtors and the signatories thereto, as it may have been amended or restated, are hereby reaffirmed and approved in all respects, and shall be contractually binding on the parties thereto notwithstanding any other provision of this Order.

35. Waiver of Avoidance Actions. Pursuant to Section 11.7 of the Prepackaged Plans, effective as of the Effective Date, the Debtors shall be deemed to have waived the right to prosecute, and to have settled and released for fair value, any avoidance or

recovery actions under sections 545, 547, 548, 549, 550, 551 and 553 of the Bankruptcy Code or other applicable law that belong to the Debtors and/or which the Debtors could have prosecuted as debtors or debtors in possession against the Released Parties relating to distributions made on account of interest or other obligations under and relating to the 8 ½% Notes, 9 ⅞% Notes, 10% Notes, NTK 10 ¾ % Notes, or the ABL Facility Agreement, as well as management fees, expense reimbursements or distributions on account of Equity Interests whether brought under the Bankruptcy Code or other applicable law.

36. Term of Injunctions or Stays. Pursuant to Section 11.8(a) of the Prepackaged Plans, this Order shall, except as otherwise expressly provided in the Prepackaged Plans, constitute an injunction from and after the Effective Date, permanently enjoining all Persons or entities who have held, hold or may hold Claims against or Equity Interests in any Debtor from (i) commencing or continuing in any manner any action or other proceeding of any kind on any such Claim or Equity Interest against any Reorganized Debtor, (ii) the enforcement, attachment, collection or recovery by any manner or means of any judgment, award, decree or order against any Reorganized Debtor with respect to any such Claim or Equity Interest, (iii) creating, perfecting or enforcing any encumbrance of any kind against any Reorganized Debtor, or against the property or interests in property of any Reorganized Debtor, as applicable with respect to any such Claim or Equity Interest, (iv) asserting any right of setoff, subrogation or recoupment of any kind against any obligation due from any Reorganized Debtor, or against the property or interests in property of any Reorganized Debtor with respect to any such Claim or Equity Interest, and (v) pursuing any Claim released pursuant to Section 11.5 or 11.6 of the Prepackaged Plans. Pursuant to Section 11.8(b) of the Prepackaged Plans, unless otherwise provided in the Prepackaged Plans, all injunctions or stays arising under or entered during the

Reorganization Cases under section 105 or 362 of the Bankruptcy Code, or otherwise, and in existence on the Confirmation Date, shall remain in full force and effect until the Effective Date.

37. Indemnification Obligations.

(a) Pursuant to Section 11.10 of the Prepackaged Plans, subject to the occurrence of the Effective Date, the obligations of the Debtors as provided in the Debtors' respective certificates of incorporation, bylaws, applicable law or other applicable agreement as of the Petition Date to indemnify, defend, reimburse, exculpate, advance fees and expenses to, or limit the liability of directors or officers who were directors or officers of such Debtors at any time prior to the Effective Date, respectively, against any claims or causes of action whether direct or derivative, liquidated or unliquidated, fixed or contingent, disputed or undisputed, matured or unmatured, known or unknown, foreseen or unforeseen, asserted or unasserted, shall survive confirmation of the Prepackaged Plans, remain unaffected thereby after the Effective Date and not be discharged, irrespective of whether such indemnification, defense, advancement, reimbursement, exculpation or limitation is owed in connection with an event occurring before or after the Petition Date. Any Claim based on the Debtors' obligations herein shall not be a Disputed Claim or subject to any objection in either case by reason of section 502(e)(1)(B) of the Bankruptcy Code.

(b) As of the Effective Date, each Debtor's bylaws or similar agreement shall provide for the indemnification, defense, reimbursement, exculpation and/or limitation of liability of, and advancement of fees and expenses to, directors and officers who were directors or officers of such Debtor at any time prior to the Effective Date at least to the same extent as the bylaws of NTK Holdings in effect on the Petition Date, against any claims or causes of action whether direct or derivative, liquidated or unliquidated, fixed or contingent, disputed or

undisputed, matured or unmatured, known or unknown, foreseen or unforeseen, asserted or unasserted, and none of the Reorganized Debtors shall amend and/or restate its certificate of incorporation or bylaws or similar agreement before or after the Effective Date to terminate or materially adversely affect any of the Reorganized Debtors' obligations or such directors' or officers' rights under Section 11.10 of the Prepackaged Plans.

(c) After the Effective Date, none of the Reorganized Debtors shall terminate or otherwise reduce the coverage under any directors' and officers' insurance policies (including any "tail policy") in effect on the Petition Date, and all directors and officers of the Debtors who served in such capacity at any time prior to the Effective Date shall be entitled to the full benefits of any such policy for the full term of such policy regardless of whether such directors and/or officers remain in such positions after the Effective Date. Any directors' and officers' insurance policies (including any "tail policy") obtained by the Debtors between September 1, 2009 and the Effective Date shall be on terms and conditions, including limits, not less favorable in the aggregate than the terms and conditions contained in the policies of directors' and officers' liability insurance maintained on September 1, 2009 by the Debtors, such policy or policies to become effective as of or prior to the Effective Date and remain in effect for a period of six years after the Effective Date; provided, however, that the premium of such run-off policy or policies shall not exceed commercially reasonable amount for a company of comparable size.

38. Payment of Statutory Fees. All fees payable pursuant to section 1930 of title 28 of the United States Code, shall be paid as and when due or otherwise pursuant to an agreement between the Reorganized Debtors and the United States Department of Justice, Office of the United States Trustee, until such time as a chapter 11 case for a Debtor shall be closed and

each Debtor shall pay any such fees as if no substantive consolidation has occurred for purposes of the Prepackaged Plans.

39. Payment of Indenture Trustee Fees and NTK Lender Agent Fees.

(a) The Reorganized Debtors shall pay all reasonable fees, costs and expenses incurred by the Indenture Trustee after the Effective Date in connection with the distributions required pursuant to the Prepackaged Plans or the implementation of any provisions of the Prepackaged Plans (including the reasonable fees, costs and expenses incurred by the Indenture Trustee's professionals).

(b) The Indenture Trustee Claims shall be Allowed Administrative Expense Claims, and the Debtors shall pay such Indenture Trustee Claims pursuant to the terms of Section 2.1 of the Prepackaged Plans.

(c) The Reorganized Debtors shall pay all reasonable fees, costs and expenses incurred by the NTK Lender Agent after the Effective Date in connection with the distributions required pursuant to the Prepackaged Plans or the implementation of any provisions of the Prepackaged Plans (including the reasonable fees, costs and expenses incurred by the NTK Lender Agent's professionals).

40. Intercompany Claims. Notwithstanding anything to the contrary herein or in the Prepackaged Plans, on or after the Effective Date, any debts held by a Debtor against another Debtor, will be adjusted (including by contribution, distribution in exchange for new debt or equity, or otherwise), paid, continued, or discharged to the extent reasonably determined appropriate by the Debtors taking into account the economic condition of the applicable Reorganized Debtor.

41. Compliance with Tax Requirements. In connection with the Prepackaged Plans and all instruments issued in connection therewith and distributed thereunder, any party issuing any instruments or making any distribution under the Prepackaged Plans, including any party described in Sections 6.4, 6.5 and 6.6 thereof, shall comply with all applicable withholding and reporting requirements imposed by any federal, state or local taxing authority, and all distributions under the Prepackaged Plans shall be subject to any withholding or reporting requirements. Notwithstanding the above, each holder of an Allowed Claim that is to receive a distribution under the Prepackaged Plans shall have the sole and exclusive responsibility for the satisfaction and payment of any tax obligations imposed by any governmental unit, including income, withholding and other tax obligations, on account of such distribution. Any party issuing any instruments or making any distribution under the Prepackaged Plans has the right, but not the obligation, to not make a distribution until such holder has made arrangements satisfactory to such issuing or distributing party for payment of any such tax obligations.

42. Exemption from Transfer Taxes. Pursuant to section 1146(a) of the Bankruptcy Code, the issuance, transfer or exchange of notes or equity securities (including issuance of warrants) under or in connection with the Prepackaged Plans, the creation of any mortgage, deed of trust or other security interest, the making or assignment of any lease or sublease, or the making or delivery of any deed or other instrument of transfer under, in furtherance of, or in connection with the Prepackaged Plans, shall not be subject to any stamp, real estate transfer, mortgage recording or other similar tax. All sale transactions consummated by the Debtors and approved by the Bankruptcy Court on and after the Petition Date through and including the Effective Date are hereby deemed to have been made under, in furtherance of, or in

connection with the Prepackaged Plans and, thus, shall not be subject to any stamp, real estate transfer, mortgage recording, or other similar tax.

43. Environmental Claims. For the avoidance of doubt, equitable remedies under environmental law are not discharged, released or impaired as Claims hereunder, and nothing in the Prepackaged Plans releases, discharges or nullifies any liability of any entity as the owner or operator of property after the Confirmation Date. For the avoidance of doubt, nothing in the Prepackaged Plans discharges or releases any Debtor from any environmental claim, liability or cause of action or impairs the ability of any governmental entity to exert its police and regulatory authority over any Debtor, Reorganized Debtor or non-debtor.

44. Pension Plans. The Nutone, Inc. Hourly Pension Plan, the Mammoth Negotiated Hourly Pension Plan and the Nortek, Inc. Retirement Plan (collectively, "***Nortek Pension Plans***") will each be assumed by its current plan sponsor on the Effective Date, and nothing in the Prepackaged Plans discharges or releases the plan sponsors and members of their controlled group (as determined by Section 4001 of ERISA) from any liability for statutory minimum funding contributions under the Internal Revenue Code and statutory premiums under ERISA. PBGC and the Nortek Pension Plans shall not be enjoined or precluded from enforcing such liability by any of the provisions of the Plan of Reorganization or Confirmation Order. The Prepackaged Plans will not release or discharge any person or entity from liability with respect to the Nortek Pension Plans arising as a result of such person's or entity's breach of fiduciary duty under ERISA.

45. Exit Facility. In the event that the Exit Facility is consummated and this Order is thereafter reversed, revoked, modified or otherwise upset on appeal and the effect of

such reversal, revocation, or modification is to compel the Debtors to return to chapter 11 (such event being a “*Reversal*”), then

- (a) Any credit extended under the Exit Facility shall be deemed to have been extended in good faith (as that term is used in section 364(e) of the Bankruptcy Code).
- (b) The agent for the Exit Facility and the lenders thereunder shall be entitled to all rights and protections afforded to the lenders under the Cash Collateral Order, including without limitation (i) valid and perfected first priority security interests and liens, superior to all other liens, claims or security interests that any creditors of the Debtors’ estates may have in and upon the “Revolving Facility First Lien Collateral,” as defined in the Cash Collateral Order, but subject to such exceptions described in the Interim Cash Collateral Order and (ii) an allowed superpriority administrative claim pursuant to Bankruptcy Code section 364(c)(1) with respect to all claims under the Exit Facility. In the event of any conflict between the terms of this Order and the Cash Collateral Order, the terms of this Order shall control.
- (c) In no event shall any fees paid in connection with the Exit Facility be subject to recovery from the parties to the Exit Facility documents.
- (d) The Exit Facility documents shall constitute legal, valid, binding and authorized obligations of the Debtors or the Reorganized Debtors, as applicable, enforceable in accordance with their terms, and shall create the security interests, liens and mortgages purported to be created thereby. The agent under the Exit Facility (the “*Exit Facility Agent*”) shall be authorized to file or record at any time and from time to time such financing statements or other security documents naming the Exit Facility Agent as secured party for the benefit of the secured parties under the Exit Facility documents.

46. Documents, Mortgages, and Instruments. Each federal, state, commonwealth, local, foreign, or other governmental agency is hereby authorized to accept any and all documents, mortgages, and instruments necessary or appropriate to effectuate, implement or consummate the transactions contemplated by the Prepackaged Plans and this Order.

47. Reversal/Stay/Modification/Vacatur of Order. Except as otherwise provided in this Order, if any or all of the provisions of this Order are hereafter reversed,

modified, vacated, or stayed by subsequent order of this Court, or any other court, such reversal, stay, modification or vacatur shall not affect the validity or enforceability of any act, obligation, indebtedness, liability, priority, or lien incurred or undertaken by the Debtors or the Reorganized Debtors, as applicable, prior to the effective date of such reversal, stay, modification, or vacatur. Notwithstanding any such reversal, stay, modification, or vacatur of this Order, any such act or obligation incurred or undertaken pursuant to, or in reliance on, this Order prior to the effective date of such reversal, stay, modification, or vacatur shall be governed in all respects by the provisions of this Order and the Prepackaged Plans or any amendments or modifications thereto.

48. Retention of Jurisdiction. Notwithstanding the entry of this Order or the occurrence of the Effective Date, pursuant to sections 105 and 1142 of the Bankruptcy Code, this Court, except as otherwise provided in the Prepackaged Plans or herein, shall retain exclusive jurisdiction over all matters arising out of, and related to, the Reorganization Cases to the fullest extent as is legally permissible, including, but not limited to, jurisdiction over the matters set forth in Article XII of the Prepackaged Plans.

49. Modifications. Without need for further order or authorization of the Court, the Debtors or the Reorganized Debtors, subject to Noteholder Consent, are authorized and empowered to make any and all modifications to the Prepackaged Plans, any and all documents included as part of the Plan Supplement, and any other document that is necessary to effectuate the Prepackaged Plans that do not materially modify the terms of such documents and are consistent with the Prepackaged Plans.

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

51. Governing Law. Except to the extent that the Bankruptcy Code or other federal law is applicable, or to the extent an Exhibit to the Prepackaged Plans or Plan Supplement (including the Exit Facility documents) provides otherwise (in which case the governing law specified therein shall be applicable to such Exhibit), the rights, duties and obligations arising under the Prepackaged Plans shall be governed by, and construed and enforced in accordance with, the laws of the State of New York without giving effect to the principles of conflict of laws.

52. Applicable Nonbankruptcy Law. Pursuant to section 1123(a) and 1142(a) of the Bankruptcy Code, the provisions of this Order, the Prepackaged Plans and related documents or any amendments or modifications thereto shall apply and be enforceable notwithstanding any otherwise applicable nonbankruptcy law.

53. Waiver of Filings. Any requirement under section 521 of the Bankruptcy Code or Bankruptcy Rule 1007 obligating the Debtors to file any list, schedule, or statement with the Court or the Office of the U.S. Trustee (except for monthly operating reports or any other post-confirmation reporting obligation to the U.S. Trustee), is hereby waived as to any such list, schedule, or statement not filed as of the Confirmation Date.

54. Governmental Approvals Not Required. This Order shall constitute all approvals and consents required, if any, by the laws, rules, or regulations of any state or other governmental authority with respect to the implementation or consummation of the Prepackaged Plans and Disclosure Statement, any documents, instruments, or agreements, and any amendments or modifications thereto, and any other acts referred to in, or contemplated by, the Prepackaged Plans and the Disclosure Statement.

55. Notice of Order. In accordance with Bankruptcy Rules 2002 and 3020(c), as soon as reasonably practicable after the Effective Date, the Debtors shall serve notice of the entry of this Order, substantially in the form annexed hereto as Exhibit "B," to all parties who hold a Claim or Equity Interest in these cases, including the Ad Hoc Committee and the U.S. Trustee. Such notice is hereby approved in all respects and shall be deemed good and sufficient notice of entry of this Order.

56. Substantial Consummation. On the Effective Date, the Prepackaged Plans shall be deemed to be substantially consummated under sections 1101 and 1127 of the Bankruptcy Code.

57. Waiver of Stay. The stay of this Order provided by any Bankruptcy Rule (including Bankruptcy Rule 3020(e)), whether for fourteen (14) days or otherwise, is hereby waived, and this Order shall be effective and enforceable immediately upon its entry by the Court.

58. Inconsistency. To the extent of any inconsistency between this Order and the Prepackaged Plans, this Order shall govern.

59. No Waiver. The failure to specifically include any particular provision of the Prepackaged Plans in this Order will not diminish the effectiveness of such provision nor constitute a waiver thereof, it being the intent of this Court that the Prepackaged Plans are confirmed in their entirety and incorporated herein by this reference.

Dated: Dec 4, 2009
Wilmington, Delaware


UNITED STATES BANKRUPTCY JUDGE