UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW JERSEY

In re	)	Chapter 11
G-I HOLDINGS INC. *et al.*	)	Case No. 01-30135 (RG)
Debtors	)	

ORDER APPROVING SETTLEMENT AGREEMENT WITH CENTURY INDEMNITY COMPANY AND AUTHORIZING THE SALE OF RIGHTS UNDER INSURANCE POLICIES FREE AND CLEAR OF LIENS, CLAIMS, INTERESTS AND OTHER ENCUMBRANCES

Upon the motion, dated _____, 2008 (the "Motion"),[1] of G-I Holdings Inc. ("Debtor") for an order pursuant to Sections 105(a) and 363 of title 11 of the United States Code (the "Bankruptcy Code") and rules 2002, 6004 and 9019 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules") (i) authorizing the Debtor (along with the other Policyholders) to enter into that certain Settlement Agreement and Release dated March 31, 2008 (the "Agreement," a copy of which is attached as Exhibit A) pursuant to which, among other things, the Policyholders will release Century Indemnity Company ("Century") and the other Released Insurer Parties of and from any and all liability for certain claims identified in the Agreement (the "Released Claims"); (ii) authorizing the sale and purchase by Century of certain insurance rights and claimed rights under or pursuant to the Policies with respect to Environmental Claims (the "Policy Rights"), free and clear of all claims and interests of all Persons, pursuant to the terms and conditions of the Agreement; (iii) approving the Agreement in all respects; (iv) enjoining various claims against the Released Insurer Parties as described in Paragraph 8 below (the "Injunction"); and (v) directing certain Policyholders to indemnify the

[1] Except as otherwise defined herein, all capitalized terms used herein shall have the meanings ascribed to them in the Agreement (as defined herein).

Released Insurer Parties, in accordance with the terms of the Agreement; and the Court having reviewed the Motion and determined that the relief requested in the Motion is in the best interests of the Debtor, its estate, its creditors, and other parties in interest; and upon the record herein; and after due deliberation thereon; and good and sufficient cause appearing therefore, it is hereby

FOUND AND DETERMINED THAT:[2]

Jurisdiction, Final Order and Statutory Predicates

A. The Court has jurisdiction over the Motion and relief requested therein, including responses and objections thereto, if any, pursuant to 28 U.S.C. §§ 157 and 1334, and this matter is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(A), (N) and (O). Venue in this district is proper under 28 U.S.C. §§ 1408 and 1409.

B. This Order constitutes a final and immediately appealable order within the meaning of 28 U.S.C. § 158(a).

C. This Court has authority to grant the Motion, to approve the Agreement, and to issue the permanent injunctive relief pursuant to Sections 105(a) and 363 of the Bankruptcy Code.

Retention of Jurisdiction

D. It is necessary and appropriate for the Court to retain jurisdiction, among other things, to interpret and enforce the terms and provisions of this Order and the Agreement, and to adjudicate, if necessary, any and all disputes arising under or relating in any way to, or affecting, any of the transactions contemplated under the Agreement. Provided, however, that the parties expressly reserve their rights to have another court of competent jurisdiction resolve any other

[2] The findings and conclusions of law set forth herein constitute the Court's findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052, made applicable to this proceeding pursuant to Bankruptcy Rule 9014. To the extent any of the following findings of fact constitute conclusions of law or any of the following conclusions of law constitute findings of fact, they are adopted as such.

dispute, including any dispute over the existence and/or extent of rights remaining under or pursuant to the Policies, if any, for claims that do not constitute Released Claims.

Notice of the Motion

E. The Debtor has provided due and adequate notice of the Motion, the Agreement and the subject matter thereof to all parties in interest pursuant to Bankruptcy Rules 2002 and 6004. Without limiting the generality of the foregoing, adequate notice of the Motion, the hearing thereon and the Agreement has been provided, and a reasonable opportunity to object or be heard with respect to the Motion and the relief requested therein has been afforded, to all parties in interest, including without limitation (i) each Person on the master service list in the Chapter 11 Case, (ii) each claimant who has filed a proof of claim in the Chapter 11 Case, (iii) each official committee in the Chapter 11 Case, (iv) all current and former parties to the Coverage Action, and (v) all other parties in interest pursuant to Bankruptcy Rules 2002 and 6004 and any other applicable local rules, including but not limited to any Person who or that filed a notice of appearance and demand for service of papers in the Chapter 11 Case. In addition, to ensure the broadest notice possible, the Debtor has published notice of the Motion and the hearing in the national edition of USA Today.

F. The foregoing notice of the Motion was good, adequate and sufficient and is the best notice practicable under the circumstances of this Chapter 11 Case and constitutes due, sufficient, adequate and timely notice to all Persons entitled thereto in accordance with the requirements of the Bankruptcy Code, the Bankruptcy Rules, the applicable Local Rules of this Court, and of the procedural due process requirements of the United States Constitution. Notice of the relief requested by the Motion has been provided by means reasonably calculated to reach all interested parties; and reasonably conveys all the required information to inform all those Persons affected by this Order, and a reasonable time for a response and an opportunity to object

to the relief requested was afforded to all interested parties. No other or further notice of the Motion or of this Order is necessary.

Sound Business Judgment and Reasonableness

G. The relief requested in the Motion is in the best interests of the bankruptcy estate, its creditors, and all other parties in interest. The Debtor has demonstrated good, sufficient and sound business purposes and justifications for the relief requested in the Motion and the approval of the transactions contemplated thereby.

H. The Agreement, including without limitation the sale of the Policy Rights free and clear of any and all claims and interests, is fair and reasonable and in the best interests of the Debtor (and the other Policyholders) and its bankruptcy estate. The Settlement Amount represents fair and reasonable consideration for the sale and purchase of the Policy Rights, the release of Released Claims and the other provisions as set forth in the Agreement. The Agreement is also in the best interests of any Person with any interest in the Policy Rights because any such interest will attach to the proceeds of the sale.

I. The Debtor has demonstrated that the probability of success for the Debtor in litigation over the matters resolved by the Agreement, including without limitation issues related to the Coverage Action, is uncertain; that the litigation of the matters resolved by the Agreement would be complex and costly to the Debtor's bankruptcy estate; and that the entry into the Agreement is necessary and appropriate to assist the Debtor's reorganization, is consistent with the reasonable range of potential litigation outcomes, and is in the best interest of the Debtor, its bankruptcy estate, the Debtor's creditors, and all parties in interest.

Good Faith of Purchaser

J. The Agreement was negotiated and proposed, and has been entered into by the Parties, in good faith, from arm's-length bargaining positions, and without fraud or collusion.

Each Party to the Agreement was represented by counsel. The consideration to be realized by the Debtor's bankruptcy estate and the other Policyholders pursuant to the Agreement is fair and reasonable. Century is a good faith purchaser of the Policy Rights for value within the meaning of Section 363(m) of the Bankruptcy Code and is entitled to the protection thereof. Neither the Policyholders nor Century, nor any of their representatives, have engaged in any conduct that would (i) cause or permit the Agreement, or the sale of the Policy Rights contemplated therein, to be avoided under Section 363(n) of the Bankruptcy Code; (ii) cause or permit any amounts, costs, attorneys' fees, expenses, or punitive damages to be recovered under Section 363(n) of the Bankruptcy Code; or (iii) prevent the application of Section 363(m) of the Bankruptcy Code.

Satisfaction of Section 363(f) Requirements

K. The Policyholders may sell the Policy Rights free and clear of interests under section 363(f) of the Bankruptcy Code because one or more of the criteria set forth in Sections 363(f)(1)-(5) of the Bankruptcy Code have been satisfied. Without limiting the generality of the foregoing, those holders of interests in the Policy Rights who did not object, or who withdrew their objections, to the Motion or the relief requested therein are deemed to have consented pursuant to Section 363(f)(2) of the Bankruptcy Code, and each holder of an interest in the Policy Rights can be compelled, in a legal or equitable proceeding, to accept a money satisfaction of such interest as contemplated by Section 363(f)(5) of the Bankruptcy Code.

L. Moreover, to the extent any Person has an interest in the Policy Rights, such interest is adequately protected as required by Section 363(e) of the Bankruptcy Code, because any such interest will attach to the proceeds of the sale.

No Successor Liability

M. Neither Century nor any Released Insurer Party is assuming any of the Debtor's obligations to its employees (including, without limitation, any obligations under the Debtor's

bankruptcy estate's collective bargaining agreements, if any) by reason of the purchase of the Policy Rights under the Agreement.

N. No common identity of officers or directors exists between any Released Insurer Party and the bankruptcy estate or the Debtor.

O. Century is purchasing the Policy Rights pursuant to the Agreement and this Order, and is not purchasing any other assets of the Debtor's bankruptcy estate. Neither Century nor any Released Insurer Party shall have any responsibility or liability for any liabilities of or claims against the Debtor as a result of the purchase of the Policy Rights by Century.

P. The transfer of the Policy Rights pursuant to the Agreement does not and will not subject or expose any Released Insurer Party to any liability, claim, cause of action or remedy by reason of such transfer under (i) the laws of the United States, any state, territory, or possession thereof or the District of Columbia, based on, in whole or in part, directly or indirectly, including, without limitation, any theory of tort, creditors' rights, equity, antitrust, environmental, successor or transferee liability, labor law, de facto merger, or substantial continuity, or (ii) any employment contract, understanding or agreement, including, without limitation, collective bargaining agreements, employee pension plans, or employee welfare or benefit plans.

Q. A sale of the Policy Rights other than one free and clear of claims and interests, if possible at all, would impact adversely on the Debtor's bankruptcy estate and would be of substantially less benefit to the Debtor, the creditors, and the estate. Century would not purchase the Policy Rights, and pay the Settlement Amount, were the sale not free and clear of any and all claims and interests.

Injunction

R. Pursuant to sections 105 and 363 of the Bankruptcy Code, the sale of the Policy Rights to Century free and clear of any and all claims and interests is permitted. Moreover, the entry of an injunction permanently enjoining the prosecution, continuation or commencement of any claim of any Person against any Released Insurer Party arising out of, connected with and/or in any way relating to the Policy Rights and/or Released Claims, including, without limitation, Extra-Contractual Claims, is proper and ensures that no such claim can be asserted against any Released Insurer Party. The Policyholders and Century have agreed that the Injunction is a necessary prerequisite for their agreeing to the terms and conditions of the Agreement, and Century will not consummate the sale of the Policy Rights in the absence of such an injunction from this Court. The Injunction and releases set forth in the Agreement and this Order are necessary and appropriate to effect the settlement and the free and clear sale of the Policy Rights and avoid irreparable harm for which Century and the other Released Insurer Parties would have no adequate remedy at law.

S. To the extent they have any interest in the Policy Rights, the holders of present and future claims are adequately protected in that they will have the right to pursue their claims against the proceeds of the sale of the Policy Rights with the same validity and priority as against the Policy Rights.

For all of the foregoing and after due deliberation, IT IS ORDERED, ADJUDGED, AND DECREED THAT:

1. The Motion is GRANTED and APPROVED in all respects. The Agreement is also APPROVED in all respects.

2. For the reasons set forth herein and on the record at the hearing, any objections to the Motion and the relief requested therein and/or granted in this Order that have not been

withdrawn, waived, or settled, and all reservations of rights included in such objections, are overruled on the merits.

3. Pursuant to Section 363(b) of the Bankruptcy Code, the Debtor is authorized and directed to enter into and consummate the Agreement, including without limitation (along with other Policyholders), to sell, transfer and convey the Policy Rights to Century free and clear of any claims or interests of any Person in accordance with the terms and subject only to the conditions specified herein and in the Agreement. The Policyholders and Century are each hereby authorized to take all actions and execute all documents and instruments that the Policyholders and Century deem necessary or appropriate to implement and effectuate the transactions contemplated by the Agreement.

4. The terms of the Agreement are approved in their entirety, and the Agreement and this Order shall be binding upon the Policyholders, Century, all Persons holding interests in the Policy Rights and/or claims by or against the Policyholders or the Debtor's bankruptcy estate (including Environmental Claims and Extra-Contractual Claims), all other insurers of the Policyholders, all other named insureds under the Policies, any other Persons claiming rights under the Policies, and all other parties in interest, together with each of their respective successors and assigns. The sale of the Policy Rights by the Policyholders to Century constitutes a legal, valid, and effective transfer of the Policy Rights and vests Century with all right, title, and interest in and to the Policy Rights free and clear of all such claims and interests of all Persons pursuant to Section 363(f) of the Bankruptcy Code. Any interest of any Person in the Policy Rights shall solely attach to and be satisfied out of the Settlement Amount.

5. The Settlement Amount (and any interest earned thereon) paid into the Escrow Account pursuant to the Agreement shall remain in the Escrow Account until the Approval Date

(as defined in the Agreement). Within ten (10) days after the Approval Date, Policyholders and Century shall provide written notice to the escrow agent designated in the Escrow Agreement (the "Escrow Agent") directing the Escrow Agent to release the Settlement Amount contained in the Escrow Account plus any earned interest to the Policyholders. Any funds released by the Escrow Agent pursuant to this Paragraph shall be allocated and distributed among the Policyholders pursuant to the Policyholders' agreement as set forth in the Motion.

6. The sale of the Policy Rights to Century under the Agreement constitutes a transfer for reasonably equivalent value and fair consideration under Section 548 of the Bankruptcy Code and comparable provisions of non-bankruptcy law.

7. Pursuant to Section 363(b) of the Bankruptcy Code, the Policyholders and Century are each hereby authorized to take all actions and execute all documents and instruments that the Policyholders and Century deem necessary or appropriate to implement and effectuate the transactions contemplated by the Agreement. Pursuant to Sections 105(a) and 363(f) of the Bankruptcy Code and subject to the consummation of the sale of the Policy Rights as provided under the Agreement, the Policy Rights shall be and hereby are transferred to Century, free and clear of any and all claims and interests of all Persons with any interest in, to and with respect to the Policy Rights, whether arising prior to, during or subsequent to this Chapter 11 Case or imposed by agreement, understanding, law, equity or otherwise (provided, however, nothing in this Order shall affect the rights of the Policyholders and the Released Insurer Parties under the Agreement). The claims and interests of any and all such Persons shall attach to the proceeds of the sale with the same validity, priority, force, and effect as the claims and interests that such Persons had in the Policy Rights, subject to the terms and conditions of any plan confirmed for the Debtor.

8. Pursuant to Sections 105(a) and 363 of the Bankruptcy Code, all Persons who or that have held or asserted, who or that hold or assert, or who or that may in the future hold or assert any claim of any kind or nature against any Released Insurer Party for, based upon, arising out of, falling within the scope of, derived from, attributable in any way to or concerning Environmental Claims, Extra-Contractual Claims, and/or Released Claims whenever or wherever arising or asserted (including all claims in the nature of or sounding in tort, contract, warranty or any other theory of law, equity or admiralty), shall be and hereby are permanently barred, stayed, restrained and enjoined from commencing, or otherwise proceeding or taking any action against any Released Insurer Party or any other person or entity for the purpose of directly or indirectly collecting, recovering or receiving payments from any Released Insurer Party with respect to any such claim or interest.

9. The transactions contemplated by the Agreement, including without limitation the sale of the Policy Rights to Century free and clear of all claims and interests, are undertaken by Century in good faith, as that term is used in Section 363(m) of the Bankruptcy Code. Accordingly, the reversal or modification on appeal of the authorization to consummate the sale of the Policy Rights and the transactions contemplated by the Agreement shall not affect the validity of the sale of the Policy Rights to Century, unless such authorization is duly stayed pending such appeal. Century is a purchaser in good faith of the Policy Rights and shall be entitled to all of the protections afforded by Section 363(m) of the Bankruptcy Code.

10. Pursuant to Bankruptcy Rule 9019, the settlement and mutual release of claims as set forth in Section IV of the Agreement are hereby approved.

11. All of Debtor's obligations under the Agreement shall be treated as post-petition administrative expenses of the Debtor's estate under Sections 503(b) and 507(a)(1) of the

Bankruptcy Code, and the terms of this Order (i) shall be incorporated into any plan of reorganization or liquidation confirmed by the Court in this case; (ii) shall be binding on any trustee subsequently appointed in this case under Chapter 7 or 11 of the Bankruptcy Code; and (iii) shall survive any discharge granted to Debtor under Chapter 11 of the Bankruptcy Code and/or the conversion of this case into a liquidation under Chapter 7 of the Bankruptcy Code.

12. The failure specifically to include any particular provision of the Agreement in this Order shall not diminish or impair the effectiveness of such provision, it being the intent of the Court that the Agreement be authorized and approved in its entirety.

13. This Court shall retain jurisdiction to interpret and enforce the provisions of this Order and the Agreement in all respects, and to adjudicate, if necessary, any and all disputes arising under or relating in any way to, or affecting, any of the transactions contemplated under the Agreement.

14. Each and every federal, state, and local governmental agency or department is hereby directed to accept this Order in lieu of any document necessary to consummate the transactions contemplated by the Agreement and this Order.

15. The provisions of this Order are nonseverable and mutually dependent.

16. This Order shall be effective and enforceable immediately upon entry and its provisions shall be self-executing and shall not be stayed under Bankruptcy Rule 6004(g).

Dated: _____

_____
UNITED STATES BANKRUPTCY JUDGE

EXHIBIT A

FILED UNDER SEAL