

SETTLEMENT AGREEMENT AND RELEASE

This Settlement Agreement and Release is made as of the Execution Date by and between Farmers Insurance Exchange and Kelly O'Brien, as Receiver for Robinson Insulation Company and Grogan Robinson Lumber Company, and is to secure resolution of all obligations of Farmers Insurance Exchange to all insureds arising under the subject policies.

RECITALS

A. Robinson Insulation Company (herein "Robinson") and Grogan Robinson Lumber Company (herein "Grogan") have been sued by numerous claimants for asbestos-related injuries in the AC Court and may be subject to additional such Asbestos Claims in the future.

B. Both Robinson and Grogan are dissolved corporations, and both are the subject of receivership proceedings in the AC Court.

C. The AC Court has appointed Ms. O'Brien to serve as the Receiver for Robinson Insulation and Grogan Robinson.¹

D. Farmers Insurance Exchange (herein "Farmers") issued or is alleged to have issued liability insurance insuring Robinson, Grogan and affiliated individuals and entities operating insulation manufacturing and distribution businesses in Great Falls, Montana. Specifically, the alleged insureds include Robinson, Grogan, and/or individuals J. Brooks Robinson and David Robinson, and include business conducted under any of the names of that business, including Lumber Yard Supply, Robinson Brothers, and/or Robinson Brothers Co., (collectively herein "Alleged Insureds"). The various liability policies (herein "Settled Policies") that may provide coverage for some or all of the Asbestos Claims, include those identified on Exhibit A. Farmers has conducted a diligent search for any and all liability policies issued or allegedly issued to or potentially covering the Asbestos Claim liabilities of the Alleged Insureds other than those identified in Exhibit A.

E. Farmers has agreed to defend Robinson and Grogan against the Asbestos Claims, subject to a reservation of rights. No claims are currently pending against any of the other Alleged Insureds.

H. The Parties desire to avoid future disputes concerning the existence and scope of Farmers' obligations, if any, under any and all liability policies that may provide coverage for current and future Claims, including Asbestos Claims, and regarding allocation and payment of Asbestos Claims.

I. By this Agreement, therefore, the Parties by way of compromise and release (i) except as set forth herein, without prejudice to or waiver of their respective positions in matters with persons or entities who are not Parties, (ii) except as set forth herein, without further adjudication of any issues of fact or law, and (iii) without any admission of liability or

¹ Per order dated March 4, 2021, Ms. O'Brien assumed responsibilities formerly held by Nancy Gibson following Ms. Gibson's retirement.

responsibility, enter into this full and final settlement that releases all rights, obligations, and liabilities under the Policies pursuant to the terms and conditions set forth in this Agreement.

J. This Agreement is entered into by the Parties in good faith and as the result of (i) an exchange of historical claims data and other information, (ii) arm's-length negotiations among the Parties, and (iii) a resulting agreement and payment of the available policy limits of the Settled Policies.

K. These recitals are incorporated in full into the Agreement.

AGREEMENT

1. Definitions.

The following definitions apply to this Agreement and any attachments hereto. They do not apply to any other agreement, including any policy of insurance, nor are they to be used as evidence, except with respect to this Agreement. Each defined term stated in a singular form includes the plural form, each defined term stated in plural form includes the singular form, and each defined term stated in the masculine, feminine, or neuter form includes each of the masculine, feminine, and neuter forms. The word "including" means "including but not limited to."

- 1.1 "AC Court" means the Asbestos Claims Court of the State of Montana, including in its supervisory role over the Receiver.
- 1.2 "Agreement" means this Settlement Agreement and Release.
- 1.3 "Amended Receivership Order" means Order Granting Receiver Litigation and Settlement Authority (Robinson Insulation Company) entered on or about January 23, 2020, by the AC Court.
- 1.4 "Asbestos Claim" means any and all Claims against the Alleged Insureds, including Robinson, Grogan, the Robinson Brothers and/or or the Robinson Brothers Co., for bodily injury, personal injury, property damage, damages, wrongful death, or other harm relating in whole or in part, in fact or by allegation, to the presence of, or exposure to, directly or indirectly and in any manner, asbestos or asbestos-containing materials or products, either alone or in combination with any other substance, that were alleged to have been manufactured, installed, removed, fabricated, purchased, sold, supplied, transported, labeled, produced, designed, disturbed, released, used, or in any way at any time held, handled, distributed, installed, marketed, or disposed of by the Alleged Insureds, including Robinson, Grogan, the Robinson Brothers, Robinson Brothers Co., or for which Robinson or Grogan is otherwise alleged to be responsible.
- 1.5 "Asbestos Claimant" means any person, in any capacity, asserting an Asbestos Claim.

- 1.6 “Claim” means any claim, assertion of right, complaint, cross-complaint, counterclaim, affirmative defense, writ, demand, inquiry, request, directive, obligation, suit, lawsuit, action, cause of action, administrative proceeding, governmental claim or action, order, judgment, settlement, mediation, arbitration, lien, and any other assertion of liability of any kind, whether past, present, or future, known or unknown, asserted or unasserted, foreseen or unforeseen, fixed or contingent, direct or indirect, matured or unmatured, liquidated or unliquidated, direct or consequential, and whether in law, equity, admiralty, or otherwise. Without limiting the foregoing, Claim includes any matter that would, absent this Agreement, be covered by one or more of the Policies.
- 1.7 “Execution Date” means the last date upon which this Agreement was signed by all of the Parties, as evidenced by the last date on the signature pages hereto.
- 1.8 “Farmers” means Farmers Insurance Exchange, including any direct and indirect parents, joint ventures, subsidiaries, affiliates, officers, directors, employees, agents, representatives, members, and attorneys (including each of their respective predecessors, successors, assigns, heirs, administrators, or executors), all in their capacities as such and as they exist on the Execution Date.
- 1.9 “Final Order” means any judgment or order (a) as to which the time to appeal, petition for certiorari, or move for re-argument or rehearing has expired, and as to which no appeal, petition for certiorari, or other proceedings for re-argument or rehearing will then be pending, or as to which any right to appeal, petition for certiorari, or request re-argument or rehearing will have been waived in writing, in form and substance satisfactory to the Parties, or (b) in the event that an appeal, writ of certiorari, or request for re-argument or rehearing thereof has been sought, such order or judgment will have been determined by the highest court to which such order was appealed, or certiorari, re-argument, or rehearing will have been denied, and the time to take any further appeal, petition for certiorari, or move for re-arrangement or rehearing will have expired.
- 1.10 “Grogan” means Grogan Robinson Lumber Company, a dissolved corporation.
- 1.11 “Grogan Entities” means (a) Grogan and its employees, agents or officers, (b) each of its present and future, direct and indirect, parents, joint venture, subsidiaries, partners, and affiliates, solely in their capacities as such, (c) each of its past, direct and indirect, parents, joint ventures, subsidiaries, partners, and affiliates, but only if a person or entity described in (a) or (b) above has the power or authority to act on such entity's or person's behalf, (d) any person or entity asserting entitlement to insurance, rights, or benefits under any of the Policies, including any insured, additional insured, named insured, additional named insured, or protected person, but only if an entity or person described in (a) or (b) above has the power or authority to act on such entity or person's behalf, (e) the past, present, and future trustees, administrators, officers, directors, employees, agents, representatives, members, principals, and attorneys of any of the foregoing, but only in their

capacities as such, and (f) the predecessors, successors, assigns, heirs, administrators, or executors of any of the foregoing, but solely in their capacities as such.

- 1.12 “Injunctions” means the injunction and the bar order set forth in Sections 7.1 and 7.2 of this Agreement.
- 1.13 “Parties” means Farmers and the Receiver, collectively. “Party” means either Farmers or the Receiver, individually.
- 1.14 “Settled Policies” means all policies of liability insurance issued by Farmers, or under which Farmers could be construed as responsible for providing direct coverage, including the respective Policies identified in Exhibits A to this Agreement, whether known or unknown, whether issued or allegedly issued, whether primary, umbrella, excess, or otherwise, issued or allegedly issued prior to the Execution Date by any entity with the definition of Insurer Parties: (a) to any entity or person within the definition of “Alleged Insureds”, including Robinson, Grogan, Lumber Yard Supply, the Robinson Brothers, or the Robinson Brothers Co.; or (b) under which any entity or person within the definition of Robinson Entities or Grogan Entities, or any of their respective successors or assigns, contends that Alleged Insureds, including Robinson, Grogan, or the Receiver are entitled to insurance, rights, benefits, or otherwise; provided, however, that (x) any policy of insurance issued to any entity that is not a Robinson Entity or a Grogan Entity is a Policy only to the extent of coverage for the Robinson Entities or Grogan Entities, and (y) any policy of insurance issued to the Receiver is a Policy solely to the extent of coverage for Asbestos Claims and any other Claims arising from the operations, products, or activities of Alleged Insureds, including Robinson, Grogan, the Robinson Brothers, or Robinson Brothers Co.
- 1.15 “QSF” means a Qualified Settlement Fund under section 468B of the Internal Revenue Code, established or to be established by the Receiver and approved by the AC Court.
- 1.16 “Receiver” means Kelly O’Brien, Esq., as the court-appointed receiver for Robinson and Grogan, during such time that she is authorized to act in such capacity by order of the AC Court. As used herein, “Ms. O’Brien” shall not refer to Kelly O’Brien individually. In the event that the AC Court appoints a successor receiver, “Receiver” shall include such successor receiver during such time as he or she is acting in such capacity.
- 1.17 “Receivership Order” means the Order Creating Receivership for Robinson Insulation Company entered on or about March 23, 2018 by the AC Court, as amended by Order dated September 29, 2020.
- 1.18 “Robinson” means Robinson Insulation Company, a dissolved corporation.

- 1.19 “Robinson Brothers” means J. Brooks Robinson and David Robinson, both deceased individuals.
- 1.20 “Robinson Brothers Co.” means the named insured listed on the policies identified on Exhibit A. Upon information and belief, “Robinson Brothers Co.” is not a properly organized entity under the laws of the State of Montana.
- 1.21 “Robinson Entities” means (a) Robinson and its employees, agents, or officers, (b) each of its present and future, direct and indirect, parents, joint ventures, subsidiaries, partners, and affiliates, solely in their capacities as such, (c) each of its past, direct and indirect, parents, joint ventures, subsidiaries, partners, and affiliates, but only if a person or entity described in (a) or (b) above has the power or authority to act on such entity’s or person’s behalf, (cl) any person or entity asserting entitlement to insurance, rights, or benefits under any of the Policies, including any insured, additional insured, named insured, additional named insured, or protected person, but only if an entity or person described in (a) or (b) above has the power or authority to act on such entity or person’s behalf, (e) the past, present, and future trustees, administrators, officers, directors, employees, agents, representatives, members, principals, and attorneys of any of the foregoing, but only in their capacities as such, and (f) the predecessors, successors, assigns, heirs, administrators, or executors of any of the foregoing, but solely in their capacities as such.
- 1.22 “Settlement Amount” means the total sum of \$1.8 million, which represents the total amount to settle the Asbestos Claims discussed herein.
- 1.23 “Settlement Approval Order” means a judgment and order entered by the Receivership Court granting the Settlement Approval Motion, approving the Agreement, establishing the QSF or use of existing QSF, and entering the Injunctions. The Settlement Approval Order shall be substantially in the form as the proposed order submitted by the Parties with the Settlement Approval Motion, and in all respects shall be subject to the approval of Farmers, such approval not to be unreasonably withheld or delayed.
- 1.24 “Trust” means a trust, created pursuant to a trust agreement approved by the AC Court, into which the Settlement Amount held in the QSF will be deposited by the Receiver after the Trust Order has become a Final Order.
- 1.25 “Trust Order” means an order of the AC Court, on motion of the Receiver, approving establishment or use of the Trust. The Trust Order shall be in a form reasonably acceptable to all the Parties.
- 1.26 “Trustee” means the person appointed by the AC Court to serve as trustee of the Trust, including any successor trustees.

2. Settlement Approval Motion.

- 2.1 Within thirty (30) business days after the Execution Date, the Receiver shall file the Settlement Approval Motion.

The Receiver shall provide notice of this Agreement and the Settlement Approval Motion and the deadline for the filing of any objections to the Settlement Approval Motion, and the terms of the proposed Settlement Approval Order, to Asbestos Claimants represented by McGarvey Law and Odegaard, Kovacich, Snipes. P.C. in a form and manner deemed reasonable by the Parties, the goal being to provide comprehensive notice to all known Claimants and other persons who might reasonably be expected to be affected by this Agreement so that they have an opportunity to appear and be heard by the AC Court before the Settlement Approval Order is entered. The Receiver may also, at its own expense, cause notice of the Settlement Approval Motion, including the date, time, and place of the hearing on the Settlement Approval Motion and the deadline for the filing of any objections to the Settlement Approval Motion, to be published in The Western News, Kalispell Daily Interlake, Sanders County Ledger, Missoulian, Great Falls Tribune, Helena Independent Record, Billings Gazette, and/ or USA Today no less than thirty days before the scheduled hearing.

3. Payments.

- 3.1 Farmers shall pay the Settlement Amount no later than sixty days after satisfaction of all conditions precedent, including the conditions precedent set forth in Section 4.1 below.
- 3.2 Farmers may pay the Settlement Amount by check(s) or wire transfer(s) into the QSF, pursuant to the instructions to be provided by the Receiver at least thirty days before payment of the Settlement Amount is due. The Receiver or the Trustee, as the case may be, shall not distribute any funds from the QSF except as authorized by the AC Court.
- 3.3 The Receiver represents, warrants, and agrees that (a) the Settlement Amount is the total amount that Farmers will ever be obligated to pay under or arising out of the Policies to the Receiver, the Robinson Entities, the Grogan Entities, and all Alleged Insureds, including the Robinson Brothers, Robinson Brothers Co., or any other person or entity and (b) the limits of the Policies shall be deemed and declared exhausted. Consistent with the provisions in Section 5 of this Agreement regarding releases, under no circumstances shall Farmers ever be required to make any additional or further payments to any Asbestos Claimant under, or related to, Robinson Insulation, Grogan Robinson, the Robinson Entities, the Grogan Entities, the Receiver, the Robinson Brothers, Robinson Brothers Co. or any other person or entity under the Policies, the Receiver hereby relinquishing all rights under the Policies. Farmers is not obligated to pay any additional costs to any law firm in connection with legal services rendered to the Receiver or to reimburse the Receiver, Robinson Insulation, Grogan Robinson, the Robinson Brothers, Robinson Brothers Co. or any other person or entity at any time for the defense of

Asbestos Claims unless needed to carry out the terms of the Agreement and the Settlement Approval Order.

- 3.4 Each Party reserves to itself the right to allocate the respective Settlement Amounts to such Claims or Policies as it deems appropriate, and no Party shall be bound by the allocation of any other Party.

4. Conditions Precedent To Farmers' Obligation to Pay the Settlement Amount.

- 4.1 This Agreement will not be effective, and Farmers shall have no obligation to pay the Settlement Amount, until each of the following conditions precedent have been satisfied:
- 4.1.1 The Settlement Approval Order has been entered and has become a Final Order;
 - 4.1.2 Counsel at McGarvey Law and Odegaard, Kovacich, Snipes, PC, who represent all of the Asbestos Claimants must consent in writing to all of the terms of this Agreement.
- 4.2 If the AC Court, or any other court with jurisdiction, issues a Settlement Approval Order that does not contain all of the provisions described in Sections 7.1 and 7.2 below, this Agreement will, at the option of Farmers, be voidable. If Farmers elects to void this Agreement, the rights, claims, and defenses of all Asbestos Claimants with respect to Farmers are fully preserved as they were immediately prior to the Execution Date.

5. Releases.

- 5.1 By the Receiver, of Farmers. Effective immediately upon payment of the Settlement Amount, and with no further action being required, the Receiver, on behalf of the Receivership, Robinson, and Grogan hereby fully, finally, and completely releases, settles, and discharges Farmers from any and all liability and Claims, past, present, and future, asserted and unasserted, known or unknown, arising out of or relating to any Asbestos Claims, including (a) any obligation under the Settled Policies, (b) Claims for bad faith, failure to act in good faith, interest, violation of any duty of good faith or fair dealing, violation of any unfair claims practices act or similar statute, regulation, or code, or any other similar type of alleged misconduct or omission, including all "Ridley" and "Dubray"-type medical and lost wages expense claims.
- 5.2 By Farmers, of the Receiver, the Robinson Entities, the Grogan Entities, and the Alleged Insureds. Including Robinson Brothers, and Robinson Brothers Co. Effective immediately upon Farmers' payment of the Settlement Amount, and with no further action being required, Farmers hereby fully, finally, and completely

releases, settles, and discharges the Receiver, the Robinson Entities, the Grogan Entities, the Alleged Insureds, including Robinson Brothers, and Robinson Brothers Co., from any and all liability and Claims, past, present, and future, asserted and unasserted, known or unknown, arising out of or relating to (a) any Claims under Farmers' Policies or any associated agreements to pay any chargebacks, deductibles, premiums, retrospective premiums, and/or self-insurance assessments for released matters, (b) any Claims for payment of defense costs, (c) Claims for bad faith, failure to act in good faith, interest, violation of any duty of good faith or fair dealing, violation of any unfair claims practices act or similar statute, regulation, or code, or any other similar type of alleged misconduct or omission. Except with respect to reinsurance agreements as provided in 5.4, Farmers further releases and assigns to the Receiver any claims for contribution or indemnification Farmers has or may have against other insurers of the Receiver, the Robinson Entities, the Grogan Entities, or any other the Alleged Insureds, including Robinson Brothers, and Robinson Brothers Co., with respect to any Asbestos Claim.

- 5.3 The Releases described in Sections 5.1 through 5.2 above shall not release the Parties' rights to enforce the terms of this Agreement following entry of the Settlement Approval Order by the AC Court, all of which rights shall be expressly reserved by the Parties.
- 5.4 Farmers agrees to not pursue any contribution claim against any other insurers of Robinson, Grogan, or the Alleged insureds, including the Robinson Brothers Co, and Robinson Brothers Co.; provided, however, that (a) if any other insurer pursues such claims against Farmers the Receiver will defend against such claim and may also pursue against such insurer all Contribution Claims Farmers has against the insurer pursuing such claims; and (b) Farmers shall retain all rights to pursue reinsurance recoveries, with respect to its payment of its respective Settlement Amount, provided that Farmers will indemnify the Receiver and Trust for any obligation arising from any contribution or indemnity claim a reinsurer brings against other insurers of Robinson or Grogan.
- 5.5 Releases by Asbestos Claimants. No portion of the Settlement Amount shall be disbursed to an Asbestos Claimant unless the Asbestos Claimant first executes and delivers to the Receiver (or the Trustee, if the Trust has been established), a written release of all Claims of such Asbestos Claimant arising under or related to the Policies, which releases all of (a) Farmers and (b) the Receiver, the Receivership, the Trustee and the Trust, (c) the Robinson Entities, the Grogan Entities, (d) the Robinson Brothers, and (e) Robinson Brothers Co. The Receiver and Farmers shall agree to the form of the release, or, in the absence of agreement, the release shall be in a form which wholly releases Farmers and is approved by the AC Court.

6. Cessation of Litigation in the AC Court.

- 6.1 From the Execution Date until the date the Settlement Approval Order has become a Final Order, each Party shall file no new motions, briefs, pleadings, claims, objections, or other requests for relief against any other Party in any Court.
- 6.2 Farmers and the Receiver shall bear their own fees and expenses in connection with any proceedings to finalize the terms of this Agreement.

7. Injunction, Bar Order, Judgment Reduction, and Indemnification.

- 7.1. The Settlement Approval Order must include the entry of an injunction barring all Claims against Farmers released by the Receiver pursuant to Section 5.1 of this Agreement. The injunction shall state, in substance, as follows:

“Pursuant to the Court’s inherent equitable authority, (a) all Persons who hold or assert, or may in the future hold or assert, any Claim against Robinson Insulation Company, Grogan Robinson Lumber Company, the Robinson Brothers, Robinson Brothers Co., arising in connection with any of their respective business operations, including but not limited to, any activities covered by the Policies, or in connection with the activities of Robinson Insulation Company, Grogan Robinson Lumber Company, the Robinson Brothers, or Robinson Brothers Co. giving rise to the Claims that have been made or that could be made under the Policies, and (b) all Persons who may claim to be an insured, additional insured, or otherwise entitled to any benefit under the Policies, are permanently stayed, barred, restrained, and enjoined (a) from asserting against Farmers any recovery under such Claim or right to entitlement, (b) from commencing a proceeding against Farmers, or taking any other action for the purpose of obtaining any recovery or other relief from Farmers based on, under, arising out of, related or attributable to, and/or in connection with the Settled Policies.”

- 7.2 The Settlement Approval Order must also include a contribution bar order stating, in substance, as follows:

“All claims for contribution, allocation, subrogation, and equitable indemnity, or similar claims, by or against Farmers or its reinsurers, whether by parties appearing before the Asbestos Claims Court or not, are hereby BARRED pursuant to the Court’s inherent equitable authority. All Contribution Claims by or against Farmers or its reinsurers shall be channeled to the QSF established to hold the Settlement Amount paid by Farmers or to any Trust to which the funds in the QSF are transferred following an order by this Court authorizing such transfer.”

- 7.3 In the event that any other insurer of Robinson, Grogan, the Robinson Brothers, Robinson Brothers Co., or any other Person obtains a judicial determination or binding arbitration award that it is entitled to obtain a sum certain from Farmers as a result of a Contribution Claim against Farmers for the alleged share or equitable share of Farmers for defense costs or indemnity costs relating to Claims against the Receiver, Robinson Insulation, Grogan Robinson, the Robinson Brothers,

Robinson Brothers Co., then the Receiver or the Trustee, as the case may be, shall voluntarily reduce such judgment(s) or Claim(s) against, or settlement with, such other insurer(s) or persons to the extent necessary to eliminate such Contribution Claims against Farmers. To ensure that such a reduction is accomplished, Farmers shall be entitled to assert this section as a complete defense to any action against it for any such portion of the judgment or Claim and shall be entitled to have the court or appropriate tribunal issue such orders as are necessary to effectuate the reduction to protect Farmers from any liability for the judgment or Claim, the goal being to ensure that Farmers does not pay anything more than the Settlement Amount with respect to matters encompassed within the releases set forth in Section 5.1 of this Agreement.

- 7.4 The Receiver or the Trustee, as the case may be, will attempt to minimize the possibility of Contribution Claims being made against Farmers by any person or entity with respect to insurance coverage for Claims against Robinson, Grogan, the Robinson Brothers, or Robinson Brothers Co. by using reasonable best efforts to obtain from each other person or entity settling with the Receiver an agreement to waive or release any and all Contribution Claims it may have against Farmers and not to otherwise proceed against Farmers.
- 7.5 The Receiver shall indemnify Farmers against all Claims filed by other insurers, up to the amount of the Settlement Amount, to the extent necessary given the judgment reduction provision set forth in Section 7.3 of this Agreement. The Receiver may use funds from the QSF for purposes of fulfilling her indemnification obligations. The Receiver's indemnification obligations shall be assumed by the Trustee upon the establishment of the Trust, and the Trustee may use funds from the Trust for purposes of fulfilling such indemnification obligations.
- 7.6 The Receiver or the Trustee, as the case may be, shall cooperate with Farmers in any litigation against Farmers asserting any Contribution Claims with respect to any liability under the Policies that is released under this Agreement. Without limiting the foregoing, the Receiver or the Trustee, as the case may be, shall support arguments made by Farmers that its obligations with respect to such claims have been fully released, satisfied, and extinguished by this settlement.

8. Confidentiality.

- 8.1 The Parties may notify the AC Court of the fact of their settlement-in-principle, but shall otherwise maintain the terms of their settlement-in-principle as strictly confidential with respect to third parties until such time as the Receiver files the Settlement Approval Motion. The Parties agree that the Receiver may file this Agreement in the public record with the AC Court in connection with the Settlement Approval Motion.

- 8.2 Nothing herein shall limit Farmers' right, prior to or after filing of the Settlement Approval Motion, to fully and completely advise their reinsurers and retrocessionaires as to all matters related to the settlement-in-principle, including but not limited to the terms and conditions of this Agreement and any related documents.
- 8.3 Notwithstanding any other provision in this Agreement, the Parties agree that this Agreement and any related documents, may be disclosed to counsel at McGarvey Law and Odegaard, Kovacich, Snipes, P.C., who represent all of the Asbestos Claimants, for purposes of seeking and obtaining their consent, provided that prior to any such disclosure, such Asbestos Claimants' counsel agree in writing to maintain any information relating to the settlement-in-principle as strictly confidential.

9. Bankruptcy.

- 9.1 In the event that Robinson, Grogan, Robinson Brothers Co and/or the Robinson Brothers becomes the subject of any proceedings pursuant to the United States Bankruptcy Code (a "Restructuring Filing") before Farmers has paid the Settlement amount, the Parties agree and acknowledge that:
- 9.1.1 This Agreement, having been negotiated at arm's length in settlement of bona fide disputes and supported by adequate consideration, is not a preference under section 547 of the United States Bankruptcy Code, a fraudulent conveyance under sections 546 or 548 of the United States Bankruptcy Code, or avoidable under any other applicable federal bankruptcy or non-bankruptcy law.
- 9.1.2 The Parties will cooperate to preserve the validity, finality, and enforceability of this Agreement. The Receiver, the Trustee, Robinson Insulation, and Grogan Robinson shall use their respective best efforts to oppose any and all efforts to challenge this Agreement under any provision of the Bankruptcy Code or state law.
- 9.1.3 In any Restructuring Filing where the intent of Receiver, the Trustee, Robinson Insulation, and Grogan Robinson is to discharge Asbestos Claims, the Receiver, the Trustee, Robinson Insulation, Grogan Robinson, and the Robinson Brothers shall request and use their best efforts to obtain, from the Bankruptcy Court and/or the District Court, a permanent injunction pursuant to 11 U.S.C. §§ 524(g) and/ or 105(a) that enjoins all persons from commencing or continuing any action, proceeding or Claim, including any Asbestos Claim, against Farmers, directly or indirectly, to collect, recover, or receive payments, satisfaction, or recovery of any kind under, relating to, or arising out of Asbestos Claims and/or the Policies.

9.1.4 The releases contained herein are fully effective according to their terms and this Agreement is not an executory contract.

10. Assignment and Authority.

- 10.1 The Receiver and Farmers each separately represent and warrant that they have not waived, released, assigned, or transferred any right, title, or interest in the Settled Policies.
- 10.2 Each Party represents and warrants that the individual executing this Agreement on its behalf has the authority to do so and to bind that Party to the obligations set forth herein. Each Party represents and warrants that it has authority to execute this Agreement as its binding and legal obligation. Each Party represents and warrants that it has read this Agreement in full and that the person signing this Agreement on its behalf is authorized by those they purport to represent to execute this Agreement and to bind that Party to the obligations set forth in this Agreement in full.

11. Non-Prejudice and Construction of Agreement.

- 11.1 This Agreement is a negotiated compromise of disputed issues among the Parties, bargained for and entered into in good faith and as the result of arm's-length negotiations, and at all times material the Parties have been represented by counsel of their own choosing concerning the rights affected by this Agreement, the form and content of it, and the advisability of executing it. This Agreement shall not be construed as a waiver, modification, or retraction of the positions of the Parties with respect to the interpretation and application of the Policies. No communications or statements made during the negotiations of this Agreement shall be discoverable or admissible in any dispute between the Parties to enforce the terms of the Agreement.
- 11.2 This Agreement is the product of informed negotiations and involves compromises of the Parties' previously stated legal positions. Accordingly, this Agreement does not reflect the Parties' views as to their rights and obligations with respect to matters or entities outside the scope of this Agreement. The Parties specifically disavow any intention to create rights in third parties under or in relation to this Agreement except as expressly set forth herein.
- 11.3 The Parties have participated jointly in the negotiation, drafting, and preparation of this Agreement, and agree that, in the event an ambiguity or question of intent or interpretation arises related to this Agreement, this Agreement shall be construed as if drafted jointly by the Parties hereto. Accordingly, no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of the authorship of any provisions of this Agreement or by virtue of any Party's status as an insurance company.
- 11.4 Subject to Section 4.2 of this Agreement, if any portion of this Agreement should for any reason become or be found by a court or other tribunal of competent

jurisdiction to be null, void, illegal, invalid, or otherwise unenforceable, the remaining portions of this Agreement shall remain in full force and effect and continue to be binding on the Parties provided that each Party continues to receive substantially the benefit of its bargain hereunder.

11.5 This Agreement is not, nor shall it be construed as, an insurance policy.

12. Governing Law.

12.1 This Agreement shall be governed by and shall be construed in accordance with the law of the State of Montana without regard to its conflict of law principles.

13. Notices.

13.1 Unless another person is designated, in writing, for receipt of notices hereunder, all notices to the respective Parties shall be sent to the following persons:

Farmers: Adam Tunning
Moulton Bellingham PC
27 North 27th Street, Suite 1900
P.O. Box 2559
Billings, MT 59103-2559
adam.tunning@moultonbellingham.com

Receiver: Kelly O'Brien, Esq.
Measure Law, P.C.
128 Second Street East
Kalispell, MT 59903

With a copy to: Allan McGarvey, Esq.
McGarvey Law
345 First Avenue East
Kalispell, Montana 59901
amcgarvey@mcgarveylaw.com

and

Mark Kovacich, Esq.
Odegaard, Kovacich, Snipes, P.C.
21 3rd St. North Ste 301
Great Falls, MT 59401
mark@mtlawyers.com

14.2 Any Party may change the address at which communications are to be delivered to it by giving notice to the other, in the manner provided in this Section 14.

14. Medicare and Other Third-Party Claims.

- 14.1 The Parties agree that, given the buy-back nature of this settlement and the fact that no Asbestos Claimant settles or releases any claim as a consequence of this settlement, no obligation under 42 USC §1395y, *et seq.*, commonly referred to as the Medicare, Medicaid, and SCHIP Extension Act of 2007, or any other similar statute or regulation, and any related rules, regulations, or guidance issued in connection therewith or relating thereto (including 42 CFR §§411, *et seq.*), with respect to any Asbestos Claims (collectively, the “MSP”) is triggered in connection with the Settlement Amount. The Parties agree and acknowledge, however that a future resolution of Claims by the QSF Trust, will trigger reporting obligations. The Receiver agrees that she is the Responsible Reporting Entity (“RRE”) if any Claim is resolved by the Receiver, and that Trust is the Responsible Reporting Entity for Asbestos Claims settled and released through the Trust claim procedures.
- 14.1.1 The Parties agree that all duties and obligations of the Receiver under Section 14 of this Agreement may be assigned to and assumed by the Trustee pursuant to the Trust Order after (a) the Trust Order has become a Final Order, (b) the Trustee has agreed in a writing sent to all Parties that he or she will assume all duties, obligations, and agreements of the Receiver under Section 14 of this Agreement, and (c) the Settlement Amount has been transferred by the Receiver from the QSF to the Trust.
- 14.2 The Parties further agree that Farmers is not subject to any reporting requirements or obligations under the MSP. The Parties nevertheless agree to the reporting provisions set forth in Sections 14.3 through 14.12 of this Agreement to ensure full compliance with the MSP.
- 14.3 The Receiver and/or the Trust, as the case may be, is the RRE and shall assume the obligations of an RRE for all Claims paid with the proceeds of the Settlement Amount.
- 14.4 The RRE shall, at its sole expense, timely submit all reports that are required by a Responsible Reporting Entity under the reporting provisions of Section III of the Medicare, Medicaid, and SCHIP Extension Act of 2007 (P.L. 110-173) or any other similar statute or regulation (“MMSEA”) on account of Asbestos Claims paid by the RRE. The RRE or its RRE Agent shall follow all applicable guidance published by the Centers for Medicare & Medicaid Services of the United States Department of Health and Human Services and/or any other agent or successor entity charged with responsibility for monitoring, assessing or receiving reports under MMSEA (collectively, “CMS”) to determine whether or not and, if so, how to report to CMS pursuant to MMSEA.
- 14.5 The RRE Agent shall provide a written notification to Farmers within thirty (30) business days following receipt of any notification from CMS that any report by

the RRE was rejected or otherwise identified as noncompliant by CMS, along with the basis for such rejection or noncompliance, provided that no such notification is required if the reasons for rejection or non-compliance have been deemed by CMS to be cured.

14.5.1 With respect to any reports rejected or otherwise identified as noncompliant by CMS, the RRE Agent shall, at the request of Farmers, promptly provide copies of the original reports submitted to CMS, as well as any response received from CMS with respect to such reports. The RRE Agent shall reasonably undertake to remedy any issues of noncompliance that CMS identifies and to resubmit such reports to CMS. Upon request by Farmers, the RRE Agent shall provide Farmers with copies of such resubmissions. With respect to copies of original reports and resubmissions provided under this Section 14.5.1, the RRE Agent may redact from such copies the names, social security numbers other than the last four digits, health insurance claim numbers, taxpayer identification numbers, employer identification numbers, mailing addresses, telephone numbers, and dates of birth of the injured parties, claimants, guardians, conservators, and/or other personal representatives, as applicable.

14.5.2 All documentation that the RRE Agent relies upon in making a determination that a payment does not have to be reported to CMS shall be maintained for a minimum of six years following such determination.

14.6 The Receiver and/or the Trustee, as the case may be, is not required by this Agreement to make any report that is not required by MMSEA.

14.7 The Parties recognize that, upon the completion of her responsibilities, the AC Court may discharge the Receiver from any further obligations with respect to Robinson, Grogan, the Robinson Brothers, and the Robinson Brothers Co. Likewise, the Parties recognize that once the Trust's purposes are completed, or upon the appointment of a successor trustee, the AC Court may discharge the Trustee from any further obligations with respect to the Trust. Nothing in this Agreement will impose any duty on any individual, including Ms. O'Brien, in any individual capacity or constitute a basis to extend Ms. O'Brien's role as Receiver. To ensure the preservation of any information that Farmers may need in the event CMS concludes that reporting done by the RRE in accordance with the above provisions within this Section 14 is or may be deficient in any way, and has not been corrected to the satisfaction of CMS in a timely manner, or if CMS communicates to the RRE to Farmers a concern with respect to the sufficiency of timeliness of such reporting or non-reporting, to satisfy any reporting obligation under any MSP, within thirty calendar days after the Execution Date, Farmers shall provide to the Receiver a list of the information that Farmers designates as likely to be necessary for Farmers to respond to any notice by CMS that the RRE's reporting was deficient. Subject to AC Court approval, the Receiver and/or the

Trustee, as the case may be, shall collect that information from Asbestos Claimants as part of any claim submission procedures. Following the end of the Trustee's responsibilities, Farmers, at its own expense, shall be entitled to maintain and access this information exclusively to address any claim of non-compliance by the RRE to the RRE Agent with MSP reporting obligations, subject to appropriate confidentiality standards approved by the AC Court. At Farmers' reasonable request, the Receiver and/or the Trustee, as the case may be, will meet and confer with the Farmers prior to terminating her duties to ensure a transition of any information per this paragraph.

- 14.8 The RRE and/or any RRE Agent shall indemnify and hold Farmers harmless from any and all fines, penalties, claims, demands, liens, subrogated interests, and causes of action of any nature or character that may in the future be asserted by Medicare and/or persons or entities acting on behalf of Medicare in respect of Medicare claims reporting and payment obligations in connection with the Asbestos Claims, including any obligations owing or potentially owing under MMSEA or 42 U.S.C. § 1395y(b) or any related rules, regulations, or guidance issued in connection therewith, or relating thereto, and any claims arising from or related to the RRE Agent's obligations under this Section 14.
- 14.9 The Receiver and/or the Trustee, as the case may be, shall obtain, prior to remittance of funds to Asbestos Claimants' counsel or the claimant, if *pro se*, in respect of any Asbestos Claim, a certification from the claimant to be paid that said claimant has or will provide for the payment and/or resolution of any obligations owing or potentially owing under 42 U.S.C. § 1395y(b), or any related rules, regulations, or guidance, in connection with, or relating to, such Asbestos Claim. The Receiver and/or the Trustee, as the case may be, shall provide a certification of his or her compliance with this Section to Farmers upon Farmers' request, but not more often than quarterly. The Receiver and/or the Trustee, as the case may be, shall permit reasonable audits by Farmers, no more often than quarterly, to confirm compliance with this Section 14. Farmers shall keep any information and documents received from the Receiver or the Trustee pursuant to this Section 14 confidential and shall not use such information for any purpose other than meeting obligations under this Section 14.
- 14.10 Compliance with the requirements of Sections 14.1 through 14.9 of this Agreement shall be a material obligation of the Receiver and/or the Trustee in favor of Farmers.
- 14.11 The Parties agree that Sections 14.2 through 14.10 of this Agreement are intended to be purely prophylactic in nature, and shall not constitute or be construed as an admission that Farmers is in fact an "applicable plan" for MSP reporting purposes, or that they have any legal obligation to report any actions undertaken by the Receiver, the Trustee, or other payor of Asbestos Claims under the MSP or any other statute or regulation.

14.12 Assets held by the Receiver, the Trustee, or other person or entity responsible for paying Asbestos Claims may also be used for payment of indemnity and expenses relating to reimbursing conditional payments made pursuant to the MSP to applicable Medicare beneficiaries. Except for the payment of amounts payable under this Agreement, no Party shall be obligated to make any payments for this purpose.

15. Dispute Resolution.

15.1 If any dispute should arise concerning the terms, meaning, or implementation of this Agreement, the Parties agree to use their best efforts to reach a prompt resolution of such dispute. If the Parties are unable to reach an agreement, they shall proceed to mediation within thirty days after either Party delivers a written notice of request for mediation. If the mediation is unsuccessful, either Party may commence a legal action in an appropriate forum, but no Party may initiate litigation until after a mediation has commenced and the mediator has determined that the Parties' mediation has reached an impasse.

16. Miscellaneous Provisions.

16.1 This Agreement shall be binding upon, and inure to the benefit of, the Parties hereto and to their respective successors and assigns.

16.2 Unless expressly provided herein, this Agreement is not intended to benefit any person or entity other than the Parties. Other than as expressly provided herein, this Agreement is not intended to bind any non-Party to any of the compromises, stipulations or agreements made herein.

16.3 Each Party warrants and represents that neither it nor any of its predecessors, affiliates, agencies, departments, organizations, branches, commissions, or divisions has previously assigned or transferred or executed an agreement purporting to assign or transfer (a) any Claim released or waived herein or (b) any rights or obligations under this Agreement.

16.4 This Agreement is not assignable by any Party and any purported assignment shall be void without the express written agreement of the other Parties, except an assignment by operation of law which shall be effective.

16.5 In the event that any non-Party to this Agreement takes any action to try to invalidate this Agreement in whole or in part, the Parties will fully cooperate to oppose such action.

16.6 The titles of the sections in this Agreement are for convenience of reference only and are not intended to be part of, or to affect the meaning, construction, or interpretation of, this Agreement.

- 16.7 This Agreement contains the entire agreement among the Parties with respect to the issues addressed herein. Except as explicitly set forth in this Agreement, there are no representations, warranties, promises, or inducements, whether oral, written, expressed, or implied, that in any way affect or condition the validity of this Agreement or alter or supplement its terms. Any statements, promises, or inducements made by either Party or any agent of either Party that are not contained in this Agreement shall not be valid or binding.
- 16.8 This Agreement may be executed in several counterparts, each of which shall be deemed an original, which together shall constitute one and the same instrument and agreement. Each counterpart may be delivered by electronic transmission (by facsimile or e-mail as a .pdf attachment), and a faxed or e-mailed signature shall be binding with the same force and effect as original signatures.
- 16.9 Each of the Parties represents and warrants that it is authorized to enter into this Agreement; that the execution and delivery of this Agreement and the consummation of this transaction will not conflict with or result in any violation or default under any provision of its articles of incorporation, charter, by-laws, or partnership agreement or of any decree, statute, law, ordinance, rule, or regulation applicable to it; and that no further consent, approval, order, authorization, or filing with any governmental authority is required in connection with the execution and delivery of this Agreement or the consummation of the transactions described in this Agreement.
- 16.10 Each Party understands, acknowledges, and agrees that if any fact or legal premise now believed to be true is found hereafter to be other than, or different from, that which is now believed, each expressly assumes the risk of such difference in fact or legal premise and agrees that this Agreement shall and will remain effective notwithstanding any such difference.
- 16.11 This Agreement shall not be modified, altered, or discharged, nor any of its provisions waived, except by a writing signed by each of the Parties hereto. A failure to enforce any provision of this Agreement in a particular instance shall not be construed as a waiver of any such provision or any other provision of this Agreement.

IN WITNESS WHEREOF, the Parties have executed this Agreement by their duly authorized representatives.

Kelly O'Brien, Receiver

By: 

Dated: December 22, 2021

Receiver for the Robinson Insulation Company; Grogan-Robinson Lumber Company

Farmers Insurance Exchange

By: Marcianna White

Dated: December __, 2021

Name, Title Marcianna White, Field Claims Manager

EXHIBIT A—KNOWN POLICIES

POLICY NO.	POLICY PERIOD
06584-46-87	04/01/89-04/01/90
06584-46-87	04/01/90-04/01/91
06584-46-87	04/01/91-09/27/91