IN THE UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF ILLINOIS EASTERN DIVISION

VIRGINIA HALLMER,)
Plaintiff,)
VS.) No.: 02 C 7066
THE LOCKFORMER COMPANY, a Division of MET-COIL SYSTEMS CORPORATION, a) Judge Hibbler)
Delaware corp.; MESTEK, INC., a Pennsylvania corp.; HONEYWELL DITERNATIONAL DIG a Delaware corp.;) JURY TRIAL DEMANDED
INTERNATIONAL, INC., a Delaware corp.; and CARLSON ENVIRONMENTAL, INC.,)
an Illinois corp.,)
Defendants.)

HONEYWELL'S ANSWER, DEFENSES AND CROSSCLAIMS

Defendant, Honeywell International Inc., by its attorneys, Wildman, Harrold, Allen & Dixon, answers Plaintiff's Complaint and hereby states as follows:

1. Plaintiff, VIRGINIA HALLMER, has resided at 591 Riedy Road in Lisle, Illinois, from 1968 through the present.

ANSWER: Honeywell lacks information sufficient to form a belief as to the truth of the allegations set forth in Paragraph 1 of Plaintiff's Complaint and, therefore, denies them.

2. Defendant, THE LOCKFORMER COMPANY, a Division of MET-COIL SYSTEMS CORPORATION (hereinafter "LOCKFORMER"), is a Delaware corporation having its principal place of business in the State of Iowa.

ANSWER: Since the allegations of Paragraph 2 of Plaintiff's Complaint are not directed to Honeywell, Honeywell is not required to answer.

3. Defendant, MESTEK, INC. (hereinafter "MESTEK"), is a Pennsylvania corporation having its principal place of business in the State of Massachusetts.

ANSWER: Since the allegations of Paragraph 3 of Plaintiff's Complaint are not directed to Honeywell, Honeywell is not required to answer.

4. Defendant, HONEYWELL INTERNATIONAL, INC. (hereinafter "HONEYWELL"), is a Delaware corporation.

ANSWER: Admitted.

5. At all times relevant herein, LOCKFORMER operated and engaged in the business of metal fabrication and manufacturing, and is located at 711 Ogden Avenue, Lisle, Illinois (the LOCKFORMER site).

ANSWER: Since the allegations of Paragraph 5 of Plaintiff's Complaint are not directed to Honeywell, Honeywell is not required to answer.

6. Defendant LOCKFORMER has operated a metal fabrication business at its facility on the Lockformer property for over 30 years, beginning no later than 1968.

<u>ANSWER:</u> Since the allegations of Paragraph 6 of Plaintiff's Complaint are not directed to Honeywell, Honeywell is not required to answer.

7. As part of its manufacturing operations, at all relevant times, LOCKFORMER has maintained a metal degreasing operation on the Lockformer property.

ANSWER: Since the allegations of Paragraph 7 of Plaintiff's Complaint are not directed to Honeywell, Honeywell is not required to answer.

8. Beginning in approximately 1968 and continuing through 1997, Lockformer's degreasing operation has included the use of a pitted vapor degreaser situated in a concrete tank pit several feet below the ground surface.

ANSWER: Since the allegations of Paragraph 8 of Plaintiff's Complaint are not directed to Honeywell, Honeywell is not required to answer.

9. LOCKFORMER was, in October of 2000, merged into, and became a division of Met-Coil Systems Corporation.

ANSWER: Since the allegations of Paragraph 9 of Plaintiff's Complaint are not directed to Honeywell, Honeywell is not required to answer.

10. MET-COIL SYSTEMS owns property adjacent to the Lockformer property, immediately west of 711 Ogden Avenue, Lisle, Illinois (the "Met-Coil Property").

ANSWER: Since the allegations of Paragraph 10 of Plaintiff's Complaint are not directed to Honeywell, Honeywell is not required to answer.

11. MESTEK owns and operates LOCKFORMER, and has done so since purchasing the entity in approximately June of 2000.

ANSWER: Since the allegations of Paragraph 11 of Plaintiff's Complaint are not directed to Honeywell, Honeywell is not required to answer.

12. During the course of its business operations, LOCKFORMER has engaged in the use of chlorinated solvents, including trichloroethylene (hereinafter "TCE").

ANSWER: Since the allegations of Paragraph 12 of Plaintiff's Complaint are not directed to Honeywell, Honeywell is not required to answer.

13. Co-defendant, HONEYWELL, by and through its predecessors in interest, Baron-Blakeslee and Allied Signal, provided and installed upon the roof of the facility at the LOCKFORMER site a solvent storage tank.

ANSWER: Denied.

14. HONEYWELL, by and through its predecessors in interest, agreed to maintain the rooftop storage tank.

ANSWER: Denied.

15. The rooftop storage tank was filled with chlorinated solvents, including TCE, via a fill pipe that was affixed to the western wall of the LOCKFORMER facility.

ANSWER: Since the allegations of Paragraph 15 of Plaintiff's Complaint are not directed to Honeywell, Honeywell is not required to answer.

16. In 1985, Allied Signal acquired Baron-Blakeslee.

ANSWER: Admitted.

17. Allied Signal has merged into and became known as Honeywell International (defendant HONEYWELL) prior to the commencement of this action.

ANSWER: Denied.

18. Allied Signal, Inc., as a separate and distinct entity, no longer exists, and Honeywell International has assumed any and all of Allied Signal's rights and/or obligations.

ANSWER: Honeywell admits that it has succeeded to AlliedSignal's rights and obligations. Honeywell denies the remaining allegations of Paragraph 18 of Plaintiff's Complaint.

19. HONEYWELL, by and through its employees and agents, supplied LOCKFORMER with chlorinated solvents, including TCE, from approximately 1970 until at least 1992.

ANSWER: Honeywell admits that a predecessor, Baron Blakeslee, supplied TCE to Lockformer from approximately 1969 until 1985. Honeywell further admits that a different predecessor, AlliedSignal, supplied TCE to Lockformer from 1985 until approximately 1992. Honeywell denies the remaining allegations of Paragraph 19 of Plaintiff's Complaint.

20. That in order to maintain LOCKFORMER'S supply of TCE, HONEYWELL, by and through its employees and agents, pumped TCE from a truck into the rooftop storage tank.

ANSWER: Honeywell admits that a predecessor, Baron Blakeslee, on occasion, pumped TCE into a rooftop storage tank. Honeywell further admits that a different predecessor, AlliedSignal, on occasion, pumped TCE into a rooftop storage tank. Honeywell denies the remaining allegations of Paragraph 20 of Plaintiff's Complaint.

21. That in the course of refilling LOCKFORMER'S supply of TCE, TCE was repeatedly released into the environment at the LOCKFORMER site from 1968 until at least 1992.

ANSWER: Denied.

22. That TCE was released into the environment through a vent pipe every time the tank was filled from 1969 through 1985, because the rooftop tank lacked a sight glass to indicate how full the tank was.

ANSWER: Denied.

23. That LOCKFORMER knew that TCE was released into the environment at the LOCKFORMER site during the course of filling the rooftop storage tank by 1985 at the latest.

ANSWER: Since the allegations of Paragraph 23 of Plaintiff's Complaint are not directed to Honeywell, Honeywell is not required to answer.

24. That HONEYWELL, by and through its predecessors in interest, knew that TCE was released into the environment during the course of filling the rooftop storage tank as early as 1969.

ANSWER: Denied.

25. That LOCKFORMER did not undertake to ascertain whether the soil at its facility had been contaminated by TCE until 1992.

ANSWER: Since the allegations of Paragraph 25 of Plaintiff's Complaint are not directed to Honeywell, Honeywell is not required to answer.

26. That soil samples collected in 1992 at the Lockformer site in the vicinity of the refilling line showed the presence of TCE in a concentration of 680,000 parts per billion.

ANSWER: Since the allegations of Paragraph 26 of Plaintiff's Complaint are not directed to Honeywell, Honeywell is not required to answer.

27. That in 1992, groundwater testing on the LOCKFORMER property revealed levels of contamination from chlorinated solvents in excess of the United States Environmental Protection Agency Standards for safe drinking water.

ANSWER: Since the allegations of Paragraph 27 of Plaintiff's Complaint are not directed to Honeywell, Honeywell is not required to answer.

28. That the IEPA was not informed of TCE contamination at the LOCKFORMER site until 1995.

ANSWER: Since the allegations of Paragraph 28 of Plaintiff's Complaint are not directed to Honeywell, Honeywell is not required to answer.

29. That LOCKFORMER was advised by Timothy Love, Site Remediation Manager for Allied Signal, in 1992 that there was a potential for contamination of the groundwater by TCE at the LOCKFORMER site.

ANSWER: Admitted.

30. That Timothy Love advised LOCKFORMER to test for groundwater contamination of TCE in 1992.

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ANSWER: Admitted.

31. That Timothy Love advised LOCKFORMER to test water wells of residents in the vicinity of the LOCKFORMER site for TCE contamination in 1992.

ANSWER: Honeywell admits that Mr. Love advised Lockformer to test wells of residents near Lockformer, if there were any, for TCE contamination in 1992. Honeywell denies the remaining allegations of Paragraph 31 of Plaintiff's Complaint.

32. That the defendants did not test for groundwater contamination in 1992, 1993, 1994 or 1995.

ANSWER: To the extent that the allegations set forth in Paragraph 32 of Plaintiff's Complaint are not directed to Honeywell, Honeywell is not required to answer. Answering further, Honeywell states that it did not test for groundwater contamination in 1992-1995 and denies that it was under any legal or other duty to test for groundwater contamination.

33. That the defendants did not test groundwater wells in the Village of Lisle in 1992, 1993, 1998 or 1999.

ANSWER: To the extent that the allegations set forth in Paragraph 33 of Plaintiff's Complaint are not directed to Honeywell, Honeywell is not required to answer. Answering further, Honeywell states that it did not test groundwater wells in the Village of Lisle in 1992, 1993, 1998 or 1999 and denies that it was under any legal or other duty to test groundwater wells.

34. That testing done in 1997 revealed that TCE had contaminated the groundwater near the LOCKFORMER site in levels up to 68,000 parts per billion.

ANSWER: Since the allegations of Paragraph 34 of Plaintiff's Complaint are not directed to Honeywell, Honeywell is not required to answer.

35. That LOCKFORMER was advised in 1998 that TCE was found in weathered limestone of an acquifer that served as a water source for residents in the area.

ANSWER: Since the allegations of Paragraph 35 of Plaintiff's Complaint are not directed to Honeywell, Honeywell is not required to answer.

36. That LOCKFORMER did not warn the residents of Lisle in the vicinity of the plant of the presence of chlorinated solvents in the groundwater adjacent to the plant in 1998, 1999 or 2000.

ANSWER: Since the allegations of Paragraph 36 of Plaintiff's Complaint are not directed to Honeywell, Honeywell is not required to answer.

37. Section 12(a) of the Act, 415 ILCS 5/12(a)(2000), provides as follows:

No person shall:

a. Cause or threaten or allow the discharge of any contaminants into the environment in any State so as to cause or tend to cause water pollution in Illinois, either alone or in combination with matter from other sources, or so as to violate regulations or standards adopted by the Pollution Control Board under this Act.

ANSWER: Honeywell admits that Plaintiff has quoted a portion of Section 12 of the Illinois Environmental Protection Act. Honeywell denies that it is liable under any part of the Act.

38. Section 3.06 of the Act, 415 ILCS 5/3.06 (2000), provides the following definition:

"CONTAMINANT" is any solid, liquid, or gaseous matter, any odor, or any form of energy, from whatever source.

ANSWER: Honeywell admits that Plaintiff has quoted a portion of Section 3 of the Illinois Environmental Protection Act. Honeywell denies that it is liable under any part of the Act.

39. TCE is a "contaminant" as that term is defined in Section 3.06 of the Act.

ANSWER: The allegations of Paragraph 39 of Plaintiff's Complaint are legal conclusions which require no answer.

40. Section 3.26 of the Act, 415 ILCS 5/3.26 (2000), provides, in relevant part, the following definition:

"PERSON" is any individual, partnership, co-partnership, firm, company, limited liability company, corporation, association, joint

stock company, trust, estate, . . . or any other legal entity, or their legal representative, agent or assigns.

ANSWER: Honeywell admits that Plaintiff has quoted a portion of Section 3 of the Illinois Environmental Protection Act. Honeywell denies that it is liable under any part of the Act.

41. The Defendants are "persons" as that term is defined in Section 3.26 of the Act.

ANSWER: The allegations of Paragraph 41 of Plaintiff's Complaint are legal conclusions which require no answer.

42. Section 3.55 of the Act, 415 ILCS 5/3.55 (2000), provides the following definition:

"WATER POLLUTION" is such alteration of the physical, thermal, chemical, biological or radioactive properties of any waters of the State, or such discharge of any contaminant into any waters of the State, as will or is likely to create a nuisance or render such waters harmful or detrimental or injurious to public health, safety or welfare, or domestic, commercial, industrial, agricultural, recreational, or other legitimate uses, or to livestock, wild animals, birds, fish, or other aquatic life.

ANSWER: Honeywell admits that Plaintiff has quoted a portion of Section 3 of the Illinois Environmental Protection Act. Honeywell denies that it is liable under any part of the Act.

43. Section 3.56 of the Act, 415 ILCS 5/3.56 (2000), provides the following definition:

"WATERS" means all accumulations of water, surface and underground, natural, and artificial, public and private, or parts thereof, which are wholly or partially within, flow through, or border upon the State.

ANSWER: Honeywell admits that Plaintiff has quoted a portion of Section 3 of the Illinois Environmental Protection Act. Honeywell denies that it is liable under any part of the Act.

44. The groundwater underlying the facility is a "water" as that term is defined in Section 3.56 of the Act.

ANSWER: The allegations of Paragraph 44 of Plaintiff's Complaint are legal conclusions which require no answer.

45. Defendants' conduct in releasing TCE into the environment violated 415 ILCS 5/12(a)(2000) of the Act.

ANSWER: To the extent that the allegations set forth in Paragraph 45 of Plaintiff's Complaint are not directed to Honeywell, Honeywell is not required to answer. Honeywell denies the remaining allegations of Paragraph 45 of Plaintiff's Complaint.

46. That LOCKFORMER first warned certain residents of the Village of Lisle, Illinois, that there was TCE contamination of soil on its property on August 28, 2000.

ANSWER: Since the allegations of Paragraph 46 of Plaintiff's Complaint are not directed to Honeywell, Honeywell is not required to answer.

47. That on August 28, 2000, LOCKFORMER represented to certain residents of the Village of Lisle, Illinois, that the TCE contamination did not migrate south of the LOCKFORMER property.

ANSWER: Since the allegations of Paragraph 47 of Plaintiff's Complaint are not directed to Honeywell, Honeywell is not required to answer.

48. That LOCKFORMER did not remediate TCE contamination on its property in 1992, 1993, 1994, 1995, 1996, 1997, 1998, 1999, 2000, or 2001.

ANSWER: Since the allegations of Paragraph 48 of Plaintiff's Complaint are not directed to Honeywell, Honeywell is not required to answer.

49. That on March 31, 1993, LOCKFORMER filed a lawsuit against Allied Signal, Inc. in the United States District Court for the Northern District of Illinois alleging that Allied Signal was liable to LOCKFORMER for TCE contamination of soil and groundwater at the LOCKFORMER property.

ANSWER: Admitted.

50. In 1994, LOCKFORMER and Allied Signal, Inc. settled and resolved the lawsuit.

ANSWER: Admitted.

51. That Allied Signal, Inc. agreed to pay LOCKFORMER a sum of \$800,000.00 to resolve the lawsuit LOCKFORMER filed against it.

ANSWER: Admitted. Answering further, Honeywell states that its predecessor, AlliedSignal, entered into a Settlement, Release and Indemnity Agreement with Lockformer to resolve the lawsuit without admitting any liability.

52. That in exchange for Allied Signal, Inc.'s payment of \$800,000.00 to LOCKFORMER, LOCKFORMER agreed to dismiss the lawsuit and to use the payment to the extent necessary solely to investigate and remediate the property until LOCKFORMER secured a section 4(y) letter from the IEPA. That LOCKFORMER also agreed to submit the property to the IEPA and participate in clean-up of the property through the IEPA Pre-notice Site Program and diligently investigate and remediate the property, as necessary, to qualify for a Section 4(y) Letter from IEPA. (See "Agreement" entered into by Lockformer and Allied Signal attached hereto as Exhibit "A").

ANSWER: Admitted.

53. Despite LOCKFORMER'S knowledge of the TCE spills and resulting contamination, it failed to define the nature and extent of the off-site TCE contamination, and failed to remediate TCE contamination onsite and offsite until after the Illinois Attorney General filed suit against LOCKFORMER in 2001 in the Circuit Court of the Eighteenth Judicial Circuit, DuPage County, Illinois.

ANSWER: Since the allegations of Paragraph 53 of Plaintiff's Complaint are not directed to Honeywell, Honeywell is not required to answer.

54. In addition to the release of TCE into the environment from the refilling of the rooftop TCE tank, TCE was released into the ground around and beneath the LOCKFORMER property through the pitted vapor degreaser and by use of chlorinated solvents to clean the floor of the LOCKFORMER facility.

ANSWER: Since the allegations of Paragraph 54 of Plaintiff's Complaint are not directed to Honeywell, Honeywell is not required to answer.

55. That the release of TCE into the ground around and beneath the LOCKFORMER property began in 1969 and continued until at least 1997.

ANSWER: Since the allegations of Paragraph 55 of Plaintiff's Complaint are not directed to Honeywell, Honeywell is not required to answer.

56. That the U.S. EPA's investigation revealed that an actual or threatened release of a "hazardous substance" as defined by Section 101(14) of CERCLA occurred into the "environment" as defined by Sections 101(8) and (22) of CERCLA, 42 U.S.C., Sections 9601(8) and (22) (see Exhibit "B").

ANSWER: Honeywell admits that the U.S. EPA issued an order to Lockformer and that the order contained certain allegations and conclusions of law. Honeywell denies that the order pertains to Honeywell, denies that EPA's allegations and conclusions are true, denies that EPA's allegations and conclusions are relevant to this case, and further denies the remaining allegations of Paragraph 56 of Plaintiff's Complaint.

57. That the U.S. EPA's investigation revealed that the conditions present at the LOCKFORMER site constitute a threat to public health, welfare and the environment upon the factors set forth in Section 300.415(b)(2) of the National Oil and Hazardous Substance Pollution Contingency Plan, as amended ("NCP"), 40 CFR, Part 300.

ANSWER: Honeywell admits that the U.S. EPA issued an order to Lockformer and that the order contained certain allegations and conclusions of law. Honeywell denies that the order pertains to Honeywell, denies that EPA's allegations and conclusions are true, denies that EPA's allegations and conclusions are relevant to this case, and further denies the remaining allegations of Paragraph 57 of Plaintiff's Complaint.

58. That in addition to the releases of TCE into the ground, defendants have caused TCE to be released into the air.

ANSWER: To the extent that the allegations set forth in Paragraph 58 of Plaintiff's Complaint are not directed to Honeywell, Honeywell is not required to answer. Honeywell denies the remaining allegations of Paragraph 58 of Plaintiff's Complaint.

59. That no other sources of TCE exist in the vicinity which could have caused the TCE contamination of the groundwater in VIRGINIA HALLMER'S well.

ANSWER: Denied.

60. That prior to the August 28, 2000 meeting at the Village of Lisle wherein the presence of TCE at LOCKFORMER'S facility was first disclosed, LOCKFORMER provided bottled water for its employees for purposes of consumption of water at the plant.

ANSWER: Since the allegations of Paragraph 60 of Plaintiff's Complaint are not directed to Honeywell, Honeywell is not required to answer.

61. That the U.S. EPA investigation regarding the release of TCE at the LOCKFORMER site revealed that the groundwater flows from the LOCKFORMER property toward the south/southeast in the direction of a residential neighborhood (see Exhibit "B").

ANSWER: Honeywell admits that the U.S. EPA issued an order to Lockformer and that the order contained certain allegations and conclusions of law. Honeywell denies that the order pertains to Honeywell, denies that EPA's allegations and conclusions are true, denies that EPA's allegations and conclusions are relevant to this case, and further denies the remaining allegations of Paragraph 61 of Plaintiff's Complaint.

62. That the U.S. EPA investigation revealed the groundwater flow in the area has been shown to be toward the south/southeast and continued precipitation and percolation of storm water will continue to cause the TCE to migrate toward the bedrock aquifer which flows to the residential wells.

ANSWER: Honeywell admits that the U.S. EPA issued an order to Lockformer and that the order contained certain allegations and conclusions of law. Honeywell denies that the order pertains to Honeywell, denies that EPA's allegations and conclusions are true, denies that EPA's allegations and conclusions are relevant to this case, and further denies the remaining allegations of Paragraph 62 of Plaintiff's Complaint.

63. The LOCKFORMER site is located north and east, and hydrologically upgrading [sic] from plaintiff's residence and potable water source.

ANSWER: Honeywell lacks information sufficient to form a belief as to the truth of the allegations set forth in Paragraph 63 of Plaintiff's Complaint and, therefore, denies them.

64. As a result of the repeated releases of TCE into the ground around and beneath the LOCKFORMER property, a plume of toxic chemicals, including TCE, formed at and beneath the ground surface of the LOCKFORMER site.

ANSWER: Denied.

65. Toxic chemicals, including TCE, have migrated throughout the area in and surrounding the LOCKFORMER site, and have contaminated various residence, and potable water supplies in the Village of Lisle.

ANSWER: Denied.

66. The TCE that has migrated from the LOCKFORMER site had come into contact with the well water serving plaintiff, VIRGINIA HALLMER.

ANSWER: Denied.

67. Toxic chemicals including the TCE that migrated from the LOCKFORMER site and into the well water supply for plaintiff, VIRGINIA HALLMER, and her family, and she drank, bathed, cooked, and otherwise used this water.

ANSWER: Denied.

68. TCE is a known human carcinogen and mutagen.

ANSWER: Denied.

69. TCE exposure is known to cause diseases of the nervous system, including peripheral neuropathy.

ANSWER: Denied.

70. That Defendants have known since at least 1968 that TCE is a human carcinogen and mutagen.

ANSWER: To the extent that the allegations set forth in Paragraph 70 of Plaintiff's Complaint are not directed to Honeywell, Honeywell is not required to answer. Honeywell denies the remaining allegations of Paragraph 70 of Plaintiff's Complaint.

71. That TCE is a "hazardous substance" as defined by Section 101(14) of CERCLA, 42 U.S.C. Section 9601(14).

ANSWER: The allegations of Paragraph 71 of Plaintiff's Complaint are legal conclusions which require no answer.

72. That Defendants have known that the release of TCE into the environment, including groundwater used for human consumption and bathing, can be harmful to those who come into contact with the contaminated water.

ANSWER: To the extent that the allegations set forth in Paragraph 72 of Plaintiff's Complaint are not directed to Honeywell, Honeywell is not required to answer. Honeywell denies the remaining allegations of Paragraph 72 of Plaintiff's Complaint.

73. Defendants had a duty to exercise reasonable care in the handling of hazardous substances, including TCE, used or stored at the LOCKFORMER property and MET-COIL property and not to allow TCE to spill into the environment.

ANSWER: To the extent that the allegations set forth in Paragraph 73 of Plaintiff's Complaint are not directed to Honeywell, Honeywell is not required to answer. Honeywell denies the remaining allegations of Paragraph 73 of Plaintiff's Complaint.

- 74. That notwithstanding said duty, the Defendants, THE LOCKFORMER COMPANY, a Division of MET-COIL SYSTEMS CORPORATION, a Delaware corporation; MESTEK, INC., a Pennsylvania corporation; and HONEYWELL INTERNATIONAL, INC., a Delaware corporation, by and through their agents, servants and employees, were negligent in one or more of the following ways:
 - (a) allowed TCE to repeatedly spill into the ground at the LOCKFORMER site during the refilling of the rooftop storage tank;
 - (b) failed to adequately maintain the rooftop tank with a sight glass so that HONEYWELL drivers could ascertain when the tank was full while in the process of refilling it;
 - (c) failed to take measures to prevent TCE that spilled during the refilling of the rooftop tank from coming into contact with the ground;
 - (d) failed to take measures to contain TCE that spilled into the ground during the refilling of the rooftop storage tank;
 - (e) allowed TCE to escape into the environment during the cleanup of the vapor degreaser pit;
 - (f) allowed TCE to routinely and frequently spill onto the ground over the course of over twenty (20) years without appropriate safeguards to prevent or remedy such releases;
 - (g) defendant, LOCKFORMER, used a vapor degreaser that was set in a concrete pit which allowed TCE to escape to the ground of the LOCKFORMER and MET-COIL properties and then migrate into the ground;

- (h) defendant, LOCKFORMER, stored TCE in a tank which was not equipped with safeguards to prevent the release, discharge, spillage or escape of TCE into the environment;
- (i) failed to warn the residents of the Village of Lisle, including VIRGINIA HALLMER and her family, that TCE was found in the groundwater adjacent to the LOCKFORMER site;
- (j) LOCKFORMER failed to timely use the proceeds of an \$800,000.00 settlement agreement to investigate, remediate and clean up TCE at the LOCKFORMER site in violation of an agreement to do so;
- (k) LOCKFORMER continued to conduct business in such a manner that allowed TCE to spill into the environment after it had knowledge that TCE had contaminated the groundwater beneath the LOCKFORMER site;
- (l) allowed TCE to be released into the environment at the LOCKFORMER site through LOCKFORMER'S drains, floor, vapor degreaser pit, and by other means, including LOCKFORMER'S ventilation;
- (m) MESTEK failed to exercise reasonable care in its ownership, management and monitoring of LOCKFORMER with respect to LOCKFORMER'S procurement, use, handling and disposal of chlorinated solvents, including TCE;
- (n) violated ordinances for the protection of human life, including CERCLA and the Illinois Environmental Protection Act;
- (o) violated Section 415 ILCS 5/12(a) of the Illinois Environmental Protection Act by causing the discharge of TCE into the environment as to cause water pollution;
 - (p) failed to clean up the contamination of TCE onsite or offsite.

ANSWER: To the extent that the allegations set forth in Paragraph 74 of Plaintiff's Complaint are not directed to Honeywell, Honeywell is not required to answer. Honeywell denies the remaining allegations of Paragraph 74 of Plaintiff's Complaint.

75. One or more of the foregoing negligent acts and/or omissions of the Defendants, by and through their agents, servants and employees, caused hazardous chlorinated solvents, including TCE, to enter the well serving the plaintiff, VIRGINIA HALLMER, and which was used by VIRGINIA HALLMER and her family to drink, bathe, cook, and otherwise use, thus resulting in plaintiff, VIRGINIA HALLMER'S, acquisition of peripheral neuropathy and other health disorders; and further her increased risk of contracting cancer and other health related ailments; and her severe emotional distress as a result of her fear of contracting cancer and other health related ailments.

ANSWER: To the extent that the allegations set forth in Paragraph 75 of Plaintiff's Complaint are not directed to Honeywell, Honeywell is not required to answer. Honeywell denies the remaining allegations of Paragraph 75 of Plaintiff's Complaint.

COUNT II

1-72. The plaintiff realleges and readopts Paragraphs 1 through 75 of Count I as and for Paragraphs 1 through 75 of Count IV, as though fully set forth herein.

ANSWER: Honeywell repeats and incorporates by reference its answers to Paragraphs 1-75 of Plaintiff's Complaint as if fully set forth herein.

73. Defendants, by and through their agents, servants and employees, had a duty to refrain from acting in a conscious and reckless disregard for the safety of others, including the plaintiff, VIRGINIA HALLMER, in its handling, storage, and disposal of TCE.

ANSWER: To the extent that the allegations set forth in Paragraph 73 of Plaintiff's Complaint are not directed to Honeywell, Honeywell is not required to answer. Honeywell denies the remaining allegations of Paragraph 73 of Plaintiff's Complaint.

- 74. That notwithstanding the aforesaid duty, the Defendants, by and through their agents, servants and employees, willfully and wantonly acted with a conscious and reckless disregard for the safety of the plaintiff, VIRGINIA HALLMER, in one or more of the following ways:
 - (a) willfully and wantonly allowed TCE to repeatedly spill into the ground at the LOCKFORMER site during the refilling of the rooftop storage tank;
 - (b) willfully and wantonly failed to adequately maintain the rooftop tank with a sight glass so that HONEYWELL drivers could ascertain when the tank was full while in the process of refilling it;
 - (c) willfully and wantonly failed to take measures to prevent TCE that spilled during the refilling of the rooftop tank from coming into contact with the ground;
 - (d) willfully and wantonly failed to take measures to contain TCE that spilled into the ground during the refilling of the rooftop storage tank;
 - (e) willfully and wantonly allowed TCE to escape into the environment during the cleanup of the vapor degreaser pit;

- (f) willfully and wantonly allowed TCE to routinely and frequently spill onto the ground over the course of over twenty (20) years without appropriate safeguards to prevent or remedy such releases;
- (g) defendant, LOCKFORMER, willfully and wantonly used a vapor degreaser that was set in a concrete pit which allowed TCE to escape to the ground of the LOCKFORMER and MET-COIL properties and then migrate into the ground;
- (h) defendant, LOCKFORMER, willfully and wantonly stored TCE in a tank which was not equipped with safeguards to prevent the release, discharge, spillage or escape of TCE into the environment;
- (i) willfully and wantonly failed to warn the residents of the Village of Lisle, including VIRGINIA HALLMER and her family, that TCE was found in the groundwater adjacent to the LOCKFORMER site;
- (j) LOCKFORMER willfully and wantonly failed to timely use the proceeds of an \$800,000.00 settlement agreement to investigate, remediate and clean up TCE at the LOCKFORMER site in violation of an agreement to do so;
- (k) LOCKFORMER willfully and wantonly continued to conduct business in such a manner that allowed TCE to spill into the environment after it had knowledge that TCE had contaminated the groundwater beneath the LOCKFORMER site;
- (l) willfully and wantonly allowed TCE to be released into the environment at the LOCKFORMER site through LOCKFORMER'S drains, floor, vapor degreaser pit, and by other means, including LOCKFORMER'S ventilation;
- (m) MESTEK acted willfully and wantonly in its ownership, management and monitoring of LOCKFORMER with respect to LOCKFORMER'S procurement, use, handling and disposal of chlorinated solvents, including TCE;
- (n) willfully and wantonly violated ordinances for the protection of human life, including CERCLA and the Illinois Environmental Protection Act;
- (o) willfully and wantonly violated Section 415 ILCS 5/12(a) of the Illinois Environmental Protection Act by causing the discharge of TCE into the environment as to cause water pollution;
- (p) willfully and wantonly failed to clean up the contamination of TCE onsite or offsite.

ANSWER: To the extent that the allegations set forth in Paragraph 74 of Plaintiff's Complaint are not directed to Honeywell, Honeywell is not required to answer. Honeywell denies the remaining allegations of Paragraph 74 of Plaintiff's Complaint.

75. One or more of the foregoing willful and wanton acts and/or omissions of the Defendants, by and through their agents, servants and employees, caused hazardous chlorinated solvents, including TCE, to enter the well serving the plaintiff, VIRGINIA HALLMER, and which was used by VIRGINIA HALLMER and her family. to drink, bathe, cook, and otherwise use, thus resulting in plaintiff, VIRGINIA HALLMER'S, acquisition of peripheral neuropathy and other health disorders; and further her increased risk of contracting cancer and other health related ailments; and her severe emotional distress as a result of her fear of contracting cancer and other health related ailments.

ANSWER: To the extent that the allegations set forth in Paragraph 75 of Plaintiff's Complaint are not directed to Honeywell, Honeywell is not required to answer. Honeywell denies the remaining allegations of Paragraph 75 of Plaintiff's Complaint.

COUNT III (DIRECTED TO CARLSON ENVIRONMENTAL, INC.)

1-73. The plaintiff realleges and readopts Paragraphs 1 through 73 of Count I as and for Paragraphs 1 through 73 of Count III, as though fully set forth herein.

ANSWER: Since the allegations of Count III of Plaintiff's Complaint are not directed to Honeywell, Honeywell is not required to answer.

74. The defendant, CARLSON ENVIRONMENTAL, INC., an Illinois corporation, was retained as an environmental consultant by LOCKFORMER in 1998, and continued on until early 2001, approximately 27 months.

ANSWER: Since the allegations of Count III of Plaintiff's Complaint are not directed to Honeywell, Honeywell is not required to answer.

75. One of the claimed purposes for CARLSON ENVIRONMENTAL, INC.'S retention was to ascertain the nature and extent of groundwater contamination to residents of the Village of Lisle in the proximity of the LOCKFORMER plant.

ANSWER: Since the allegations of Count III of Plaintiff's Complaint are not directed to Honeywell, Honeywell is not required to answer.

76. CARLSON ENVIRONMENTAL, INC.'S first assignment at LOCKFORMER was to dig up source area and to do active remediation.

ANSWER: Since the allegations of Count III of Plaintiff's Complaint are not directed to Honeywell, Honeywell is not required to answer.

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77. That the defendant, CARLSON ENVIRONMENTAL, INC., knew that TCE had been released into the environment and that TCE contamination of groundwater used by residents of the Village of Lisle posed a public health risk.

ANSWER: Since the allegations of Count III of Plaintiff's Complaint are not directed to Honeywell, Honeywell is not required to answer.

78. That the defendant, CARLSON ENVIRONMENTAL, INC., knew that the results of its testing would be used by LOCKFORMER as a basis to petition for a "no further remediation letter" from the IEPA.

ANSWER: Since the allegations of Count III of Plaintiff's Complaint are not directed to Honeywell, Honeywell is not required to answer.

79. That at that time and place, the defendant, CARLSON ENVIRONMENTAL, INC., had a duty to act in good faith and to exercise reasonable care in its investigation and testing of groundwater contamination.

ANSWER: Since the allegations of Count III of Plaintiff's Complaint are not directed to Honeywell, Honeywell is not required to answer.

- 80. That notwithstanding said duty, the defendant, CARLSON ENVIRONMENTAL, INC., by and through its duly authorized agents, servants and employees, was negligent in one or ore of the following ways:
 - (a) knew that TCE had contaminated the bedrock aquifer at the LOCKFORMER site and failed to test VIRGINIA HALLMER'S well that they knew drew from this same bedrock aquifer;
 - (b) failed to turn over to the Village of Lisle all information they had gathered regarding TCE contamination both on and off the LOCKFORMER site;
 - (c) failed to submit a final environmental report to the Illinois Environmental Protective Agency summarizing CARLSON ENVIRONMENTAL'S observations, conclusions and data;
 - (d) failed to promptly test the bedrock aquifer for the presence of TCE contamination despite the fact that they knew that TCE was heavier than water and would most likely sink rapidly;
 - (e) failed to use known and customary techniques in evaluating whether the TCE contamination at LOCKFORMER had migrated offsite and into both the private wells and public water system of the Village of Lisle;

- (f) carelessly tested wells by not reaching the bedrock aquifer from which these wells were drawn;
- (g) failed to conduct offsite testing of wells in Lisle until late 1999 despite knowledge that as early as 1995 STS, a consultant for LOCKFORMER, had warned LOCKFORMER regarding the risk that TCE had migrated off the LOCKFORMER site and into the potable water supplies to residents south of the LOCKFORMER site;
- (h) failed to dig up the source area at the LOCKFORMER site and do active remediation, thus posing a danger to Lisle residents utilizing well water.

ANSWER: Since the allegations of Count III of Plaintiff's Complaint are not directed to Honeywell, Honeywell is not required to answer.

As a result of one or more of the following negligent acts and/or omissions, the defendant, CARLSON ENVIRONMENTAL, INC., by and through their agents, servants and employees, failed to discover the presence of TCE in VIRGINIA HALLMER'S well, as well as the municipal water supply for the Village of Lisle, and further failed to notify the Village of Lisle, Illinois Environmental Protection Agency, and the residents of Lisle of the risk and/or probability that TCE had entered their potable water supplies; and as a result therefor, VIRGINIA HALLMER continued drinking, bathing, cooking and otherwise using her water for a longer period of time than she would have had the risk and/or probability been explained to her; and as a result therefor, her peripheral neuropathy was further compromised, and her increased risk of future cancer was enhanced, and her emotional distress as a result of the fear of contracting cancer was enhanced.

ANSWER: Since the allegations of Count III of Plaintiff's Complaint are not directed to Honeywell, Honeywell is not required to answer.

First Defense

Plaintiff's Complaint fails to state a claim upon which relief can be granted.

Second Defense

The alleged acts and omissions of Honeywell are not the proximate cause or a contributing factor to any damages or injuries allegedly suffered by Plaintiff.

Third Defense

Plaintiff's claims are barred by the applicable statute of limitations and/or statute of repose.

Fourth Defense

Plaintiff's claims are barred, in whole or in part, by the doctrine of laches.

Fifth Defense

Plaintiff has failed to join all parties necessary for a just adjudication.

Sixth Defense

Plaintiff's claims have been waived, in whole or in part, as a result of plaintiff's own actions.

Seventh Defense

Honeywell denies that it is liable for any claims arising out of the Lockformer property, but in the event it is found liable, plaintiff cannot recover from Honeywell more than her fair, equitable and proportionate share of the costs, damages, or otherwise recover more than an amount of such relief for which Honeywell may be liable, if any.

Eighth Defense

Plaintiff's claims are barred by the doctrine of unclean hands.

Ninth Defense

Plaintiff's claims are barred by the doctrine of estoppel.

Tenth Defense

Plaintiff failed to properly mitigate her damages and is therefore barred from recovering some or all of her alleged costs and damages.

Eleventh Defense

Plaintiff's claims are barred in whole or in part by the doctrine of comparative and/or contributory fault or negligence.

Twelfth Defense

Plaintiff's claims are barred in whole or in part due to willful and wanton neglect.

Thirteenth Defense

Plaintiff's claims are barred in whole or in part due to failure to properly maintain, monitor or register her well.

Fourteenth Defense

The alleged contamination, the alleged release or threatened release of hazardous substances and the alleged damages resulting therefrom, if any, were caused solely or in material part by the superseding and/or intervening acts and/or omissions of third parties or Plaintiff herself. Honeywell is not liable for such acts or omissions.

Fifteenth Defense

Honeywell neither knew nor should have known that any of the products or substances to which Plaintiff has allegedly been exposed were hazardous or constituted a reasonable or foreseeable risk of harm by virtue of the prevailing state of the scientific and/or industrial knowledge available to Honeywell at all times relevant to the claims or causes of action asserted by Plaintiff.

Sixteenth Defense

To allow Plaintiff in this action to recover from Honeywell exemplary or punitive damages as alleged and sought in the Complaint would deprive Honeywell of its constitutional rights to substantive and procedural due process of law and to equal protection under the law, which rights are guaranteed by the Fifth and Fourteenth Amendments to the United States Constitution and by the Constitution of the State of Illinois.

Seventeenth Defense

Honeywell did not participate, engage, or assist in any act or conduct which could form the basis of an award of punitive damages, and punitive damages are, therefore, not recoverable to any extent whatsoever against Honeywell.

Eighteenth Defense

Plaintiff's claim for punitive damages is barred under the Excessive Fines Clause of the Eighth Amendment to the United States Constitution.

Nineteenth Defense

Plaintiff's claims are barred, in whole or in part, by the Commerce Clause of the United States Constitution because Plaintiff seeks by virtue of her punitive damage claim to discriminate against interstate and foreign commerce, to impose an impermissible burden upon interstate and foreign commerce, and to regulate matter occurring in states and countries wholly outside the jurisdiction of the State of Illinois.

Twentieth Defense

All conduct and activities of Honeywell relating to matters alleged in the Complaint conform to statutes, government regulations, and industry standards based upon the state of knowledge which existed at the time that Honeywell is alleged to have sold TCE to Lockformer.

Twenty First Defense

Plaintiff was guilty of negligence which proximately caused or proximately contributed to the alleged damages of which Plaintiff complains. Plaintiff's own negligence exceeds the negligence, if any, of Honeywell or any other defendants.

Twenty Second Defense

Plaintiff assumed the alleged risk relative to the damages of which Plaintiff complains, and Plaintiff's claims are, therefore, barred or reduced by the doctrine of the assumption of risk.

Twenty Third Defense

If there is any actionable liability of Honeywell, the existence of which is specifically denied, such liability should be compared to the fault of Plaintiff and the other parties and/or actors involved in the matters alleged in the Complaint. Honeywell asserts that any award made

to Plaintiff in this action must be proportionately allocated among Plaintiff and other parties and/or found to be culpable in accordance with the percentage of any negligence or fault attributable to the Plaintiff and each of the other parties and/or actors.

Twenty Fourth Defense

The Complaint herein is general in nature and provides almost no specific information upon which Honeywell can assess the parameters or merits of Plaintiff's claims against it; accordingly, Honeywell reserves the right to assert any and all affirmative defenses which investigation and discovery may hereafter reveal to be appropriate.

WHEREFORE, Defendant, Honeywell International Inc., denies that Plaintiff is entitled to judgment or damages in any amount whatsoever, and further requests judgment in Honeywell's favor along with costs, fees and any further and additional relief which the Court deems just and appropriate.

Honeywell requests a trial by jury on all issues.

CROSSCLAIMS

Defendant/Cross-Plaintiff, Honeywell International Inc. ("Honeywell"), by its attorneys, Wildman, Harrold, Allen & Dixon, for its crossclaims against The Lockformer Company, a division of Met-Coil Systems Corporation, and Mestek, Inc. (collectively referred to herein as the "Lockformer Defendants") states as follows:

<u>COUNT I</u> <u>CONTRIBUTION</u>

- 1. On or about August 28, 2002, Plaintiff filed a Complaint alleging claims for negligence and willful and wanton misconduct against Honeywell.
- 2. Honeywell denies all material allegations of Plaintiff's Complaint, but to the extent Plaintiff is able to prove her allegations, then Honeywell incorporates herein by reference

each of the Plaintiff's allegations against the Lockformer Defendants set forth in Paragraphs 1-72 of Plaintiff's Complaint.

- 3. If Plaintiff proves that there were releases of TCE on the Lockformer Defendants' property, which Honeywell denies insofar as such allegations pertain to Honeywell, and proves the allegations set forth in Paragraphs 1-72 of Plaintiff's Complaint, then at all times referred to in Plaintiff's Complaint, it was the sole duty of the Lockformer Defendants, as the owners and operators of the Lockformer and Met-Coil Properties and the facilities operating thereon, to prevent such releases and not to permit or allow hazardous substances from those properties to invade adjacent residential properties. The Lockformer Defendants also had a duty to promptly discover and respond to any releases of contaminants in a manner which would prevent further migration of the contaminants.
- 4. If Plaintiff proves that there were releases of TCE on the Lockformer Defendants' property, which Honeywell denies insofar as such allegations pertain to Honeywell, and proves the allegations set forth in Paragraphs 1-72 of Plaintiff's Complaint, then at the time and place of the alleged contamination, and without prejudice to Honeywell's denial of liability, the Lockformer Defendants breached their duties by their negligent acts and omissions in maintaining their properties; operating and maintaining their facilities; maintaining their equipment; their handling, storage, use, and disposal of hazardous substances; and their failure to promptly discover and effectively address such contamination to prevent further migration of the contaminants.
- 5. If Plaintiff proves that there were releases of TCE on the Lockformer Defendants' property, which Honeywell denies insofar as such allegations pertain to Honeywell, and proves the allegations set forth in Paragraphs 1-72 of Plaintiff's Complaint, then one or more of the

Lockformer Defendants' above negligent acts and omissions was the proximate cause of the alleged contamination that is the subject of this action.

6. Honeywell denies liability in this action, but if a judgment of liability is entered against it, then Honeywell is entitled to contribution from the Lockformer Defendants in an amount commensurate with the relative culpability of the Lockformer Defendants in causing or contributing to the cause of the alleged contamination, pursuant to the Illinois Joint Tortfeasor Contribution Act, 740 ILCS 100/1-100/5.

WHEREFORE, Defendant/Cross-Plaintiff, Honeywell International Inc., respectfully requests that if a judgment is entered against Honeywell International Inc. and in favor of the Plaintiff, that Honeywell International Inc. be granted judgment against The Lockformer Company, Met-Coil Systems Corporation, and Mestek, Inc. by way of the Illinois Joint Tortfeasor Contribution Act in such an amount as is commensurate with their degree of culpability, along with costs, fees and any further and additional relief which the Court deems appropriate.

COUNT II DECLARATORY JUDGMENT/DUTY TO DEFEND

- 7. On or about March 31, 1993, Lockformer filed a lawsuit against AlliedSignal Inc. ("AlliedSignal") in the United States District Court for the Northern District of Illinois, entitled *The Lockformer Company v. AlliedSignal, Inc.*, No. 93 C 1934 (the "Lawsuit"). In the Lawsuit, Lockformer alleged that AlliedSignal was liable to Lockformer for investigation and remediation costs relating to alleged TCE contamination of soil and groundwater at the Lockformer Property. AlliedSignal denied all liability for the alleged contamination.
- 8. In or about December 1994, Lockformer and AlliedSignal settled and resolved the Lawsuit, entering into a Settlement, Release and Indemnity Agreement (the "Agreement").

Lockformer and Met-Coil executed the Agreement on December 6, 1994. A copy of the Agreement is attached hereto as Crossclaim Exhibit 1.

9. The Agreement provides, in part, as follows:

Lockformer and Met-Coil, and their respective officers, directors, shareholders and employees hereby forever release, acquit and discharge AlliedSignal from all claims, demands, damages, expenses, costs, attorney's fees, actions and liabilities of any kind and nature, known or unknown, past, present or future, for or because of any matter or thing done or omitted, alleged to have been done or omitted, or suffered to be done or omitted by AlliedSignal and related to any of the following: any and all transactions, events or claims alleged in the complaint or pleadings on file in the Lawsuit; any and all claims of first party insurance benefits (whether or not subrogated); any and all claims, including but not limited to personal injury and property damage, arising out of or related to the sale, use, delivery, repair or replacement of any TCE storage tank or related stand pipes; the sale, delivery, use, or disposal or trichloroethylene ("TCE") or components containing TCE at the Property; any and all soil, air, water, or groundwater contamination or impact, personal injury, property damage, business interruption or lost business of any kind caused or related to, or alleged to have been caused or related to TCE, or any other compounds containing TCE.

* * *

Lockformer and Met-Coil agree to defend, hold harmless, and indemnify AlliedSignal from all claims, demands, damages, expenses, costs, attorneys' fees, actions and liabilities of any kind and nature, whether known or unknown, past, present, or future whether threatened or brought by any person or entity, private, governmental, or otherwise regardless of whether any such claims. demands, damages, expenses, costs, attorneys' fees, actions or liabilities arise from, purport to arise from, or are caused by negligence, alleged negligence, strict liability, alleged strict liability, or other act or omission on the part of AlliedSignal (including but not limited to, the sole, joint or concurrent negligence, acts or omissions of AlliedSignal) that have been or may be brought against AlliedSignal by any person or entity seeking compensation for damages or other relief from AlliedSignal, as a result of any and all transactions, events, or claims alleged in the complaint and pleadings in the Lawsuit, any and all claims, including but not limited to personal injury and property damage, arising out of or related to the sale, use, repair,

delivery or disposal of any storage tank and related equipment; the sale, delivery, use, storage, removal or disposal of any TCE or compounds containing TCE; and/or any and all soil, air, water or groundwater contamination or impact, personal injury, property damage, business interruption or lost business, caused by or related to, or alleged to have been caused by or related to TCE.

- 10. In 1999, AlliedSignal changed its name to Honeywell International Inc. Honeywell International Inc. has succeeded to all rights of AlliedSignal under the Agreement.
- 11. On or about August 28, 2002, Plaintiff filed a Complaint alleging claims for negligence and willful and wanton misconduct against Honeywell.
- 12. Plaintiff's action arises out of the alleged use, storage, removal or disposal of TCE or compounds containing TCE on the Lockformer Property. This action involves allegations of soil, water, and groundwater contamination or impact, personal injury and/or property damage allegedly relating to the Lockformer Defendants' use of TCE.
- 13. Without prejudice to Honeywell's denial of liability, this action triggers Lockformer's and Met-Coil's obligations to defend, indemnify, and hold harmless Honeywell under the Agreement.
- 14. Pursuant to the Declaratory Judgment Act, 28 U.S.C. § 2201(a), this Court is authorized to "declare the rights and other legal relations of any interested party seeking such declaration, whether or not further relief is or could be sought."
- 15. Additionally, 28 U.S.C. § 2202, this Court may grant "[f]urther necessary or proper relief."
- 16. An actual and substantial legal controversy now exists between Honeywell, as indemnitee under the Agreement, and Lockformer and Met-Coil, as indemnitors under the Agreement, and Honeywell seeks a judicial declaration of its rights and legal relations with

respect to Lockformer and Met-Coil under the Agreement, pursuant to the Declaratory Judgment Act.

17. While Honeywell denies liability in this action, Honeywell is entitled to be defended by Lockformer and Met-Coil for all its costs of defending this action, including but not limited to attorney's fees, expert's fees and expenses.

WHEREFORE, Defendant/Cross-Plaintiff, Honeywell International Inc., respectfully requests that the Court issue judgment declaring that The Lockformer Company and Met-Coil Systems Corporation are obligated to pay all Honeywell's costs of defending this action, including but not limited to attorney's fees, expert's fees and expenses, pursuant to the Settlement, Release and Indemnity Agreement, along with costs, fees and any further and additional relief which the Court deems appropriate.

COUNT III DECLARATORY JUDGMENT/DUTY TO INDEMNIFY

- 17. Honeywell realleges and incorporates by reference Paragraphs 7 through 15 of its Crossclaims as paragraph 17 of this Count III, as though fully set forth herein.
- 18. While Honeywell denies liability in this action, if a judgment of liability is entered against it, Honeywell is entitled to indemnification from Lockformer and Met-Coil pursuant to the Agreement.

WHEREFORE, Defendant/Cross-Plaintiff, Honeywell International Inc., respectfully requests that if a judgment is entered against Honeywell International Inc., and in favor of the plaintiff, that Honeywell International Inc. be granted judgment against The Lockformer Company and Met-Coil Systems Corporation pursuant to the Settlement, Release and Indemnity Agreement in such an amount equal to the amount of the judgment, and for all costs of any

injunctive or other equitable relief imposed upon Honeywell, along with costs, fees and any further and additional relief which the Court deems appropriate.

Respectfully submitted,

HONEYWELL INTERNATIONAL INC.

By: One of Its Attorneys

Dated: October 15, 2002

Robert L. Shuftan H. Roderic Heard Anthony G. Hopp Joseph F. Madonia WILDMAN, HARROLD, ALLEN & DIXON 225 West Wacker Drive Chicago, IL 60606 (312) 201-2000

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SETTLEMENT, RELEASE AND INDEMNITY AGREEMENT

This Settlement, Release and Indemnity Agreement ("Agreement") is entered into between The Lockformer Company ("Lockformer"), its parent, Met-Coil Systems Corporation ("Met-Coil"), and AlliedSignal Inc. ("AlliedSignal") as of the date executed by all parties hereto.

Recitals

WHEREAS, Lockformer filed a lawsuit against AlliedSignal on March 31, 1993, in the United States District Court for the Northern District of Illinois, Eastern Division, entitled The Lockformer Company v. AlliedSignal Inc., No. 93 C 1934 ("the Lawsuit") alleging, inter alia, that AlliedSignal is liable to Lockformer for investigation and remediation costs relating to alleged contamination of soil and groundwater at Lockformer's property at 711 Ogden Avenue, Lisle, Illinois ("the Property").

WHEREAS, AlliedSignal has answered the complaint in the Lawsuit and has denied all liability, and continues to deny all liability;

WHEREAS, Lockformer, Met-Coil and AlliedSignal have engaged in settlement negotiations and now desire to settle and compromise all disputes and all claims arising out of the lawsuit and all claims between AlliedSignal and Lockformer, that Lockformer and/or Met-Coil had, have, or may have in the future, against AlliedSignal, which relate to the Property.

<u>Definitions</u>

AlliedSignal: As used in this Agreement, the term "AlliedSignal" shall mean AlliedSignal Inc. and Baron-Blakeslee, Inc., and their parents, subsidiaries, affiliated

Crossclaim

Exhibit 1

companies, predecessors, successors and assigns, joint ventures, and all of their employees, agents, consultants, insurers, attorneys, officers and directors.

Lockformer: As used in this Agreement, the term "Lockformer" shall mean The Lockformer Company, and its parents, subsidiaries, affiliated companies, predecessors, successors, assigns and joint ventures.

Met-Coil: As used in this Agreement, the term "Met-Coil" shall mean Met-Coil Systems Corporation and its parents, subsidiaries, affiliated companies, predecessors, successors, assigns and joint ventures.

Agreement

NOW, THEREFORE, in consideration of the above recitals and covenants and promises of Lockformer, Met-Coil and AlliedSignal, as set forth herein, the parties agree as follows:

A. Lockformer and Met-Coil, and their respective officers, directors, shareholders, and employees hereby and forever release, acquit and discharge AlliedSignal from all claims, demands, damages, expenses, costs, attorneys' fees, actions and liabilities of any kind and nature, known or unknown, past, present or future, for or because of any matter or thing done or omitted, alleged to have been done or omitted, or suffered to be done or omitted by AlliedSignal and related to the following: any and all transactions, events or claims alleged in the complaint or

pleadings on file in the Lawsuit; any and all claims of first party insurance benefits (whether or not subrogated); any and all claims, including but not limited to personal injury and property damage, arising out of or related to the sale, use, delivery, repair or replacement of any TCE storage tank or related stand pipes; the sale, delivery, use or disposal of trichloroethylene ("TCE") or components containing TCE at the Property; any and all soil, air, water, or groundwater contamination or impact, personal injury, property damage, business interruption or lost business of any kind caused or related to, or alleged to have been caused or related to TCE, or any other compounds containing TCE.

Lockformer and Met-Coil agree to defend, hold harmless, В. and indemnify AlliedSignal from all claims, demands, damages, expenses, costs, attorneys' fees, actions and liabilities of any kind and nature, whether known or unknown, past, present, or future, whether threatened or brought by any person or entity, private, governmental, or otherwise regardless of whether any such claims, demands, damages, expenses, costs, attorneys' actions, or liabilities arise from, purport to arise from, or are caused by, negligence, alleged negligence, strict liability, alleged strict liability, or other act or omission on the part of AlliedSignal, (including but, not limited to, the sole, joint or concurrent negligence, acts or omissions of AlliedSignal) that have been or may be brought against AlliedSignal by any person or entity seeking compensation for damages or other relief from AlliedSignal, as a result of any and all transactions, events or claims alleged

in the complaint and pleadings in the Lawsuit; any and all claims, including but not limited to personal injury and property damage, arising out of or related to the sale, use, repair, delivery or disposal of any storage tank and related equipment; the sale, delivery, use, storage, removal or disposal of any TCE or compounds containing TCE; and/or any and all soil, air, water or groundwater contamination or impact, personal injury, property damage, business interruption or lost business, caused by or related to, or alleged to have been caused by or related to TCE.

Upon execution of this Agreement, AlliedSignal agrees to pay \$400,000 ("Payment") to Lockformer. AlliedSignal also agrees to arrange for an irrevocable standby letter of credit (issued by a bank acceptable to Lockformer, such acceptance not to be unreasonably withheld) to the order of Lockformer, to issue in the amount of \$400,000 ("Letter of Credit") to guarantee AlliedSignal's obligation under Section D below. Such Letter of Credit may provide that it shall be automatically extended for additional periods each of one (1) year from its present or any future expiration date, unless at least sixty (60) calendar days prior to the then relevant expiration date the issuing bank notifies Lockformer that it has elected not to renew the Letter of Credit. In the event such notice of non-renewal is given, AlliedSignal shall obtain a new Letter of Credit issued by a bank acceptable to Lockformer (such acceptance not to be unreasonably withheld) unless at such time AlliedSignal's obligation under Section D below shall have been satisfied.

- At any time, Lockformer may present AlliedSignal with a "Second Payment Letter" which may be either: 1. a letter bearing the notarized signature of the chief executive officer of Lockformer representing that the Payment has been expended and used exclusively for investigation and remediation of the Property or; a Section 4(y) letter from the IEPA averring that the remediation of the Property is complete. Within ten (10) business days of the receipt of the Second Payment Letter, AlliedSignal will pay to Lockformer \$400,000 (the "Second Payment"). Within ten (10) business days of making the Second Payment to Lockformer, AlliedSignal will pay to Lockformer an amount equal to interest on \$400,000, calculated at the commercial paper rate for high grade unsecured notes thirty (30) days, less one (1) percent, as published by The Wall Street Journal on the date of execution of this Agreement, for the period which elapsed between the Payment and the Second Payment.
- 1. Lockformer will send copies of the Second Payment Letter to the following:
 - a) General Counsel
 AlliedSignal Inc.
 Box 2245R
 Morristown, NJ 07962-2245
 - b) Carolyn J. Horn Assistant General Counsel AlliedSignal Inc. Box 2245R Morristown, NJ 07962-2245
 - C) Robert L. Shuftan, Esq. Wildman, Harrold, Allen & Dixon 225 W. Wacker Drive Chicago, IL 60606-1229

- d) H. Roderic Heard, Esq. Wildman, Harrold, Allen & Dixon 225 W. Wacker Drive Chicago, IL 60606-1229
- Should AlliedSignal refuse or fail to pay the Second Payment to Lockformer within ten (10) business days of receipt of the Second Payment Letter, Lockformer shall be entitled to draw upon the Letter of Credit. Lockformer's sole pre-condition for payment under the Letter of Credit shall be the presentment of a letter bearing the notarized signature of the chief executive officer of Lockformer and stating that Lockformer has presented the Second Payment Letter to AlliedSignal and that AlliedSignal has not paid the Second Payment to Lockformer within ten (10) business days after its receipt of the Second Payment Letter. Should payment under the Letter of Credit be required, within ten (10) business days after payment under the Letter of Credit, AlliedSignal will pay to Lockformer an amount equal to the interest on \$400,000, at the commercial paper rate for high grade, unsecured notes, thirty (30) days less one (1) percent, as published by The Wall Street Journal on the date of execution of this Agreement, for the period elapsed between the Payment and Lockformer's drawing upon the Letter of Credit.
- F. As a condition for AlliedSignal's performance, Lockformer agrees to use the Payment and to the extent necessary, the Second Payment (or the proceeds from the Letter of Credit, as the case may be) solely to investigate and remediate the Property until Lockformer secures a Section 4(y) letter from the IEPA or expends

fully the Payment and Second Payment attempting to secure the Section 4(y) letter. Lockformer further agrees to:

- Submit the Property to the IEPA and participate in cleanup of the Property through the IEPA Pre-Notice Site Program, and
- Diligently investigate and remediate the Property, as necessary, to qualify for a Section 4(y) letter from IEPA.
- G. Lockformer and AlliedSignal agree to execute a stipulation for dismissal with prejudice of the Lawsuit, with each party to bear its own costs and fees.
- H. Lockformer and AlliedSignal agree to request that the court retain jurisdiction over the Lawsuit for the purposes of enforcing this Agreement. If the court is unwilling to retain jurisdiction (and dismisses the case with leave to reinstate), either party may petition the court to enforce this Agreement, after providing notice to all counsel presently of record.
- I. Lockformer will provide AlliedSignal with access to all publicly available files and all correspondence and submissions to or documents received from IEPA and submissions to IEPA and responses from IEPA related to the Property.
- J. Lockformer will immediately provide AlliedSignal with a copy of any Section 4(y) letter upon receipt from the IEPA.
- K. Lockformer, Met-Coil and AlliedSignal shall keep the terms of this Agreement confidential and shall not disclose or divulge this Agreement or its terms to any person or entity other than the

parties to this action or their attorneys. This shall not prevent disclosure to Lockformer's, Met-Coil's or AlliedSignal's owners, agents, accountants or potential purchasers or any governmental agency as may be necessary in the ordinary course of AlliedSignal's, Met-Coil's or Lockformer's business.

- L. Lockformer and Met-Coil further agree that they will not assist any private person or private entity that is currently pursuing, or that may pursue, any claims, demands, or actions against AlliedSignal. This provision shall not impair any legal obligation of Lockformer to respond to any court ordered discovery seeking information about this Lawsuit, its settlement or any of the underlying facts. In the event that Lockformer or Met-Coil is served with any discovery request related to the Lawsuit or this Agreement, Lockformer or Met-Coil shall provide written notice to AlliedSignal at Box 2245R, Morristown, NJ 07962-2245, Attention: Carolyn Horn, Assistant General Counsel, prior to the filing of any response or production of documents.
- M. Lockformer will stipulate with AlliedSignal to a finding by the court of nonliability of AlliedSignal under Section 107 of the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA") 42 U.S.C. § 9607.
- N. Lockformer, Met-Coil and AlliedSignal hereby agree to the special considerations which follow:
 - Any obligation to pay any losses, damages, attorneys' fees, costs or expenses incurred or to be incurred by Lockformer is denied by

- AlliedSignal, and this final compromise and settlement hereof shall not be treated as an admission of liability or responsibility by AlliedSignal at any time for any purpose, such liability having been and continuing to be expressly denied by AlliedSignal.
- 2. This Agreement may be executed in one or more counterparts, each of which, when so executed and delivered, shall be deemed an original, but all of which taken together shall constitute one in the same instrument.
- 3. This Agreement is entered into for the express benefit of Lockformer, Met-Coil and AlliedSignal and is not intended and shall not be deemed to create any rights or interests whatsoever in any third person, including without limitation, any right to enforce the terms hereof.
- 4. Each provision of this Agreement shall be interpreted in a manner as to be valid enforceable under applicable law, but if provision hereof shall be or become prohibited or invalid under any applicable law, that provision shall be ineffective only to the extent of such prohibition or invalidity without invalidating the remainder of that provision or any other provision hereof.

- 5. This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois.
- 6. AlliedSignal, Lockformer and Met-Coil hereby expressly agree to waive any and all provisions of the Illinois Anti-Indemnity Act, 740 ILCS 35/1, which are or may be applicable to this Agreement.
- 7. This Agreement constitutes the entire agreement by and among the parties hereto and integrates and supersedes all prior understandings or agreements with respect to its subject matter, including but not limited to "Terms For Settlement Agreement: Lockformer/AlliedSignal Litigation" dated October 12, 1994.
- 8. This Agreement may not be altered, amended, modified or otherwise changed except in writing, duly executed by authorized representatives of all the parties hereto.
- 9. Each party executing this Agreement represents that it has been represented by counsel of its own choosing regarding the preparation and negotiation of this Agreement and all matters and claims set forth herein and that each of them has read this Agreement and is fully aware of the contents hereof and its legal effect.
- 10. If any dispute should arise with respect to this

Agreement, the prevailing party in any ensuing litigation or controversy shall be entitled to all costs of enforcement including reasonable attorneys' fees.

O. Within thirty days of the execution of this Agreement by the parties, AlliedSignal and Lockformer will file with the court a stipulation to dismiss, proposed finding of nonliability and request for dismissal with prejudice of the Lawsuit, each side to bear its own costs and attorneys' fees.

IN WITNESS HEREOF, this Agreement is executed and agreed to by the following, as of the last date set forth below.

AGREED AND ACCEPTED:

Dated:	December, 1994	THE LOCKEON
D-4- 1		THE LOCKFORMER COMPANY
Dated:	December, 1994	MET-COIL SYSTEMS CORPORATION
Dated:	December S , 1994	Yaul M' Satt

Agreement, the prevailing party in any ensuing litigation or controversy shall be entitled to all costs of enforcement including reasonable attorneys' fees.

O. Within thirty days of the execution of this Agraement by the parties, Alliedsignal and Lockformer will file with the court a stipulation to dismiss, proposed finding of nonliability and request for dismissal with prejudice of the Lawsuit, each side to bear its own costs and attorneys' fees.

IN WITNESS HEREOF, this Agreement is executed and agreed to by the following, as of the last date set forth below.

Dated: December 6, 1994

Dated: December 6, 1994

Dated: December 6, 1994

Dated: December 7, 1994

Dated: December 7, 1994

Dated: December 7, 1994

ALLIEDSIGNAL INC.

CERTIFICATE OF SERVICE

I, Art Southwood, a non-attorney, being first duly sworn on oath, deposes and states that I have caused the forgoing **HONEYWELL'S ANSWER DEFENSES AND CROSSCLAIMS** to be served upon counsel-of-record as indicated below, on this 15th day of October, 2002.

VIA U.S. FIRST CLASS MAIL

Edmund J. Scanlan, Esq. LAW OFFICES OF EDMUND J. SCANLAN, LTD. Suite 1700 134 N. LaSalle Street Chicago, IL 60602

VIA U.S. FIRST CLASS MAIL

Norman J. Barry, Jr. John J. Duffy Charles E. Harper, Jr. Donohue Brown Mathewson & Smyth 140 South Dearborn Street, Suite 700 Chicago, IL 60603

VIA U.S. FIRST CLASS MAIL

George N. Vurdelja, Jr. Vurdelja and Heaphy 120 N. La Salle Street, Suite 1150 Chicago, IL 60602

Art Southwood

SUBSCRIBED AND SWORN to before me this 15th day of October, 2002.

Notary Public

LARYSA DEMA
Notary Public, State of Illinois
My Commission Expires Aug. 31, 2003

'OFFICIAL SEAL"

IN THE UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF ILLINOIS EASTERN DIVISION

VIRGINIA HALLMER,	OCT 1 6 2002
Plaintiff,	By M13 111
vs.) No.: 02 C 7066
THE LOCKFORMER COMPANY, a Division of MET-COIL SYSTEMS CORPORATION, a Delaware corp.; MESTEK, INC., a) Judge Hibbler)
Pennsylvania corp.; HONEYWELL INTERNATIONAL, INC., a Delaware corp.; and CARLSON ENVIRONMENTAL, INC.,) JURY TRIAL DEMANDED)
an Illinois corp.,)
Defendants.	,

NOTICE OF FILING

TO: All Counsel of Record

PLEASE TAKE NOTICE that on the 15th day of October, 2002, there was filed with the Clerk of the United States District Court for the Northern District of Illinois, Eastern Division, Honeywell's Answer, Defenses and Crossclaims, copies of which are attached hereto and hereby served upon you.

Respectfully submitted,

HONEYWELL INTERNATIONAL, INC.

DEGEIMED

By:

One of Its Attorneys

Dated: October 15, 2002

Robert L. Shuftan H. Roderic Heard Anthony G. Hopp Joseph F. Madonia WILDMAN, HARROLD, ALLEN & DIXON 225 West Wacker Drive Chicago, Illinois 60606 (312)201-2000