

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.

Definitions

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

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.

B. 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.

C. 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.

D. 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; 2. 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

E. 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:

1. Submit the Property to the IEPA and participate in cleanup of the Property through the IEPA Pre-Notice Site Program, and
2. 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:

1. 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 and enforceable under applicable law, but if any 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 thereby 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 LOCKFORMER COMPANY

Dated: December _____, 1994

MET-COIL SYSTEMS CORPORATION

Dated: December 8, 1994

Paul M. Gath
ALLIEDSIGNAL INC.

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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.

Dated: December 6, 1994

AGREED AND ACCEPTED:

X. John Del Vecchio
THE LOCKFORMER COMPANY
PRESIDENT

Dated: December 6, 1994

X. John Del Vecchio
MET-COIL SYSTEMS CORPORATION
VICE PRESIDENT

Dated: December , 1994

ALLIEDSIGNAL INC.