

State of Alabama                     )  
  )  
County of Shelby                    )

**SETTLEMENT AGREEMENT AND  
PRO TANTO RELEASE OF CLAIMS**

This Settlement Agreement and Pro Tanto Release of Claims (hereinafter referred to as "Agreement") is hereby made and entered into by and among plaintiffs **JAMES CONRAD and PATRICIA CONRAD**, defendant **TEC SPECIALTY PRODUCTS, INC. and H.B. FULLER COMPANY**, defendant **GENERAL COATINGS, INC.**, and their insurers, successors and assigns, hereinafter sometimes collectively referred to as the "Parties."

**WITNESSETH**

**WHEREAS**, James and Patricia Conrad instituted an action in the Circuit Court of Shelby County, Alabama entitled *James and Patricia Conrad v. TEC Specialty Products, Inc. f/k/a TEC, Inc., an H.B. Fuller Company.; General Coatings, Inc.; Southlake Properties, and Alabama General Partnership*, Civil Action Number CV-02-774, arising out of alleged defects in the construction of their personal residence located at 961 Lake Circle Drive, Birmingham, Alabama, according to the survey:

Lot 34, according to the survey of South Lake Cove residential subdivision as recorded in Map Book 12, Page 98, in the Probate Office of Shelby County, Alabama.

(hereinafter referred to as the "Relevant Property"); and

**WHEREAS**, the parties to this Agreement desire to settle and finally resolve all matters in controversy between and among them in the above-referenced civil action relating to James and Patricia Conrad's personal residence;

**NOW, THEREFORE**, in consideration of the covenants and promises set forth herein, the payment of and other good and valuable consideration described below, the receipt and sufficiency of which are hereby acknowledged, the Parties to this Agreement do hereby agree as follows:

1. Upon execution of this Agreement by James and Patricia Conrad, General Coatings, Inc. and TEC Specialty Products, Inc. shall pay and deliver to James and Patricia Conrad the total sum of Sixteen Thousand Five Hundred and No/100 (\$16,500.00) Dollars (the "Settlement Amount") made payable to H. Arthur Edge, III and W. Brian Collins, in trust for James and Patricia Conrad.

2. For and in consideration of the payment of the Settlement Amount, James and Patricia Conrad, on behalf of themselves, their heirs, administrators, executors, successors, and assigns do hereby release, remise, acquit and forever discharge General Coatings, Inc., TEC Specialty Products, Inc. and H.B. Fuller Company, their employees, officers, shareholders, agents, servants, successors, heirs, administrators, executors, insurers, attorneys, and assigns (hereinafter collectively referred to as the "Released Parties"), from any and all claims, demands, actions, or causes of action or suits of law or in equity of whatever kind or nature, whether based upon alleged tort or alleged contract, vicarious liability, or any other legal or equitable theory of recovery, including but not limited to allegations of fraud, known or unknown, past, present or future, suspected to exist or not suspected to exist, anticipated or not anticipated, which have arisen or are now arising or hereafter may arise, in connection with the construction of the Relevant Property and/or the EIFS cladding applied to the Relevant Property. The effect of this paragraph of the Agreement is intended to be a general release of the Released Parties of all claims or causes of action of any kind or nature for property damage, including but not limited to claims related to the manufacture, marketing, distribution, sale, purchase, or installation of EIFS cladding, or claims that James Conrad and/or Patricia Conrad may have against the Released Parties in connection with the construction of, materials used in the construction of, repairs made to, their term of residency in, or of any future sale of the Relevant Property and/or real property upon which the house at 961 Lake Circle Drive, Birmingham, Alabama is situated. Furthermore, the effect of this paragraph of the Agreement is intended to be a general release

of the Released Parties with respect to all claims for personal injury that are in any way related to the EIFS cladding. All claims for personal injury not related to the EIFS cladding are not released herein and are expressly reserved.

3. It is further specifically understood and agreed that the consideration paid by and on behalf of the Released Parties is only partial and incomplete satisfaction of the alleged injuries and/or damages suffered by James and Patricia Conrad and that James and Patricia Conrad expressly reserve the right to commence or continue any other action against any person, firm, corporation, or other entity other than the Released Parties whose conduct may have caused or contributed to, or who may in any way be legally liable for, the injuries and/or damages, or any part thereof, allegedly suffered by James and Patricia Conrad. However, James and Patricia Conrad agree to release, discharge, credit and satisfy that portion, fraction, or percentage of their total cause of action or claim for damages which may be hereafter allocated by lawsuit or otherwise to any matter or thing done, omitted, or suffered to be done by the Released Parties. Additionally, James and Patricia Conrad agree to satisfy any judgments obtained in their favor by way of the instant lawsuit to the extent of the portion, fraction or percentage thereof for which the Released Parties are found to be liable.

4. In further assurance to the Released Parties that they will not be required to pay, either directly or indirectly, any additional sums in connection with this matter, James and Patricia Conrad agree to indemnify and hold harmless the Released Parties from all claims which may have been asserted by them that are currently made or later asserted by any person, firm, corporation, or governmental or non-governmental entity arising out of the construction of, materials used in the construction of, repairs made to, their term of residency in, or of the sale by James and Patricia Conrad to the next purchaser of the Relevant Property and/or real property upon which the house at 961 Lake Circle Drive, Birmingham, Alabama is situated, including but not limited to any claims for contribution, subrogation and/or indemnity.



However, James and Patricia Conrad will in no way be responsible for any future attorney's fees that could potentially be incurred by the Released Parties.

5. James and Patricia Conrad agree that upon execution of this Agreement, they shall file a voluntary Dismissal with Prejudice, dismissing General Coatings, Inc., TEC Specialty Products, Inc. and H.B. Fuller Company from the above-referenced civil action currently pending in the Circuit Court of Shelby County, Alabama. All parties agree that they will bear their own costs, attorney's fees, disbursements and expenses of any kind incurred in prosecuting and/or defending the above-referenced civil action, and further agree to execute any other documents necessary to effectuate fully the terms of this Agreement.

6. James and Patricia Conrad agree and understand that it is the objective of the Released Parties, and the purpose of this Agreement, that the Released Parties be released from any and all liability arising out of or relating to the construction of the Relevant Property and/or the EIFS cladding applied to the Relevant Property, including claims related to the defense, investigation, settlement or adjustment of such liability, and from any and all suits or claims by James and Patricia Conrad, subsequent purchasers, or anyone claims rights by or through James and Patricia Conrad, which have been or may be asserted against the Released Parties arising out of or relating to the construction of the Relevant Property or the EIFS cladding applied to the Relevant Property.

Therefore, James and Patricia Conrad further agree to release and hold harmless the Released Parties in any civil action subsequently filed against them for matters released herein arising out of or relating to the construction of the Relevant Property or the EIFS cladding applied to the Relevant Property.

7. The Parties hereby acknowledge and agree that payment of the Settlement Amount, or any portion of the Settlement Amount, is not an admission of liability on the part of the Released Parties, but is made solely in order to compromise the disputed claims for the

purpose of avoiding further litigation regarding the construction of the Relevant Property and/or the EIFS cladding applied to the Relevant Property.

8. It is expressly understood and agreed that this is a full, final and complete settlement and release as to General Coatings, Inc., TEC Specialty Products, Inc. and H.B. Fuller Company and their insurers, assigns and successors, relating to the construction of the Relevant Property and/or the EIFS cladding applied to the Relevant Property, and that the terms of this Agreement may not be amended orally.

9. If any paragraph or part of this Agreement is found void or unenforceable, the remainder of this Agreement shall not be affected by such a finding.

10. This Agreement shall be binding on the Parties' employees, officers, agents, shareholders, successors in interest, heirs, executors, administrators and assigns.

11. The undersigned have read this Agreement, and acknowledge that they have had the advice of counsel and that no promise or representation of any kind, other than as contained herein, has been made by the Parties hereby released or any one acting for them. The Parties to this Agreement have relied fully and completely on their own judgment and the advice of their attorneys in executing this Agreement.

12. This Agreement shall be construed in accordance with the laws of the State of Alabama.

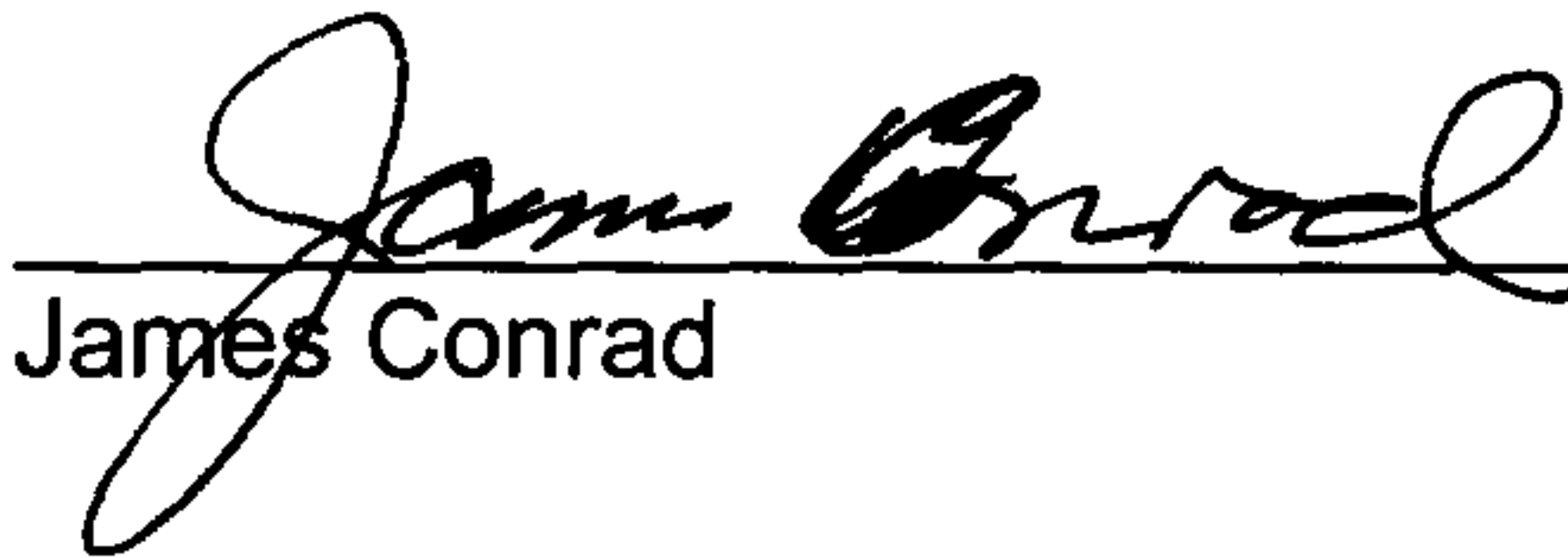
13. Defendants General Coatings, Inc., TEC Specialty Products, Inc. and H.B. Fuller Company represent and agree that their attorneys may sign this Agreement for them.

14. This Agreement may be executed in original counterparts, each of which shall be deemed an original and all of which shall constitute the same instrument.


15. This release is taken and the consideration stated above is paid by the liability insurance carriers for General Coatings, Inc., TEC Specialty Products, Inc. and H.B. Fuller Company, and the insurance carriers are acting as independent contractors and not as agents of any party released hereby.


16. The parties and their counsel hereby agree and stipulate that the terms of this Agreement shall be kept fully confidential, and shall not be published, released, displayed, or disseminated in any form or fashion, other than between and among the parties to this Agreement and prospective purchasers of the Relevant Property and their agents, except by specific written agreement of the Parties or upon order of a Court of competent jurisdiction. However, it shall not be a violation of the Agreement for James and Patricia Conrad to disclose that the case has been resolved in a manner satisfactory to them.

IN WITNESS WHEREOF, the undersigned have hereunto set their hands and seals this 21<sup>st</sup> day of MARCH, 2003.

  
James Conrad

Sworn to and subscribed before me  
this 21 day of March, 2003.

  
NOTARY PUBLIC  
My Commission Expires 1-17-07

  
Patricia Conrad

Sworn to and subscribed before me  
this 21 day of March, 2003.

  
NOTARY PUBLIC  
My Commission Expires 1-17-07

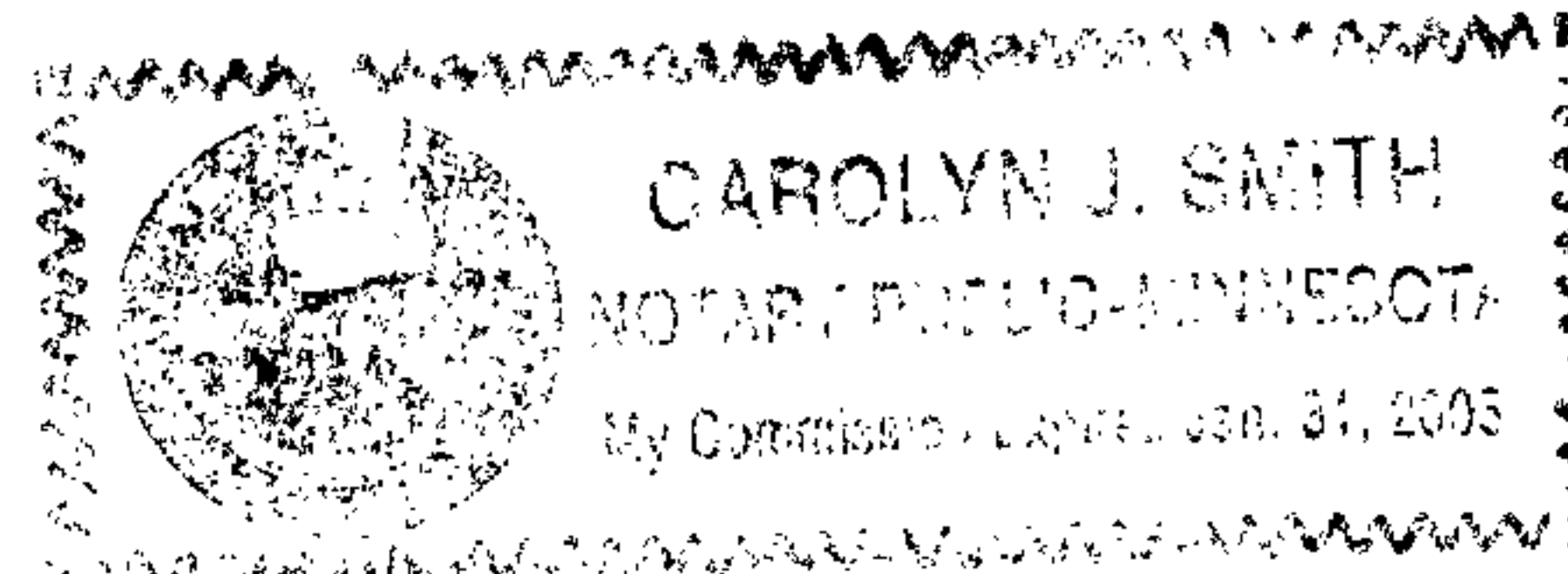
NOTARY PUBLIC STATE OF ALABAMA AT LARGE  
MY COMMISSION EXPIRES: Jan 16, 2007  
BONDED THROUGH NOTARY PUBLIC UNDERWRITERS

**TEC SPECIALTY PRODUCTS, INC. and H.B.  
FULLER COMPANY**

By: [Signature]  
Name: Scott B. Paxton  
Title: Attorney

Sworn to and subscribed before me  
this 6th day of March, 2003.

[Signature]  
NOTARY PUBLIC  
My Commission Expires 1-31-05



**GENERAL COATINGS, INC.**

By: [Signature]  
Name: Terest D. Davenport  
Title: Attorney

Sworn to and subscribed before me  
this 3rd day of April, 2003.

[Signature]  
NOTARY PUBLIC  
My Commission Expires 9-15-05