



Lester B. Knight & Associates, Inc.

Cast Metals Group

June 23, 1986

Nibco, Inc.
Post Office Box 1167
Elkhart, Indiana 46515

Attention: Mr. Lee Martin
Chairman of the Board

Subject: Proposal for Selling the Bronze Casting Plant of Nibco, Inc.

This letter confirms the terms of Agreement upon which Nibco, Inc. has retained Lester B. Knight & Associates, Inc., (Knight) as the exclusive representative in the sale of the physical assets of the Bronze Casting Plant.

- (1) Knight will act as exclusive representative to attempt to find a purchaser acceptable to the sellers for the physical assets of this bronze casting plant as a unit package (the "Property") and will assist the sellers in the negotiation of a contract with the prospect.
- (2) The Property to be offered for sale includes land, with the buildings and other improvements thereon, machinery, equipment and inventories at the above address other than work in process, finished materials, proprietary patterns and fixtures for such manufacture, and leased equipment. The sellers may, at their discretion, retain title to other items upon prior written notice to Knight.
- (3) A list of all prospects contacted during the term of this Agreement is to be furnished to Nibco, Inc. Nibco, Inc. shall be free to deal with employees of the plant without obligation to Knight of any kind.
- (4) Nibco, Inc. agrees not to solicit purchases for a part or parts of the Property until negotiations in good faith have been concluded with known prospects introduced by Knight to Nibco, Inc. who have expressed written interest in bronze casting plant.

549 West Randolph Street
Chicago, Illinois 60606
312/346-2100
Telex: 25-4622 Cable: Knighteng

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(5) In connection with Knight's obligations hereunder, Knight agrees to prepare and circulate, at Nibco, Inc.'s expense, a Selling Document, sales literature and advertisements, whose content shall be subject to Nibco, Inc.'s prior written approval and other work as outlined in Knight's proposal dated May 28, 1986. The cost to Nibco, Inc. for this work is not-to-exceed \$25,000 for professional fees and \$5,000 for out-of-pocket expenses. These amounts are to be exceeded only upon Knight furnishing to Nibco, Inc. a not-to-exceed price for such additional effort followed by written authorization from Nibco, Inc. to proceed. Billings shall be paid monthly by Nibco, Inc. upon receipt of proper invoices setting forth the work, labor and services actually performed by Knight during the billing period.

(6) If a sale of the Property is consummated during the term of this Agreement, or a sale of the Property is consummated within one (1) year of the expiration of this Agreement to a party introduced to Nibco, Inc. by Knight, Knight shall be paid a commission by Nibco, Inc., computed on the basis of the following percentages of the consideration received by the sellers:

Five percent (5%) of the consideration up to \$1.0 million, plus,

Four percent (4%) of the consideration from \$1.0 million - \$2.0 million, plus,

Three percent (3%) of the consideration from \$2.0 million - \$3.0 million, plus,

Two percent (2%) of the consideration from \$3.0 million - \$4.0 million, plus,

One percent (1%) of the consideration in excess of \$4.0 million.

Payments made by Nibco, Inc. under (5) shall be credited against the commission earned by Knight. The commission is payable only when and if the closing occurs and is payable within 30 days of the date of the closing, regardless of the terms of payment between buyer and seller. Commissions are not to be paid for the sale of the foundry to four companies who have been contacted by Nibco prior to this contract. The names of these companies are to be provided by Nibco. If Nibco requires assistance in any negotiations with these companies, the special commission agreement is to be made.

(7) Assets only will be regarded as saleable property. Back taxes, litigation overlaps and liabilities of any kind will not be considered part of the saleable package.

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- (8) Knight may engage the services of any persons (including brokers) without additional cost to Nibco, Inc. In such event, all of the commissions payable under this Agreement shall be paid to Knight, and, upon such payment, Knight shall indemnify Nibco, Inc. against any liability for brokerage fees or other compensation claimed by such other persons retained by Knight. Knight shall not seek or accept a commission from any party to the sale other than Nibco, Inc.).
- (9) The term of the Agreement shall be for 9 months from the date of execution of this Agreement, renewable only upon written agreement of both parties, subject, however, to termination by Nibco, Inc., at any time upon ten (10) days written notice. The expiration or sooner termination of this Agreement shall not affect Knight's right to commission on the consummation of a sale within one (1) year following such expiration or termination, and Knight's obligation to assist in the negotiations with such a party, at Nibco, Inc.'s request, shall survive the expiration or termination of this Agreement. Upon termination, Knight shall be entitled to reimbursement of costs incurred, pursuant to (5) above, to the date of termination.
- (10) Knight shall not disclose any information regarding the bronze casting plant which Nibco, Inc. directs Knight not to disclose or to anyone to whom Nibco, Inc. directs Knight not to disclose it. If no purchaser is found, all information, drawings, data, sales literature, advertisements and other materials furnished to or generated by Knight in pursuance of the objectives of this Agreement shall be promptly returned to Nibco, Inc. at the expiration of termination hereof.
- (11) Nibco, Inc. agrees it will indemnify and hold harmless Knight, its officers and employees, from any and all losses, claims, damages, liability caused by or arising out of any information provided, or representation made by Nibco, Inc. with regard to the Property to be sold, its financial condition, physical condition or other aspects thereof.



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(12) This Agreement constitutes the entire agreement between us with respect to the above subject covered by this Agreement and supersedes any previous agreements or understandings regarding the subject matter hereof. Changes must be in writing and by agreement of both parties.

If the foregoing correctly reflects our understanding, please so indicate on the duplicate copy of this letter whereupon this letter shall constitute a binding agreement between us. Kindly return a fully executed copy of the agreement to the undersigned.

Respectfully submitted,

Kenneth H. Kirgin
Senior Vice President

AGREED AND ACCEPTED

LESTER B. KNIGHT & ASSOCIATES, INC.

By: _____

Title: _____

Date: _____

NIBCO, INC.

By: Lee Martin

Title: C.E.O.

Date: June 26, 1986

PM 86053A

/leb(0913Q)