

6-9-1994

RELEASE AND SETTLEMENT AGREEMENT

1. FOR AND IN CONSIDERATION of the amounts, terms and conditions stated herein, the terms and sufficiency of which are hereby agreed to and acknowledged by DOYLE CUTRIGHT and ROBIN LILLY CUTRIGHT, (sometimes herein referred to as "RELEASORS"), said Releasors hereby release and forever discharge DESIGN NINE, INC. and ASSOCIATED INTERNATIONAL INSURANCE COMPANY (sometimes herein collectively referred to as "RELEASEES"), their heirs, executors, administrators, principals, employees, representatives, agents, assigns and successors, and all other persons, firms or corporations liable or who might be claimed to be liable in any manner, from any and all claims, demands, damages, actions, causes of action or suits of any kind or nature whatsoever, both known and unknown, to person and property, which have resulted in the past or may in the future develop as a result of an accident which occurred on or about November 29, 1990 at or near Delhi, Madison County, Illinois while DOYLE CUTRIGHT was employed at Merrit Railroad Contractors and which allegedly resulted in permanent and disabling physical injuries to DOYLE CUTRIGHT. This occurrence is more specifically described in a lawsuit filed in the Third Judicial Circuit, Madison County, Illinois as Case No. 91L73. It is understood and agreed by the Parties that the payments, as set out herein, are not to be construed as an admission of liability on the part of the Releasees by whom liability is expressly denied. It is further agreed and acknowledged by DOYLE CUTRIGHT and ROBIN LILLY CUTRIGHT that the payments recited herein constitute a full and final satisfaction of the judgment entered against DESIGN NINE, INC. in favor of DOYLE CUTRIGHT on or about May 12, 1994 in Case No. 91L73, Madison County, Illinois.

2. In consideration of the Release set forth above, the sum of FOUR HUNDRED TWENTY THOUSAND DOLLARS AND NO CENTS (\$420,000.00) has been paid to Releasors, and their attorney, and the sum of TWENTY FIVE THOUSAND DOLLARS AND NO CENTS (\$25,000.00) has been paid to LIBERTY MUTUAL INSURANCE COMPANY, on behalf of the Releasees, the receipt and sufficiency of which is hereby acknowledged as full accord, satisfaction and settlement of all claims as stated and referred to herein with the exception only as to future periodic payments to be paid by ASSOCIATED INTERNATIONAL INSURANCE COMPANY, or its assigns, as set forth below which periodic payments shall be paid in the amounts and at the times as provided herein.

TO DOYLE CUTRIGHT:

MONTHLY INCOME

Beginning on 07/15/1994 - \$1,650/month (\$19,800/year)
guaranteed for 30 years certain
(Last Payment - 06/15/2024)

GUARANTEED LUMP SUM PAYMENTS

Payable on 06/15/1996 - \$10,000.00
Payable on 06/15/1998 - \$16,589.00
Payable on 06/15/2024 - \$300,000.00

All sums set forth above constitute damages on account of personal injuries arising from an occurrence within the meaning of Section 104(a)(2) of the Internal Revenue Code.

3. Any guaranteed payments to be made after the death of DOYLE CUTRIGHT pursuant to the terms of this Release and Settlement Agreement shall be made to such person or entity as shall be designated in writing by DOYLE CUTRIGHT to the Assignee, as defined in paragraph 4., below. If no person or entity is so designated, such payments shall be made to the Estate of DOYLE CUTRIGHT. No such designation, nor any revocation thereof, shall be effective unless it is in writing and delivered to the Assignee. The designation must be in a form acceptable to the Assignee.

4. Within the meaning of Section 130 (c) of the Internal Revenue Code of 1986, (the "Code"), ASSOCIATED INTERNATIONAL INSURANCE COMPANY may make a "qualified assignment" to STRUCTURED SETTLEMENT TRUST ("Assignee") of Releasees' obligation to make the future payments described herein (the "Periodic Payments"). Releasors consent to such an assignment and agree that Assignee's obligation to make Periodic Payments shall be no greater than those of Releasees immediately preceding the assignment. Upon assignment, Assignee or its designee shall mail future payments directly to DOYLE CUTRIGHT.

5. Any such assignment, if made, shall be accepted by the Releasors without right of rejection and shall completely release and discharge Releasees from the Periodic Payment obligation assigned to the Assignee subject to the provisions of paragraph 14 of attached Exhibit A. The Releasors recognize that, in

the event of such an assignment the Assignee shall be the sole obligor with respect to the Periodic Payment obligation, and all other releases with respect to the Periodic Payment obligation that pertain to the liability of the Assignor shall, thereupon become final, irrevocable and absolute.

6. If a qualified assignment as described in paragraph 4., above, is made DOYLE CUTRIGHT shall be a "Secured Party" of the Assignee, as defined in the Qualified Assignment, Release and Pledge Agreement executed among the Assignor, Assignee and Claimant-Secured Party to effect the assignment. Such Agreement will be substantially in the form as attached as Exhibit A. The qualified funding asset or assets purchased by the Assignee to fund the obligation assumed in the qualified assignment shall serve as collateral for the promise of the Assignee to make such payments. Except for the obligation to provide such collateral, the obligation of the Assignee to make such payments shall be no greater than the obligation of the Assignor prior to said assignment to make such payments under this Release and Settlement Agreement.

7. Upon making such a "qualified assignment", Releasees shall be fully released from all obligations to make the Periodic Payments and only Assignee shall be obligated to make the Periodic Payments. Assignee's obligation to make each Periodic Payment shall be discharged upon mailing of a valid check in the amount due to the address so designated by Releasors.

8. It is expressly understood and agreed that none of the recipients of the FUTURE PAYMENTS provided herein shall have the right to:

- a) accelerate or defer said future payments to any time or vary in any respects the payments;
- b) receive the present discounted value of future payments;
- c) have any control of the investments of funds from which payments are made;
- d) increase or decrease the future payments;
- e) change or modify the manner, mode or method of meeting any payments or discharging any obligations set forth in this agreement;
- f) sell, mortgage, encumber, or anticipate the Periodic Payments, or any part thereof, by assignment or otherwise.

9. It is further understood and agreed that there will be no fees or charges made to the recipient by the Releasees or any of their employees, agents, successors or assignees (including, without limitation, the issuer or owner of the qualified funding assets described herein), for the purchase or administration of the payments described herein.

10. It is further expressly warranted by the Releasors that no other person or entity has asserted or is able to assert any lien, claim or entitlement to any portion of the consideration recited above which has not been satisfied, or will not be satisfied immediately out of the above recited consideration being paid for the Release. The Releasors further expressly agree to indemnify and hold harmless Releasees and their present and former insurers, directors, officers, agents, employees, successors and assigns from any lien, claim or entitlement to any portion of the consideration recited above being paid for this release which may be asserted at any time by any person or entity.

11. To procure payment of the aforementioned sums, the undersigned do hereby declare that they are competent and of the age of majority, that no representations about the nature and extent of said damages, loss or injury made by any attorney or agent of any party hereby released, nor any representations regarding the nature and extent of the legal liability or financial responsibility of any of the parties hereby released has induced Releasors to make this settlement; that in determining said sum, there has been taken into consideration not only the ascertained damages and losses, but also the fact that consequences not now ascertained may result from said occurrence, casualty or event as hereinbefore referred to.

12. Releasors do hereby further covenant and agree that they will never institute in the future any complaint, suit, action or cause of action, in law or in equity, against the Releasees, nor institute, prosecute or in any way aid in the institution or prosecution of any claim, demand, action, cause of action, suit or complaint for or on account of any damage, loss, injury or expense in consequence of the occurrence hereinbefore referred to, whether such injury, damage, loss or expense is known or unknown, past, present or future. In connection therewith, Releasors do hereby covenant and agree to indemnify and hold harmless the aforementioned Releasees from any and all claims, demands, actions, causes of action, suits or complaints that may be brought by any person, persons, firm, corporation or other entity against the Releasees, for injury, damage or loss of Releasors arising out of the occurrence hereinbefore referred to.

13. Releasors hereby acknowledge receipt of a copy of this release before signing same. It is understood that the provisions of this Release and Settlement Agreement are contractual and are not merely recitals and that the undersigned have read the foregoing Release and Settlement Agreement, understand it and sign same as their voluntary act and deed.

By: Doyle Cutright 6-9-94
DOYLE CUTRIGHT DATE

By: Robin Lilly Cutright 6-9-94
ROBIN LILLY CUTRIGHT DATE

Ch. H. Wats 6-9-94
Witness DATE

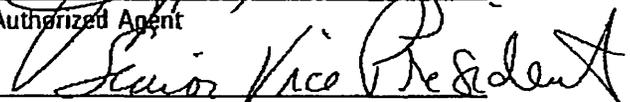
APPROVAL OF RELEASE AND SETTLEMENT AGREEMENT

The foregoing Release and Settlement Agreement is hereby approved by the undersigned authorized representative of ASSOCIATED INTERNATIONAL INSURANCE COMPANY, and the obligations of said company set forth therein are hereby acknowledged and accepted.

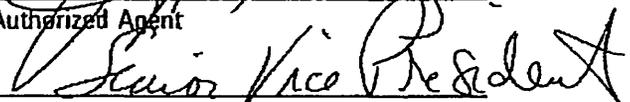
By:



Authorized Agent



Title



Date

7-14-94