

SETTLEMENT AGREEMENT AND RELEASE

The Huntington National Bank ("Lender"), The Official Committee of Unsecured Creditors of Lee Steel Corporation ("Committee"), and Debtors Lee Steel Corporation, Taylor Industrial Properties, L.L.C., and 4L Ventures, LLC (collectively "Debtors;" Debtors, Lender, and the Committee are sometimes referred to collectively as the "Parties" and individually as a "Party") enter into this Settlement Agreement and Release ("Agreement") on September 25, 2015.

RECITALS

A. Debtors filed for relief under Chapter 11 of Title 11 of the United States Code on April 13, 2015 ("Petition Date"), Case Nos. 15-45784-mbm, 15-45785-mbm, and 15-45788-mbm, in the United States Bankruptcy Court for the Eastern District of Michigan ("Bankruptcy Court").

B. On April 15, 2015, the Bankruptcy Court entered an order directing that Debtors' Chapter 11 cases be jointly administered. [Case No. 15-45784, Docket No. 41].

C. The Committee was appointed by the Office of the United States Trustee on April 23, 2015. [Case No. 15-45784, Docket No. 69].

D. On May 12, 2015, the Court entered the *Final Order (A) Authorizing Debtors to Obtain Post-Petition Financing and Grant Security Interests and Superpriority Administrative Expense Status pursuant to 11 U.S.C. §§ 105 and 364(c); (B) Modifying the Automatic Stay Pursuant to 11 U.S.C. § 362; and (C) Authorizing Debtors to Enter into Agreements with The Huntington National Bank* ("Original Financing Order"). [Case No. 15-45784, Docket No. 125]. The Original Financing Order was amended by the *First Amended Final Order (A) Authorizing Debtors to Obtain Post-Petition Financing and Grant Security Interests and Superpriority Administrative Expense Status pursuant to 11 U.S.C. §§ 105 and 364(c); (B) Modifying the Automatic Stay Pursuant to 11 U.S.C. § 362; and (C) Authorizing Debtors to Enter into Agreements with The Huntington National Bank* ("Financing Order"). [Case No. 15-45784, Docket No. 317]. Capitalized

terms used but not defined in this Agreement have the meanings given to them in the Financing Order.

E. The Financing Order grants the Committee authorization and derivative standing to bring Objections, which includes contesting the validity, enforceability, and priority of Debtors' pre-petition obligations to Lender.

F. The Committee has provided the Lender a draft of its Objections. Lender responded that it believes it possesses considerable defenses to the Objections.

G. Following negotiations between the Parties, including the negotiation of a Term Sheet for Plan of Liquidation and Settlements, and in the interest of avoiding further expense and risk of litigation, the Parties desire to amicably resolve all Objections.

H. A material inducement to the Committee's entry into this Agreement is the Debtors' agreement to draft, file, propagate, and support confirmation of, and the Lender's agreement to support and not object to, the Proposed Plan (defined below). The Committee will support confirmation of the Proposed Plan.

I. Debtors have, pursuant to orders entered by the Bankruptcy Court, entered into Asset Purchase Agreements for the sale of substantially all of their assets and businesses, excluding certain claims and causes of action ("Sales"), which Sales have closed, and Lender has been paid the full amount of its principal balance (less the Unsecured Carve-Out (as defined below). Lender's claims for professional fees, costs, expenses, and default interest, which Lender asserts to be in the amount of approximately \$750,000 ("Lender's Remaining Claim") remains outstanding.

BASED ON THE FOREGOING, which are incorporated as agreements of the Parties, and for other good and valuable consideration, the receipt and adequacy of which is acknowledged, the Parties agree as follows:

1. In full and complete satisfaction of any and all Objections, the Parties agree that a total of \$400,000.00 ("Unsecured Carve-Out") of proceeds from the Sales are carved out from

Lender's Collateral for the benefit of unsecured creditors of Debtors. Debtors' counsel is currently holding the Unsecured Carve-Out in trust for the benefit of Debtors' unsecured creditors, which Unsecured Carve-Out will be transferred to counsel to the Committee upon the entry of an Order approving this Agreement to be held in trust for the benefit of unsecured creditors and distributed to unsecured creditors pursuant to the terms of the Proposed Plan (defined below).

2. Lender waives any interest, right, or claim to the Unsecured Carve-Out as Collateral or otherwise.

3. Debtors will promptly seek court approval for the assignment to and derivative standing of the Committee to pursue, in the Committee's discretion pending confirmation of the Proposed Plan, all of the Debtors' claims and causes of action ("Causes of Action"), the proceeds of which Causes of Action shall first be used to pay any unpaid allowed post-petition administrative claims in the Cases. Upon entry of an Order granting approval of the assignment of the Causes of Action to the Committee, Debtors, Debtors' bankruptcy estates, Debtors' attorneys, officers, Chief Restructuring Officer, treasurer, agents, consultants, and successors and assigns ("Debtor Released Parties") shall be released from any obligations or duties with respect to investigating and/or pursuing the Causes of Action, provided however they shall reasonably cooperate in responding to information requests by the Committee and the Liquidating Trustee, and any discovery requests, relating to prosecution of the Causes of Action and will draft, file, propagate, and support confirmation of the Proposed Plan. The Committee shall provide the Debtors with an accounting of the investigation and prosecution of the Causes of Action upon Debtors' request.

4. Debtors shall draft a joint plan of liquidation for Debtors reasonably acceptable to the Debtors and the Committee ("Proposed Plan"), which shall (a) provide that all proceeds of the Sales, and cash and other assets remaining in the Debtors' estates shall be used for the payment of all allowed administrative claims and the professional fees of the Debtors and the

Committee as approved by the Court; (b) assign all cash, other assets, and remaining proceeds of the Sales, after the payment of all administrative and priority claims, if any, and assign the remaining Causes of Action to a Liquidating Trust (the "Liquidating Trust") for the benefit of the Debtors' unsecured creditors, pursuant to a Liquidating Trust Agreement (the "Liquidating Trust Agreement"). The Liquidating Trust Agreement shall contain terms reasonably acceptable to the Debtors and the Committee; provided, however, that the Liquidating Trustee shall be Gene R. Kohut and, to the extent there remains any unpaid allowed post-petition administrative claims in the Cases, the assets of the Liquidating Trust shall first be used to pay such claims, which Debtors estimate should not exceed \$750,000.

5. The Parties agree that a total of \$250,000 of the Lender's Remaining Claim is carved out from Lender's Collateral in Debtors' possession for the benefit of Huron Consulting Group, LLC ("Huron Carve-Out") for payment to Huron Consulting Group, LLC as a success fee in the Cases.

6. Lender represents and warrants that it will support confirmation of the Proposed Plan. On the effective date of the Proposed Plan, Lender shall waive and release the balance of the Lender's Remaining Claim. Notwithstanding anything to the contrary in this Agreement and the Financing Order, the right to challenge the validity and amount of the Lender's Remaining Claim after payment (if approved by the Bankruptcy Court) of the Huron Carve-Out, including under Section 506(b) of the Bankruptcy Code is expressly reserved and preserved for any Chapter 7 Trustee that may be subsequently appointed for these Debtors.

7. Except for Lender's obligations under this Agreement and the rights reserved or stated in this Agreement, the Committee releases Lender from any and all Objections, known or unknown, which have been asserted or could have been asserted against Lender. Except as otherwise provided in this Agreement, this release includes the waivers and releases described in paragraphs 26 and 29 of the Financing Order becoming effective against the Committee.

8. Upon the effective date of the Proposed Plan, except for the Committee's obligations under this Agreement and the Causes of Action, Lender and the Debtor Released Parties release the Committee and any of their present and former officers, directors, members, employees, attorneys, financial advisors, agents, representatives, successors, and assigns ("Committee Released Parties") from any and all claims, rights, demands, or causes of action of any kind or nature, known or unknown, which have been asserted or could have been asserted by Lender and/or the Debtor Released Parties against any of the Committee Released Parties.

9. Upon the effective date of the Proposed Plan, except for the Debtor Released Parties' obligations under this Agreement, the Committee Released Parties shall release the Debtor Released Parties from any and all claims, rights, demands, or causes of action of any kind or nature, known or unknown, which have been asserted or could have been asserted by the Committee Released Parties against any of the Debtor Released Parties, provided, however, that this release will not in any way negatively impact the prosecution of the Causes of Action by the Committee or the Liquidating Trustee and will not prejudice the claims of any unsecured creditor of Debtors, including the Committee members.

10. This Agreement is being entered into solely as a settlement of claims, and does not represent an admission by the Parties of any liability with respect to the Objections, claims and/or defenses asserted or that could have been asserted.

11. This Agreement constitutes the entire understanding of the Parties in connection with the subject matter hereof and may only be amended or modified in a writing signed by all the Parties.

12. This Agreement may be executed in counterparts and facsimile or electronic copies of signatures to effectuate the intent and purpose of this Agreement. Such counterparts and copies of signatures will have the same force and effect as originals. This Agreement will not be effective until executed and delivered by all of the Parties. This Agreement will be null and void if the Bankruptcy Court does not approve the Agreement.

13. Each Party agrees to execute such documents and undertake such acts as are necessary to effectuate the intent and purpose of this Agreement.

14. No Party has assigned any claims relating to the subject matter of this Agreement.

15. The Parties agree that this Agreement was negotiated jointly by the Parties and their respective counsel and will not be construed against any Party as the drafter.

16. Each Party acknowledges, represents, and warrants that it has read this Agreement in its entirety; each has apprised itself of sufficient information to intelligently decide whether to execute this Agreement; except as expressly indicated, each Party's decision to execute this Agreement is not predicated on or influenced by any declarations or representations not set forth in this Agreement; each clearly understands this Agreement and each of its terms; each fully and unconditionally consents to the terms of this Agreement freely, voluntarily, with knowledge, and without duress; except as expressly indicated, no Party is relying upon any other representations, written or oral, express or implied, made by any person; the consideration is actual and adequate; each is duly authorized to execute this Agreement; and those persons executing this Agreement warrant that they have the power and authority to execute this Agreement.

17. Michigan law will govern any dispute related to this Agreement.

18. The Parties agree that the Bankruptcy Court retains jurisdiction over any dispute related to this Agreement and consent to Bankruptcy Court jurisdiction over any such dispute.

19. JURY TRIAL WAIVER. THE PARTIES ACKNOWLEDGE THAT THE RIGHT TO TRIAL BY JURY IS A CONSTITUTIONAL RIGHT, BUT THAT THIS RIGHT MAY BE WAIVED. EACH PARTY WAIVES ALL RIGHTS TO A TRIAL BY JURY OF ALL DISPUTES ARISING OUT OF OR IN RELATION TO THIS AGREEMENT. NO PARTY WILL BE DEEMED TO HAVE RELINQUISHED ITS WAIVER OF JURY TRIAL UNLESS THAT PARTY DOES SO IN WRITING.

[SIGNATURES CONTAINED ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, the Parties have today executed this Agreement.

The Huntington National Bank

By: Monique R. Goff
Its: Senior Vice President

**The Official Committee of Unsecured
Creditors of Lee Steel Corporation**

By: [Signature]
Its: Chair person Haron Evans solely in my capacity as Committee Chairperson

Lee Steel Corporation

By: [Signature]
Its: Chief Restructuring Officer

Taylor Industrial Properties, L.L.C.

By: [Signature]
Its: Chief Restructuring Officer

4L Ventures, LLC

By: [Signature]
Its: Chief Restructuring Officer