

## SETTLEMENT AGREEMENT

THIS AGREEMENT (the "Agreement"), dated January 4, 2013, is entered into by and among Daman Industrial Services, Inc. ("**Daman**") and RG Steel, LLC and its affiliated debtors and debtors-in-possession in the matter captioned In re: WP Steel Venture, LLC, et al., Case No. 12-11661 (KJC) (the "**Bankruptcy Cases**") (collectively, the "**Debtors**" and together with Daman, the "**Settling Parties**").

### RECITALS

WHEREAS, on May 31, 2012 (the "**Petition Date**"), the Debtors filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the District of Delaware (the "**Bankruptcy Court**"), and commenced the Bankruptcy Cases;

WHEREAS, Daman is in possession of certain equipment owned by the Debtors (the "**Equipment**"), the value of which Daman asserts is \$4,000.00;

WHEREAS, Daman alleges that the Debtors owe Daman approximately \$174,014.62 for work performed prior to the Petition Date, including work on the Equipment (the "**General Unsecured Claim**");

WHEREAS, Daman alleges that it is entitled to assert an artisan's lien on the Equipment for outstanding invoices in relation to work performed thereon (the "**Secured Claim**");

WHEREAS, the Debtors dispute certain of Daman's allegations;

WHEREAS, on August 14, 2012, Daman filed a Motion to Compel Adequate Protection or, Alternatively, for Relief from the Automatic Stay (the "**Motion**") [D.I. 889];

WHEREAS, the Settling Parties thereafter engaged in good faith, arms-length negotiation to resolve amounts owed as result of transactions between them, the appropriate value of the Equipment, and the validity of the Secured Claim;

NOW, in return for the mutual consideration and promises described below, the Settling Parties hereby agree as follows:

#### **I. OBLIGATIONS OF THE SETTTLING PARTIES**

A. The Settling Parties hereby agree that the value of the Equipment is \$4,000.00.

B. The Settling Parties agree that, in exchange for a credit bid of \$4,000.00, the Equipment shall be transferred to Daman to take possession of the Equipment free and clear of all liens and encumbrances in full and final satisfaction of the Secured Claim, and that Daman shall be entitled to an allowed general unsecured claim against RG Steel, LLC in the amount of \$170,014.62 (the "**Allowed Claim**");

C. The Debtors warrant that, in connection herewith, the terms of this Agreement have been previously provided to counsel to (i) the United States Trustee for the District of Delaware; (ii) the Official Committee of Creditors appointed in the Bankruptcy Cases; (iii) counsel to the Administrative Agent for the Lenders; (iv) counsel to the Second Lien Agent; and (v) counsel to the Third Lien Lenders, who have not expressed any objection thereto;

D. Promptly upon receipt of an executed copy of this Agreement, the Debtors shall forthwith take all necessary steps to ensure that approval of this Agreement is obtained by the Bankruptcy Court, including but not limited to the filing of any motion for approval in connection therewith;

E. The Settling Parties agree that each party shall bear its own costs in connection with review, execution and implementation of this Settlement Agreement.

## II. MISCELLANEOUS PROVISIONS

### A. Choice of Law

This Settlement Agreement, including all matters of construction, validity, and performance, shall be governed by and construed and enforced in accordance with the laws of the State of Delaware, without regard to its conflict of law rules. The exclusive jurisdiction for any action brought between the Settling Parties to enforce this Settlement Agreement shall be the United States Bankruptcy Court for the District of Delaware, and the Settling Parties waive any objection on the basis of personal jurisdiction, improper venue or forum non conveniens in such an action. Each of the Settling Parties hereby expressly agrees and submits itself to the jurisdiction and venue of that court for such purpose.

### B. Integration

This instrument contains the entire and only agreement between the Settling Parties and supersedes all preexisting agreements between them respecting its subject matter. Any representation, promise, or condition in connection with such subject matter that is not incorporated in this Settlement Agreement shall not be binding on any party. No modification, renewal, extension, or waiver, and no termination of this Settlement Agreement or any of its provisions, shall be binding on the party against whom enforcement of such modification, renewal, extension, waiver, or termination is sought, unless made in writing and signed on behalf of such party by one of its executive officers. As used herein, the word "termination" includes any and all means of bringing to an end prior to its expiration by its own terms this Settlement Agreement, or any provision hereof, whether by release, discharge, abandonment, or otherwise.

### C. Counterparts

This Settlement Agreement may be executed in counterpart, and facsimile or photocopy signatures shall be deemed to have the same effect as originals.

**D. Authority**

The Settling Parties represent that (i) they have the authority to execute this Settlement Agreement and grant the rights herein granted (subject, in the Debtors' case to approval of the Bankruptcy Court) and (ii) none of the Settling Parties has assigned, transferred, or purported to assign or transfer any claim released in this Settlement Agreement to any non-party, person or entity. This Settlement Agreement shall be binding upon and inure to the benefit of the Settling Parties hereto and their respective successors and assigns.

**E. Approval Required**

In the event that the Bankruptcy Court denies approval of the Agreement or conditions confirmation of the Agreement upon terms not satisfactory to Daman or to the Debtors, then the terms of this Agreement shall become null and void, and the Settling Parties shall be restored to their rights and obligations in effect as if this Agreement had never been executed.

**F. Limited Release**

Except as provided herein, the Debtors do hereby voluntarily and knowingly, unconditionally and absolutely waive, release and forever discharge Daman, its affiliates, predecessors, successors, assigns, directors, officers, and employees, and counsel, from any and all claims, complaints, contracts, liabilities, obligations, demands, debts, damages, losses, costs, expenses, attorneys' fees, rights of action and causes of action, of any kind or character whatsoever, at law or in equity, whether known or unknown, direct or indirect, fixed or contingent, suspected or unsuspected, that the Debtors may have against the aforementioned entities and persons from the beginning of time through the date of execution of this Agreement, which arise out of the subject matter of either the Secured Claim or the Allowed Claim, other than (i) enforcement of any provision of this Agreement; and (ii) any cause of action pursuant to Chapter 5 of the Bankruptcy Code. Causes of action under Chapter 5 of the Bankruptcy Code are expressly excluded from this limited release.

Furthermore, except as provided herein, Daman does hereby voluntarily and knowingly, unconditionally and absolutely waive, release and forever discharge the Debtors, their affiliates, predecessors, successors, assigns, directors, officers, and employees, and counsel, from any and all claims, complaints, contracts, liabilities, obligations, demands, debts, damages, losses, costs, expenses, attorneys' fees, rights of action and causes of action, of any kind or character whatsoever, at law or in equity, whether known or unknown, direct or indirect, fixed or contingent, suspected or unsuspected, that Daman may have against the aforementioned entities and persons from the beginning of time through the date of execution of this Agreement, which arise out of the subject matter of either the Secured Claim or the Allowed Claim, other than enforcement of any provision of this Agreement.

IN WITNESS WHEREOF, each of the Settling Parties has caused this Agreement to be executed in duplicate originals by its duly authorized officers or representatives.

By: [Signature]

Bryan Arban

Hiller & Arban, LLC  
1500 North French Street, 2nd Floor  
Wilmington, DE 19801

*Counsel for Daman Industrial Services, Inc.*

Dated: 2/21/13

By: [Signature]

Shaunna D. Jones

Willkie Farr & Gallagher LLP  
787 7th Avenue  
New York, NY 10019

*Counsel for the Debtors*

Dated: 2/21/13