

Exhibit 1.1.70

This DEED of SPECIAL INDEMNITY ("Deed") is made and entered into this 11th day of April 1997 by and among T&N plc, a company incorporated in England and Wales (registered no. 163992) ("Seller"), Flexitallic Limited, a company incorporated in England and Wales (registered no. 357221) ("Flexitallic UK"), Flexitallic Sealing Materials Ltd a company incorporated in England and Wales (registered no. 376450) ("FSM Ltd"), Flexitallic, Inc., a Delaware corporation ("Flexitallic US"), Goetze Vermögensverwaltung, GmbH, a company incorporated in Germany ("Goetze GmbH"), Flexitallic Canada Ltd., an Ontario corporation ("Flexitallic Canada"), Ferodo s.r.l., a corporation organized under the laws of the Czech Republic ("Ferodo") (Flexitallic UK, FSM Ltd, Flexitallic US, Goetze GmbH, Flexitallic Canada and Ferodo are collectively referred to herein as the "Selling Subsidiaries"), Dan-Loc Corporation, a Delaware corporation ("Purchaser"), Dan-Loc Limited, a company incorporated in England and Wales (registered no. 3308289) ("DL UK"), Delta 72 Unternehmensverwaltungs GmbH, a limited liability company incorporated in Germany and registered at the Cologne Commercial Registry with number 28406 ("DL GmbH"), Frederique s.r.l., a limited liability company organized under the laws of the Czech Republic (registered no. 25103253) ("DL Czech"), Dan-Loc (Canada), Ltd., an Ontario corporation ("DL Canada") and Dan-Loc Transitional, L.P., a Texas limited partnership ("DL LP") (DL UK, DL GmbH, DL Czech, DL Canada and DL LP, are collectively referred to herein as the "Purchaser Subsidiaries").

WITNESSETH:

WHEREAS, Seller, Selling Subsidiaries, Purchaser and Purchaser Subsidiaries (collectively, the "Parties") have, together with certain other parties named therein, entered into that certain Asset Purchase Agreement dated of even date herewith ("Asset Purchase Agreement") pursuant to which Purchaser and Purchaser Subsidiaries have agreed to purchase and Seller and Selling Subsidiaries have agreed to sell certain assets ("Assets") utilized by Seller and the Selling Subsidiaries in the business of manufacturing and/or selling spiral wound gaskets, ring type joints, asbestos and non-asbestos sheet sealing materials, valve packings and related products ("Business") through its "Flexitallic" operations and through certain joint venture arrangements; and

WHEREAS, consummating the transactions contemplated by the Asset Purchase Agreement requires the Parties to deliver satisfactory indemnifications concerning environmental and other liabilities relating to the Assets, the operation of the Business, and the manufacture, sale, distribution, storage and transfer of certain asbestos containing products; and

WHEREAS, the Parties now desire to enter into this Deed in order to facilitate the closing of the transactions contemplated by the Asset Purchase Agreement.

NOW, THEREFORE, for and in consideration of the premises set forth above and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged and confessed, the Parties do hereby agree as follows:

ARTICLE I.

DEFINITIONS

Section 1.1 Definitions. As used herein, the following terms shall have the following meanings:

- (a) "Asbestos Related Claim" means any claims for or related to personal injury, death, medical monitoring, increased risk of asbestos related disease or conditions, mental anguish or other non-physical maladies, or damage to property of whatsoever nature (including economic loss and damage to any asbestos containing products themselves) as a result of the presence of, or exposure to, asbestos whether or not contained in, combined or amalgamated with, or otherwise forming part of, some other material or materials or as a result of the presence of or exposure to Structural Asbestos.
- (b) "Artesian Wells" means the wells situated at the Rochdale Business Facility.
- (c) "Business Facility" means any of the Owned Real Property and Leased Real Property, as such terms are defined in the Asset Purchase Agreement, including without limitation, the property utilized by FSM Ltd located in Rochdale, U.K. ("Rochdale Business Facility").
- (d) "Claim" or "claim" means any demand, action, cause of action, suit, proceeding, loss, cost, damage, fine, penalty, expense, liability, judgment, or injury of whatever nature or kind, whether threatened, contemplated, sought, brought, or imposed by any Governmental Entity or third party, including any owner or occupier of any Business Facility subsequent to Purchaser or any Affiliate of Purchaser, but not including any lenders or such lenders as subsequent owners or occupiers of any Business Facility.
- (e) "Continuing Contamination" means, in respect of the same Hazardous Material, both Prior Contamination and Subsequent Contamination.
- (f) "Deer Park Conditions" means the Hazardous Material contamination disclosed in soil and groundwater sampling conducted at the Deer Park Business Facility as reflected in the Environmental Reports and data more particularly described in Schedule 1 attached hereto.
- (g) "Deer Park Claim" means any Claim arising out of the Deer Park Conditions.
- (h) "Employee Claim" means, a claim asserted by a person that is or was an employee of Purchaser or any Purchaser Subsidiary, which claim is based upon exposure during the course of employment before and after Closing to asbestos, toluene or any other Hazardous Material.

(i) "Environment" means any land, including, without limitation, surface land and subsurface strata, sea bed or river bed under any water as defined below and any natural or man-made structures or natural resources; water, including, without limitation, coastal and inland waters, surface waters and ground waters and waters in drains and sewers; and air, including, without limitation, air within buildings and other natural or man-made structures above or below ground.

(j) "Environmental Law" means all or any applicable law (whether civil, criminal or administrative) in any jurisdiction (i) in force at Closing, (ii) which is enacted on or after Closing and which imposes a duty or liability on a prior polluter, prior owner, occupier or operator of an Environmentally Affected Facility, and (iii) solely in relation to Sections 2.3(b) or 2.3(d), whenever enacted, and to include common law, statute, statutory instrument, regulation, bylaw, order, injunction, resolution or judgment of any Governmental Entity with regard in each case to the pollution or protection of the Environment or harm to or protection of human health or the health of animals or plants, and further to include laws relating to emissions, discharges or releases of Hazardous Materials (whether in solid, semi-solid or liquid form or in the form of gas or vapor) into the Environment or otherwise relating to the manufacture, processing, use, treatment, storage, distribution, disposal, transport or handling of any Hazardous Materials whether as useful products or wastes.

(k) "Environmentally Affected Facility" means (i) any Business Facility; (ii) any real property previously owned or leased in relation to the Business by Seller or any of the Selling Subsidiaries, any predecessors thereof, or any party for which Seller or any Selling Subsidiary has assumed liability; (iii) any real property retained by Seller or any of the Selling Subsidiaries which is affected by any Release; or (iv) any other real property affected by any Release from any of the foregoing properties.

(l) "Existing Conditions" means the Toluene Discharge Liability and any Asbestos Related Claim relating to Structural Asbestos; provided, however, that Existing Conditions shall not include (i) any Toluene Discharge Liability caused by the failure of Purchaser or a Purchaser Subsidiary to maintain or properly operate any equipment installed by Seller and the Selling Subsidiaries to satisfy the Toluene Required Action, if such equipment and discharges therefrom have demonstrated the ability to meet any Governmental Entity requirements; or (ii) any Asbestos Related Claim relating to Structural Asbestos at the Rochdale Business Facility caused as a result of the disturbance of such Structural Asbestos by Purchaser or any Purchaser Subsidiary on or after Closing other than in the course of properly discharging its obligation under the Rochdale Lease.

(m) "Governmental Entity" means, in relation to any jurisdiction, any court or any tribunal or any person, agency or authority empowered by any law with the enforcement of that law.

(n) "Hazardous Material" means any substance which is capable of causing harm to man or any other living organism and which in each case is regulated under any Environmental Law.

(o) "Joint Exposure Claim" means any Asbestos Related Claim asserted in connection with any product manufactured, distributed, sold, or transferred by Seller or any Selling Subsidiary or any other of its Affiliates before Closing, which Asbestos Related Claim also alleges exposure to any product processed, stored, manufactured, distributed, sold, maintained or owned by Purchaser or any Purchaser Subsidiary or any other of its Affiliates on or after Closing and which Asbestos Related Claim is based upon exposure to asbestos from the product during a period of time both before and after Closing. A Joint Exposure Claim shall not include (a) any Asbestos Related Claim asserted in connection with a Suspect Product located in the U.S. as of Closing and which Asbestos Related Claim is based upon exposure to asbestos from such Suspect Product on or after Closing or (b) a claim arising out of any matter which is included as any of the Existing Conditions.

(p) "Joint Venture Companies" means Eriks Metal Gaskets B.V., Equiter S.A. de C.V., Empacaduras Troqueladas S.A., Flex-O-Lon, LLC and that company to be incorporated pursuant to an agreement dated 17th December 1996 and made between T&N Investments Limited and N. Mohanlal & Co. Pvt. Limited and any amendment to such Agreement or any variation or replacement agreement executed by Purchaser or a Purchaser Subsidiary with N. Mohanlal & Co. Pvt. Limited forming such a company.

(q) "Lender" means any Person which has extended credit, loans, borrowing or other financial benefits to Purchaser or any Affiliate of Purchaser and taken a security interest in or been granted a lien against any Business Facility and which has further been assigned either directly or collaterally the benefits and obligations of this Deed pursuant to Section 3.3 hereof and shall include any Person holding or having the benefit of any security for or on behalf of a Lender.

(r) "Losses" means any actual liabilities, obligations, commitments, losses, fines, penalties, sanctions, costs (including court costs), expenses, including expenses representing the payment of monies by way of indemnification, settlement, hold harmless or reimbursement agreements, interest, deficiencies or damages (whether or not resulting from Claims), including reasonable out-of-pocket expenses and reasonable fees and expenses of attorneys, accountants, consultants, and other professional advisors but always excluding such liabilities, obligations, commitments, losses, fines, penalties, sanctions, costs, expenses, interest, deficiencies or damages incurred by a party to this Deed in taking action which fails to result in that party successfully asserting any of its rights under this Deed. For the purposes of this definition, Losses shall include, without limitation, commitments, expenditures, including expenditures representing the payment of monies by way of indemnification, settlement, hold harmless or reimbursement agreements, and other costs relating to Remedial Work. Losses shall also include consequential damages causing loss of profits by Purchaser or a Purchaser Subsidiary to the extent any matter or condition for which Purchaser or any Purchaser Subsidiary is provided indemnification hereunder results in an actual cessation or disruption in the ability of Purchaser or any Purchaser Subsidiary to manufacture products or operate its Business in the normal course and to the extent thereof suffers such a Loss.

(s) "Prior Contamination" means the presence of any Hazardous Material in the Environment at any time prior to Closing, including without limitation the presence of any Hazardous Material in, on or at any Environmentally Affected Facility or any other property as a result of a Release of any Hazardous Material occurring prior to Closing, including any property contaminated on or after Closing as a result of the migration of any Hazardous Material Released at any Environmentally Affected Facility prior to Closing.

(t) "Release" means any release, spill, emission, leaking, pumping, injection, deposit, disposal, discharge or dispersal of any Hazardous Material in or into the Environment.

(u) "Remedial Work" means all actions to investigate monitor, clean-up, remove, contain, treat or in any other way address any Prior Contamination or Continuous Contamination undertaken by any Person in accordance with the provisions of Section 2.9.

(v) "Structural Asbestos" means asbestos which is present prior to Closing in the external and internal fabric of the buildings at any Business Facility and which is, at any time, in such a condition as to be causing or likely to cause harm to human health or pollution of the Environment.

(w) "Subsequent Contamination" means the presence of any Hazardous Material in the Environment occurring on or after Closing, including without limitation the presence of any Hazardous Material in, on or at any Environmentally Affected Facility or any other property as a result of a Release of any Hazardous Material occurring at any Environmentally Affected Facility on or after Closing, excluding, however, any Existing Conditions.

(x) "Suspect Product" means any asbestos containing product (including asbestos containing spiral wound gaskets), the type of which was manufactured in the U.S.A., distributed for sale in the U.S.A., or sold in the U.S.A. by Seller, any Selling Subsidiaries, their respective affiliates or predecessors in interest or licensees at any time prior to Closing and which type of product prior to Closing had been the basis of any prior or pending Asbestos Related Claim.

(y) "Toluene Discharge Liability" means any liability (including consequential loss of profit) arising out of or in connection with any claim by the North West Water Limited, any Governmental Entity or any other third party in relation to the discharge of toluene to the sewers at the Rochdale Business Facility, including without limitation the cost of purchasing, retrofitting and operating a temporary and/or permanent system to reduce the discharge of toluene to the sewers, any costs or liabilities associated with any abatement or removal of toluene from the sewers required by North West Water, Limited or a Governmental Entity, any costs consequential to carrying out such actions and any claims for personal injury or property damage.

(2) "Toluene Required Action" means any and all action necessary to reduce or eliminate toluene discharges to the sewers at the Rochdale Business Facility so that such discharges are brought into compliance with current legal and regulatory requirements. Toluene Required Action shall mean installation of whatever processes and equipment as are necessary to eliminate or reduce toluene discharges into the sewers to levels or concentrations satisfactory to the North West Water Limited and shall include all capital costs, monitoring, testing and other costs necessary, including operating and maintenance costs, to demonstrate for a reasonable period of time and to the satisfaction of any Governmental Entity that the systems and processes installed at the facility are effective and capable of meeting such levels or concentrations.

Section 1.2 Additional Definitions. Capitalized terms used herein but not defined herein shall have the same meaning as defined in the Asset Purchase Agreement.

ARTICLE II.

INDEMNITIES AND AGREEMENTS

Section 2.1 Parties. The indemnifications set forth below in Section 2.2 so far as they relate to:

(a) Seller, Flexitallic UK and FSM Ltd or the UK Business shall be given by Seller, Flexitallic UK and FSM Ltd to DL UK;

(b) Flexitallic US or that part of the Business carried on by Flexitallic US shall be given by Flexitallic US to DL LP;

(c) Ferodo or that part of the Business carried on by Ferodo shall be given by Ferodo to DL Czech;

(d) Goetze GmbH or that part of the Business carried on by Goetze GmbH shall be given by Goetze GmbH to DL GmbH; and

(e) Flexitallic Canada or that part of the Business carried on by Flexitallic Canada shall be given by Flexitallic Canada to DL Canada.

Section 2.2 Indemnification by Seller and Selling Subsidiaries. Seller and the Selling Subsidiaries hereby agree to indemnify and hold harmless Purchaser and the Purchaser Subsidiaries and their respective, directors, officers, employees, advisors, affiliates, agents and shareholders at all times from and after Closing against and with respect to all Losses resulting from or arising out of:

(a) Any nonfulfillment of any covenant or agreement on the part of Seller or any Selling Subsidiary under this Deed;

- (b) Any Claim or Remedial Work with respect to any noncompliance by Seller or any Selling Subsidiary with any Environmental Law prior to Closing, whether or not resulting in Prior Contamination, subject to Sections 2.4 and 2.5 hereof;
- (c) Any Claim or Remedial Work with respect to the Release occurring, or conditions existing, prior to Closing, including, without limitation, at, on, under, or above any Environmentally Affected Facility, subject to Sections 2.4 and 2.5 hereof;
- (d) Any Claim or Remedial Work with respect to the manufacture, storage, transportation, handling, disposal or treatment of any materials listed in, regulated by or identified in any Environmental Law prior to Closing, subject to Sections 2.4 and 2.5 hereof;
- (e) Any Claim or Remedial Work with respect to Prior Contamination;
- (f) Any Claim or Remedial Work with respect to the use of any Hazardous Material in any process carried out or being present in any product handled, manufactured, stored, distributed for sale or sold by Seller or Selling Subsidiary prior to Closing, subject to Sections 2.4 and 2.5 hereof;
- (g) Any Asbestos Related Claim relating to the presence of asbestos or exposure to asbestos at any time prior to Closing, subject to Sections 2.4 and 2.5 hereof;
- (h) Any Asbestos Related Claim relating to a Suspect Product; provided that this indemnity shall not apply with respect to any Suspect Product manufactured or sold by Purchaser, any Purchaser Subsidiary, or any of their respective Affiliates or licensees in the U.S. on or after Closing in breach of the covenants contained in Section 2.17 hereof. Asbestos Related Claims for which a full indemnity is provided hereunder shall be deemed to include all litigation and related proceedings against Seller or any Selling Subsidiary or any of their respective Affiliates existing on Closing;
- (i) Any Toluene Discharge Liability;
- (j) Any Asbestos Related Claim relating to Structural Asbestos present both before and after Closing;
- (k) Any Release occurring or conditions related to the Artesian Wells except to the extent caused by Purchaser or any Purchaser Subsidiary;
- (l) Any act, omission or negligence of Seller and/or the Selling Subsidiaries in carrying out the Toluene Required Action;
- (m) Any failure of Seller or the Selling Subsidiaries to have or obtain any permit or authorization required under Environmental Law for operation of the Business at any Business Facility prior to the Closing, including, without limitation, all costs and expenses incurred in obtaining such permit or authorization and any penalties, fines or

assessments arising out of the failure of Seller or the Selling Subsidiaries to have such permit or authorization; and

- (n) Any breach of the representation contained in Section 2.18 hereof.

Notwithstanding any other provision of this Deed, in no event shall Seller or any Selling Subsidiary be obligated to indemnify Purchaser or Purchaser Subsidiary for any Losses arising from any Claim brought against Purchaser or any Purchaser Subsidiary by any subsequent owner or occupier of any of the Business Facilities unless the costs, expenditures or other expenses incurred by the subsequent owner or occupier, which form the basis of the Losses, have been incurred by the subsequent owner or occupier of such Business Facility in circumstances where, had such costs, expenditures or expenses been incurred directly by Purchaser or any Purchaser Subsidiary, Seller or, as the case may be, the relevant Selling Subsidiary would have been obligated to indemnify Purchaser or any Purchaser Subsidiary under the terms of this Deed.

Section 2.3 Indemnification by Purchaser and Purchaser Subsidiaries. Purchaser and the Purchaser Subsidiaries hereby agree to indemnify and hold harmless Seller and the Selling Subsidiaries and their respective, directors, officers, employees, advisors, affiliates, agents and shareholders at all times from and after Closing against and with respect to all Losses resulting from or arising out of:

(a) Any nonfulfillment of any covenant or agreement on the part of Purchaser or any Purchaser Subsidiary under this Deed;

(b) Any noncompliance by Purchaser or any Purchaser Subsidiary with Environmental Law after Closing, whether or not resulting in Subsequent Contamination, subject to Sections 2.4 and 2.5 hereof; excluding, however, any noncompliance arising solely as a result of any Existing Conditions or the Seller's and/or the Selling Subsidiaries' failure to properly and sufficiently carry out the Toluene Required Action or any act, omission or negligence of the Seller and/or the Selling Subsidiaries in carrying out the Toluene Required Action;

(c) Any Release or threatened Release occurring, or conditions coming into existence after Closing at, on, under, or above any Business Facility and any other real property affected thereby, subject to Sections 2.4 and 2.5 hereof; excluding, however, any Losses arising solely as a result of any Existing Conditions, or the Seller's and/or the Selling Subsidiaries' failure to properly and sufficiently carry out the Toluene Required Action or any act, omission or negligence of the Seller and/or the Selling Subsidiaries in carrying out the Toluene Required Action, or any Release to the Artesian Wells to the extent not caused by Purchaser or any Purchaser Subsidiary;

(d) Any manufacture, storage, transportation, handling, disposal or treatment of any materials listed in, regulated by or identified in any Environmental Law after Closing, subject to Sections 2.4 and 2.5 hereof; excluding, however, any Losses arising solely as a result of any Existing Conditions; or the Seller's and/or the Selling Subsidiaries' failure to properly and sufficiently carry out the Toluene Required Action

or any act, omission or negligence of the Seller and/or the Selling Subsidiaries in carrying out the Toluene Required Action;

(e) Any Subsequent Contamination, including without limitation, Subsequent Contamination which results in, contributes to, or is claimed to have resulted in, or contributed to, the death or personal injury, illness or disease of any person or animal or any property damage;

(f) Any use of any Hazardous Material in any process carried out or being present in any product handled, manufactured, stored, distributed for sale or sold by Purchaser or a Purchaser Subsidiary after Closing, subject to Sections 2.4 and 2.5 hereof; excluding, however, any Losses arising solely as a result of any Existing Conditions; or the Seller's and/or the Selling Subsidiaries' failure to properly and sufficiently carry out the Toluene Required Action or any act, omission or negligence of the Seller and/or the Selling Subsidiaries in carrying out the Toluene Required Action;

(g) Any Asbestos Related Claim asserted against Seller or a Selling Subsidiary and relating to the presence of asbestos or exposure to asbestos at any time after Closing, subject to Sections 2.4 and 2.5 hereof; excluding, however, any Asbestos Related Claim asserted with respect to a Suspect Product covered by the indemnification in Section 2.2(h) hereof or arising from exposure to Structural Asbestos except as provided in Subsection (l) hereof;

(h) The failure of Purchaser or any Purchaser Subsidiary to maintain or properly operate any equipment installed by Seller or Selling Subsidiaries to satisfy the Toluene Required Action if such equipment and discharges therefrom have demonstrated the ability to meet any Governmental Entity Requirements;

(i) The disturbance of the Structural Asbestos at the Rochdale Business Facility by Purchaser or any Purchaser Subsidiary on or after the Closing other than in the course of properly discharging the obligations under the Rochdale Lease; and

(j) Any Release occurring or conditions related to the Artesian Wells to the extent caused by Purchaser or any Purchaser Subsidiary.

Notwithstanding anything to the contrary set forth in this Section 2.3, neither Purchaser nor any Purchaser Subsidiary nor any of their respective Affiliates shall have any indemnity obligation by reason of the sale, handling or other use of any Suspect Product on or before Closing.

Section 2.4 Special Allocation of Losses for Continuing Contamination. In the event that Losses are incurred in connection with any Continuing Contamination, such Losses shall be allocated among Seller and the Selling Subsidiaries on the one hand and Purchaser and the Purchaser Subsidiaries on the other hand as herein set forth notwithstanding any evidence, analysis or determination indicating a different allocation of responsibility for such Losses amongst the Parties. The portion of such Losses allocable to the Seller and the Selling Subsidiaries shall equal that fraction the numerator of which is the total number of days the