

SETTLEMENT AGREEMENT

Maytag Corporation, FEIN 42-0401785, 403 West Fourth Street, North, Newton, Iowa and the City of North Canton, Ohio, hereby enter into the following settlement agreement;

THE FOLLOWING FACTS BEING TRUE AND CORRECT:

(A) Hoover Company, Maytag's subsidiary has timely filed North Canton, Ohio corporation income tax returns for the tax years ended December 31, 1996, December 31, 1997, and December 31, 1998, and paid the tax shown due thereon in the amounts of \$907,933, \$978,848, and \$1,153,763, respectively; and

(B) Maytag Corporation has timely filed a North Canton, Ohio corporation income tax return for the tax year ended December 31, 1999 requesting a refund of \$1,190,801; and

(C) To date, Maytag Corporation has timely made estimated tax payments for the tax year ending December 31, 2000 in the amount of \$1,350,000; and

(D) Maytag Corporation asserts The City of North Canton, Ohio allows taxpayers to calculate their corporation income tax liability on a combined basis of reporting that includes the business activities of certain qualifying affiliates; and

(E) Maytag Corporation's North Canton, Ohio corporation income tax liability for the tax years ended December 31, 1996 through 1998 and the estimated tax payments made by Maytag Corporation for the tax years ended December 31, 1999 and December 31, 2000, were calculated on a separate company basis of reporting that excluded the business activities of certain affiliates of Maytag Corporation; and

(F) Maytag Corporation has timely filed amended North Canton, Ohio corporation income tax returns for the tax years ended December 31, 1996 through 1998, to properly include the business activities of its qualifying affiliates, and these amended returns request refunds of North Canton corporation income taxes in the amounts of \$548,301, \$719,521, and \$774,895, respectively; and

(G) Maytag Corporation filed its 1999 corporation income tax return on a combined basis and included the business activities of its qualifying affiliates, and this return requests a refund of \$1,190,801.

(H) A dispute has arisen between the City of North Canton and Maytag Corporation as to whether Maytag Corporation may calculate its corporation income tax liability on a combined basis of reporting and this agreement is being entered into to resolve this dispute.

THE PARTIES HEREBY DETERMINE AND AGREE that:

(1) For the tax years ended December 31, 1996 through 2000, Maytag Corporation is entitled to file its returns and report its North Canton, Ohio corporation income tax liability on a combined company basis.

(2) The adjustments made on the amended returns filed by Maytag Corporation for the tax years ended December 31, 1996 through 1998, to include the business activities of certain Maytag Corporation affiliates and the corresponding refunds claimed in the total amount of \$2,042,717, plus interest as provided by law, are proper and due and owing.

(3) Maytag Corporation's North Canton, Ohio, corporation income tax return timely filed for the tax year ended December 31, 1999 is proper and the corresponding refund claimed thereon in the amount of \$1,190,801, plus interest as provided by law, is due and owing.

(4) In furtherance of Maytag Corporation's civic concerns regarding the City of North Canton, Ohio, and in consideration of the City of North Canton, Ohio budgetary constraints, subject to the provision of paragraph 6 of this agreement, the parties agree that:

(a) Maytag Corporation's refund claims for the tax years ended December 31, 1996 through 1998, in the total amount of \$2,042,717, shall be reduced to \$1,078,008, comprised of \$137,075, \$359,761, and \$581,172, for each of the tax years ended December 31, 1996 through 1998, respectively; and

(b) All interest currently due and owing by law on Maytag Corporation's refund claims for the tax years ended December 31, 1996 through 1998 shall be waived by Maytag; and

(c) The agreed upon reduced refund amount for the tax years ended December 31, 1996 through 1998, \$1,078,008, shall be paid by the City of North Canton, Ohio, to Maytag Corporation in three equal annual installment payments of \$359,336, on or before November 30 of the each of the years 2001, 2002 and 2003.

(5) In furtherance of Maytag Corporation's civic concerns regarding the City of North Canton, Ohio, and in consideration of the City of North Canton, Ohio budgetary constraints, the parties agree that, subject to the provision of paragraph 6 of this agreement, interest due and owing on Maytag Corporation's refund for the tax year ended December 31, 1999 shall be waived, and the tax refund due and owing for 1999, in the amount of \$1,190,801 and any overpayment of estimated taxes paid for the tax year ending December 31, 2000 shall be credited to future tax periods, provided however that if the tax refund due and owing for 1999 and any overpayments for 2000 are not fully utilized on or before the filing of Maytag Corporation's North Canton, Ohio, corporation income tax return for the tax year ending December 31, 2003, Maytag Corporation may request a refund of such remaining amount at the time of the filing of the 2003 return, with such amounts to be paid on or before 90 days after the filing of said return.

(6) If the City of North Canton, Ohio fails to make any installment payments within 30 days after the date set forth in paragraph 4 of this agreement or fails to comply with the provisions of paragraph 5 of this agreement, or if this agreement is found to be unenforceable by an appropriate court of law, all amounts under this agreement shall become immediately due and owing, including:

(a) \$2,042,717, the total amount related to Maytag Corporation's original refund claims for the tax years ended December 31, 1996 through 1998, less any tax refund payments previously made by the City of North Canton pursuant to this agreement; and

(b) any and all interest, as provided by law, due on Maytag Corporation's original refund claims for the tax years ended December 31, 1996 through 1998, in the total amount of \$2,042,717; and

(c) any refunds due and owing for the tax year ending December 31, 1999 and December 31, 2000; and

(d) any and all interest on the tax refund due for the tax year ending 1999 and any interest due and owing on the overpayment of taxes for the tax year ending December 31, 2000.

(7) In addition to the remedies set forth above, Maytag Corporation shall, upon the occurrence of any condition listed in Paragraph (6), retain the right to proceed against the City of North Canton in any court of law to recover any of the amounts described in (6)(a)-(b)-(c)-(d).

(8) Each party agrees that they have full power and authority to enter into this agreement and that such agreement is binding and enforceable against Maytag Corporation and the City of North Canton, Ohio according to the terms and conditions set forth herein and this agreement may only be amended by a written document executed by both parties.

(9) This agreement, after being duly adopted by City Council, shall be executed by the City of North Canton, Ohio, by the North Canton Board of Control, by the Mayor of the City of North Canton, Ohio, and by the Director of Finance of the City of North Canton, Ohio. Further the Director of Finance of the City of North Canton who is the fiscal officer will provide the certificates specified in Section 5705.41(D) of the Ohio Revised Code. For the payment to be made in 2001, the City shall make all necessary appropriations to enable it to fulfil its obligation under this contract.

Witness

Mary Louise Bettle

Date: 10-22-01

City of North Canton

By: [Signature]

Name
President of Council

Date: 10-22-01

Witness

Chris Barnes

Date: 10-18-01

Witness

Chris Barnes

Date: 10-18-01

Witness

Chris Barnes

Date: 10-18-01

Witness

Mary Louise Bittle

Date: 10-19-01

Witness

Chris Barnes

Date: 10-18-01

City of North Canton Board of Control

By: Thomas E Rice

Name

Member Board of Control

Date: 10-18-01

City of North Canton Board of Control

By: John Bozinger

Name

Member Board of Control

Date: 10-18-01

City of North Canton Board of Control

By: Chel Allen

Name

Member Board of Control

Date: 10-18-01

City of North Canton Board of Control

By: Roy W. Betts

Name

Member Board of Control

Date: 10/19/01

City of North Director of Finance

By: Chel Allen

Name

Date: 10-18-01

Witness

Chris Barnes

Mayor

Date: 10-18-01

City of North Canton - Mayor

By: Thomas E Rice

Date: 10-18-01

Witness

[Signature]
Name

Maytag Corporation

By: Donald P. Sesterhenn
Name

Senior Director of Tax
Title

Date: 11-5-01

Date: 11/05/01

Approved:

City of North Canton

By: [Signature]
Roy Batista,
Law Director

Date: 10/22/01