

SETTLEMENT AGREEMENT AND RELEASE

This SETTLEMENT AGREEMENT and RELEASE, dated as of December 31, 1985, made by and between Marisol, Incorporated (MARISOL), a corporation organized under the laws of New Jersey, having an address at 125 Factory Lane Middlesex, New Jersey 08846 and Diamond Shamrock Chemicals Company (DSCC), a Delaware corporation, having an address at 351 Phelps Court, Irving, Texas 75038.

WHEREAS, the New Jersey Department of Environmental Protection (DEP) and the United States Environmental Protection Agency (EPA) have alleged that dioxin is present on certain property located at 80 Lister Avenue, Newark, New Jersey, which is owned by MARISOL and which is designated as Lot 58, Block 2438 on the Tax Map of the City of Newark (the "Property");

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WHEREAS, DEP has issued orders to MARISOL and DSCC relating to the performance of certain remedial work on the Property and adjacent property;

WHEREAS, MARISOL has caused to be filed against DSCC, a certain crossclaim for compensatory damages, consequential damages, punitive damages and such other relief as the Court may deem appropriate for alleged injury to MARISOL'S use and enjoyment of the Property in an action now pending in the Superior Court of New Jersey, Essex County, entitled:

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Lamoreaux, et al, v. Diamond Shamrock Chemicals Company,
Docket No. L-036231-83;

WHEREAS, DSCC denies any liability for the alleged presence of said dioxin on said Property and any liability for said crossclaim;

WHEREAS, the parties wish to amicably resolve the controversies now pending between them in the above referenced crossclaim;

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NOW, THEREFORE, in consideration of the mutual covenants set forth herein, the parties agree as follows:

1) MARISOL agrees to sell and DSCC agrees to buy the Property.

2) Time and place of closing. The closing date cannot be made final at this time. Subject to the terms of paragraph 6 hereof, DSCC and MARISOL agree to make 30 days from the date of this Agreement the estimated date for the closing. Both parties will fully cooperate so the closing can take place on or before the estimated date. The closing will be held at the offices of McCarter & English, Esq., 550 Broad Street, Newark, New Jersey 07102.

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3) MARISOL agrees to transfer and DSCC agrees to accept ownership of the Property free of all claims, rights, and interests of others, except for and subject to the following:

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- a) the rights of utility companies to maintain pipes, poles, cables, wires, and other improvements over, on and under the street, the part of the Property next to the street or running to any improvement on the Property; and
- b) recorded agreements including easements, which limit the use of the Property;
- c) such facts as would be disclosed by a survey or inspection of the Property, provided same do not render title unmarketable;
- d) laws, ordinances, regulations, restrictions, and orders of any federal, state, county or municipal government or other public authority relating to the Property or the use thereof;
- e) the Standards Exceptions and Special Exceptions listed in Schedule B of New Jersey Realty Title Insurance Company title report number No. G.747-099 dated June 5, 1981 receipt of which report is acknowledged by DSCC;
- f) March 13, 1984 Administrative Consent Order referred to in paragraph 7 hereof;
- g) statutory lien for real estate taxes not due and payable (taxes to be paid to date of closing).

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In addition to the above, title will be insurable at regular rates by any title insurance company authorized to do business in New Jersey subject to the above exceptions. MARISOL will deliver its corporate resolution authorizing the sale.

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4) If DSCC finds, upon examination of title, any objections or defects, other than those set forth in paragraph 3, and subject to which the Property is to be conveyed, so that MARISOL cannot convey the title as herein provided,

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DSCC shall, within 15 days after receipt of such title search (which title search shall be procured by DSCC within 15 days of the date hereof), give notice in writing to MARISOL stating in detail such objections or defects, and MARISOL shall have a reasonable period in which to remove any such objections or defects, and, if necessary, the closing date shall be automatically extended by such reasonable period. In the event that MARISOL is unable or unwilling to remove any such objections or defects, or is for any other reason unable to convey the Property as herein agreed to be conveyed, DSCC's sole remedy shall be to reject the title and cancel this agreement, whereupon neither party shall have any further liability to the other. Nothing contained herein shall require MARISOL to commence any proceeding to cure or remove a title defect or to incur any expense in connection therewith. 10

5) Taxes and other municipal charges, sewer service and sewer maintenance charges, interest on deferred municipal assessments, assessments or charges of private associations, rents and interest on mortgages, and other utility charges, if any, are to be apportioned as of the date of the delivery of the deed as herein provided. Should any such taxes, assessments or charges be undetermined on said date, the last determined tax or applicable charge shall be used 20

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for the purpose of apportionment;

6) This Agreement is contingent upon MARISOL obtaining authorization from DEP, in the form of a letter of non-applicability or otherwise, that the closing may occur. At the closing, MARISOL will deliver evidence of compliance with the Environmental Cleanup Responsibility Act. If MARISOL is unable to obtain such evidence of compliance sufficiently in advance of the closing date specified in paragraph 2 hereof in order to enable the closing to take place on that date, then the closing date shall automatically be extended to enable MARISOL to obtain such compliance, in which case the closing date shall be seven (7) days after MARISOL gives notice to DSCC that evidence of such compliance has been obtained, provided however that if MARISOL is unable to deliver evidence of such compliance within ninety (90) days after the date of this Agreement, DSCC or MARISOL may, upon notice to the other, terminate this Agreement, whereupon neither party shall have any further liability to the other hereunder.

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7) DSCC agrees to perform remedial work on said property in accordance with and as required by the Administrative Consent Order dated March 13, 1984 to which the parties hereto and the State of New Jersey are signatories.

8) At the closing and simultaneously with the transfer

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to it of title to the Property, DSCC will, by certified check drawn upon a bank which is a member of the New York Clearing House Association, pay MARISOL six hundred seventy six thousand dollars (\$676,000.00);

9) At or before the closing, MARISOL will cause the above referenced crossclaim filed by it against DSCC to be dismissed with prejudice, and without costs; and will furnish to DSCC confirmation of said dismissal;

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10) Said Property is being sold "as is." MARISOL does not make any claims or promises, express or implied, about the condition or value of any of said Property included in this sale.

11) DSCC shall obtain, and pay for all costs incurred in connection with obtaining, any certificate of occupancy required in connection with the use or occupancy of the Property by DSCC.

12) All understandings and agreements heretofore had between the parties hereto are merged into this agreement. No change may be made in this agreement except by instrument in writing, signed by the party against whom enforcement is sought.

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13) This agreement shall be governed by and construed in accordance with the laws of the State of New Jersey.

14) This agreement may be executed in any number

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of counterparts, each of which shall be deemed an original, but such counterparts shall together constitute but one and the same instrument.

15) All notices under this agreement must be in writing. Such notices must be delivered personally or mailed by certified mail, return receipt requested, to the other party at the address written in this agreement, or to that party's attorney. Notice by such mail is deemed effective as of the date of mailing.

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16) In consideration of the foregoing, the parties hereto further agree for themselves, their predecessors, successors and assigns and anyone claiming through or under them to release and forever discharge each other and all of each other's successors, parents, subsidiaries, joint ventures, officers, directors, employees, agents, insurers, and assigns, from all actions, causes of action, suits, debts, dues, sums of money, accounts, reckonings, bonds, bills, specialties, covenants, contracts, controversies, agreements, promises, variances, trespasses, damages, judgments, extents, executions, claims and demands whatsoever, in law, admiralty or equity, except claims for contribution arising from and out of third party actions against each of them, which against each other, their successors and assigns either party now has, or shall or may have, for,

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upon, or by reason of any matter, cause or thing whatsoever from the beginning of the world to the end of the world arising in any way out of the existence or alleged existence of dioxin or any other chemical substance whenever and wherever made, on, or having originated or allegedly originated from, said Property.

IN WITNESS WHEREOF, MARISOL AND DSCC have executed this Agreement this 31st day of December, 1985.

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MARISOL, INCORPORATED

BY H. Peter Herges

DIAMOND SHAMROCK CHEMICALS COMPANY

BY Janet Helle

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