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the claims set forth in Exhibit 1 attached hereto through December 31, 1996.

G The KREG Parties shall, and shall cause PPC to, assign to MAFCO any and all claims, interests and rights any of them may have against Wheelabrator Technologies Inc. or any of its subsidiaries, including without limitation, Resco Holdings Inc. (collectively, "WTI") with respect to PPC Claims, Pullman Claims, or the claims set forth in Exhibit 1 attached hereto. In the event of litigation between WTI and MAFCO, or between WTI and KREG, with respect to Pullman Claims or PPC Claims, MAFCO shall defend, indemnify and hold harmless KREG with respect to such litigation if WTI names KREG as a party in such litigation, or if KREG is otherwise joined in any such litigation by any party.

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PPC and the KREG Parties shall execute any and all papers necessary to effectuate the intent of this subparagraph.

H Based on KREG's actual knowledge, KREG represents and warrants that the PPC Claims and Pullman Claims pending against the KREG Parties as of the Effective Date are set forth in Exhibit 1 attached to this Agreement. MAFCO shall have no liability for any lawsuits which included PPC Claims or Pullman Claims which were properly served on KREG on or before the Effective Date and not set forth in Exhibit 1 and where a Party has filed with the court a default, request to enter default or similar document in a judicial proceeding. In such event, such claims shall be the responsibility of KREG until the default or request to enter default has been vacated or withdrawn, at which time MAFCO shall assume such claim.

I. Upon the Effective Date, the KREG Parties shall, and shall cause PPC to, assign to MAFCO, to the extent permitted by law and by the relevant contracts of insurance, all benefit of any insurance that was purchased to cover risks of the passenger rail car operations of Pullman or any successor to Pullman possessing any liability with respect to such risks, regardless of the source of such beneficial interest (whether, for example, by purchase of insurance, assignment, corporate successorship, indemnity or otherwise). To the extent any portion of such beneficial interest is not assignable, the KREG Parties shall, and shall cause PPC to, permit MAFCO, in its sole discretion, to

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pursue in any or all of their names as appropriate, any insurance coverage with respect to the Pullman Claims and PPC Claims. The KREG Parties shall pay to MAFCO an amount equal to any amount actually received by such person from any insurer by reason of any insurance claim made with respect to a PPC Claim within ten (10) days of such receipt.

7. Rights Against Allied Signal The KREG Parties hereby assign, and shall cause all of their subsidiaries, including without limitation PPC, to assign to MAFCO any and all rights, interests and claims any of them may have against Allied Signal, Inc. ("Allied Signal") relating to or arising out of the Plan, including without limitation any right, claim or interest arising from (a) the Distribution and Adjustment Agreement dated August 31, 1988, by and between Allied Signal and The Henley Group, Inc. (now known as WTI), and (b) the Assignment and Assumption Agreement dated as of December 11, 1988 between The Henley