ACQUISITION AGREEMENT

between

SUNTIDE REFINING COMPANY

SUN REFINING AND MARKETING COMPANY

SUN PIPE LINE COMPANY

and

KOCH INDUSTRIES, INC.

Dated: November 10, 1981

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ACQUISITION AGREEMENT

THIS AGREEMENT, made this 10th day of November 1981 by and between SUNTIDE REFINING COMPANY, a Delaware corporation ("Suntide"), SUN REFINING AND MARKETING COMPANY, a Pennsylvania corporation ("Sun Oil"), and SUN PIPE LINE COMPANY, a Pennsylvania corporation ("SPL"), (Suntide, Sun Oil and SPL herein each individually called a "Seller" and collectively called "Sellers"), and KOCH INDUSTRIES, INC., a Kansas corporation ("Buyer"),

WITNESSETH:

WHEREAS, Suntide owns a petroleum refinery located at Corpus Christi, Texas (the "Refinery") which processes crude oil for Sun Oil;

WHEREAS, Sun Oil owns the inventory at the Refinery and it sells its finished inventory to its customers;

WHEREAS, Suntide also owns approximately 518 acres of currently undeveloped land contiguous to the Refinery (the "Undeveloped Land");

WHEREAS, Sun Oil owns a light fuels and petrochemicals terminal located at Wilmington, North Carolina (the "Wilmington Terminal") which is utilized in connection with the sale of certain products of the Refinery;

WHEREAS, SPL has a crude gathering system supplying the Refinery (the "Gathering System"); and

WHEREAS, Sellers want to sell and Buyer wants to purchase Sellers' respective interests in the Refinery, the Undeveloped Land, the Wilmington Terminal and the Gathering System under the terms and conditions in this Agreement,

NOW, THEREFORE, in consideration of the premises and the mutual promises herein contained and intending to be legally bound, Buyer and Sellers agree as follows:

1. <u>Definitions</u> - As used herein,

1.1 "Sun" means Sun Company, Inc. which is the parent of Sun Oil, Suntide and SPL.

1.2 "Closing" means the simultaneous transfer of the Assets (as defined in Section 2) from Sellers to Buyer and of the purchase price from Buyer to Sellers under Section 3.3 on the Closing Date.

1.3 "Closing Date" means 10:00 A.M. Eastern time on November 13, 1981 or such other date as to which Sellers and Buyer may agree. If either party (or parties, in the case of Sellers) waive the condition precedent to Closing in Section 8.6 (in the case of Sellers) or Section 9.6 (in the case of Buyer) as to a contract or right specified on Schedule

3B, such waiver shall automatically preclude the other party (or parties) from exercising its respective condition precedent as to such contract or right and such contract or right shall be transferred to Buyer hereunder at Closing. The party (or parties) making such waiver shall be deemed automatically to have agreed to indemnify and hold harmless the other party (or parties) from any and all claim, demands, expenses (including reasonable attorneys' fees), costs, losses, damages, fines and causes of action which may be made, sustained or incurred because of a failure to obtain third party consents to the transfer of such contract or right prior to transfer thereof to Buyer pursuant to this Agreement.

1.4 "Effective Time of Closing" means, subject to Closing occurring, 7:00 A.M. Eastern time, with respect to matters relating to the Wilmington Terminal, and 7:00 A.M. Central time, with respect to all other matters, on the date of Closing.

1.5 "Business Day" means a day on which banks and public offices in the States of Pennsylvania, New York, Texas and North Carolina are open for business.

1.6 "Transferred Employees" means (i) all of the individuals who are employees of Suntide at the Effective Time of Closing and (ii) those employees of Sun Oil and SPL who, at the Effective Time of Closing, are or shall be associated with the operations of the Wilmington Terminal or the Gathering System. Transferred Employees shall include such employees of Sellers actually employed by Sellers on the Closing Date and those employees who would be employed by Sellers but are absent from employment due to military service or other absences (other than absences due to illness, injury or long-term disability). For those employees who are absent from work because of illness, injury or long-term disability, such employees will become Transferred Employees when they report back to work to Buyer in good health.

1.7 "Accrued Benefit" means retirement benefits commencing at normal retirement age for each Transferred Employee and certain ancillary benefits (i.e., early retirement subsidies and subsidized pre- and post-retirement spouses' benefits) for each Transferred Employee accrued as of the time the Accrued Benefit is determined.

1.8 "Material Event" means an occurrence which damaged, destroyed, or a condemnation of, all or a part of the Assets which damage, destruction or loss by condemnation would materially and adversely affect the overall operations of the Refinery, the Gathering System or the Wilmington Terminal.

1.9 "Affiliates" means Sellers and Sun.

1.10 "H-S-R Act" means the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and the rules and regulations promulgated thereunder.

1.11 "Code" means the Internal Revenue Code of 1954, as amended, and the rules and regulations promulgated thereunder.

2. <u>Sale and Purchase of the Assets</u>

2.1 On the Closing Date, Sellers shall sell, convey, transfer, and assign to Buyer and Buyer shall purchase and accept from Sellers for the purchase price set forth in Section 3 all of their right, title and interest in the Refinery as further defined in Section 2.2, in the Undeveloped Land as further defined in Section 2.3, in the Wilmington Terminal as further defined in Section 2.4 and in the Gathering System as further defined in Section 2.5 (all of such rights, titles and interests of the respective Sellers to be transferred hereunder called collectively the "Assets," which shall not include any "Excluded Assets," as hereinafter defined).

2.2 The term "Refinery" means the following assets:

(A) all land described in Schedule 1 (the "Refinery Land");

(B) all buildings, improvements, fixtures, machinery, pipes, storage tanks and other tanks, catalysts, storage holders, furnaces, heaters, reactors, boilers, pumps, and compressors (and all appurtenances thereto) located on the Refinery Land and on any leased property identified in Schedule 2;

(C) all processing units and appurtenances thereto which are located on the Refinery Land and on any leased property identified in Schedule 2 including but not limited to the following units: a fluid catalytic cracker, crude, delayed coker, ultraformer, HF alkylation, naphtha prefractionation, platformer, BTX extraction, hydrodealkylation, No. 2 xylene isomerization, No. 3 xylene isomerization, parex, No. 2 paraxylene crystallization, No. 3 paraxylene crystallization, alkar, styrene, cumene, heavy aromatics fractionation and PMB and related products, and ethylbenzene;

(D) the power generating unit on the Refinery Land;

(E) all leases, subleases, franchises, licenses, permits, easements and rights-of-way (including any pipelines therein and all improvements, fixtures, pumps, valves, fittings, meters, corrosion control and protection equipment associated therewith) identified in Schedule 2;

(F) the contractual rights, permits and licenses identified in Schedule 3;

(G) all personal property identified in Schedule 4;

(H) all materials, chemicals, catalysts, tools, supplies and office equipment located on the Refinery Land;

(I) the process and equipment licenses identified in Schedule 5;

(J) as and to the extent set forth in Section 6.14, the trade secrets and written know-how associated with the products listed on Schedule 5A;

(K) the computer hardware, software, data bases and systems as and to the extent identified and set forth in Schedule 6;

(L) the patents and trademark identified in Schedule 7;

(M) all of Seller's interests and rights as, where and to the extent conveyed, transferred and assigned to Buyer under the documents and agreements identified in Section 2.8 (F), (G), (H), (I) and (J).

(N) the leases of railway tank cars to be transferred in accordance with Schedule 2B;

(O) all personal property (including loading arms, hoses and other loading or discharge equipment) owned by Sellers and located on the public docks located at Viola Turning Basin and all personal property owned by Sellers which is located near Avery Point Turning Basin but only to the extent such personal property is predominantly used in connection with pipelines transferred to Buyer hereunder; and

(P) any and all other assets, rights and interests of whatsoever nature of Sellers (i) which are located on the Refinery Land, (ii) which are normally used thereon in the current operations of the Refinery but which are temporarily located elsewhere for repair or storage, or (iii) which are located within Nueces County, Texas and which are, in a predominant respect, used, useful, necessary or convenient in conducting refining operations on the Refinery Land in essentially the same manner as currently conducted.

2.3 The term "Undeveloped Land" means the land described in Schedule 1A.

2.4 The term "Wilmington Terminal" means the following assets:

(A) all land described in Schedule 1B (the "Wilmington Terminal Land");

(B) all buildings, improvements, fixtures, machinery, pipes, storage tanks and other tanks (and all appurtenances thereto) located on the Wilmington Terminal Land;

(C) all leases, subleases, franchises, licenses, permits, easements, and rights-of-way (including any pipelines therein and all improvements, fixtures, pumps, valves, fittings, meters, and corrosion and protection equipment associated therewith) identified in Schedule 2A;

(D) all contractual rights identified in Schedule 3A;

(E) all personal property identified in Schedule 4A;

(F) all materials, tools, supplies and office equipment located on the Wilmington Terminal Land;

(G) the leases of railway tank cars to be transferred in accordance with Schedule 2B; and

(H) any and all other assets, rights and interests of whatsoever nature of Sellers (i) which are located on the Wilmington Terminal Land, (ii) which are normally used in the current operations of the Wilmington Terminal but are temporarily located elsewhere for repair or storage, or (iii) which are located within New Hanover County, North Carolina and which are, in a predominant respect, used, useful, necessary or convenient in conducting terminalling operations on the Wilmington Terminal Land in essentially the same manner as currently conducted.

2.5 The term "Gathering System" means all of Sellers' interests in the following assets comprising the south Texas domestic crude gathering system and trunk pipeline system (the trunk line of which is depicted on Map 1) and all gathering pipelines connected thereto:

(A) all real property interests (including leases, easements and rights-of-way) in the counties listed on Schedule 1C (such interests herein called the "Gathering System Real Property");

(B) all buildings, improvements, fixtures, pumps, machinery, pipelines, surge and break-out tanks, valves, fittings, meters and corrosion control and protection equipment and other tanks (and all appurtenances thereto) located on or in the Gathering System Real Property;

(C) all personal property identified in Schedule 4B; and

(D) any and all other assets, rights and interests of whatsoever nature of SPL which are normally and predominantly used, useful, necessary or convenient in the current operations of the Gathering System.

2.6 Excluded from the Assets of the Sellers to be transferred are the following (the "Excluded Assets"):

(A) except as otherwise provided in Section 1.3 all contracts, agreements, licenses and other rights which expire on or before the Effective Time of Closing or which are identified in Schedule 8 or as to which Sellers have not been able to obtain consent to transfer as may be required by the terms thereof prior to the Closing Date as contemplated in and subject to the provisions of Section 5 (provided that leases, easements, rights-of-way, licenses and permits relating to pipelines shall not be "Excluded Assets" by reason of this Section 2.6(A));

(B) logos, emblems, signs, trademarks and trade names (except as listed on Schedule 7), and service marks associated with any of the Sellers or Sun (which Buyer shall permit Sellers to remove within a reasonable time after the Effective Time of Closing to the extent practicable);

(C) inventory including crude oil, intermediate feedstocks, goods-in-process, additives of the type listed in Schedule B to Exhibit I and refined petroleum products;

(D) books, records, and other documents which under Section 10.3 are not required to be transferred to Buyer;

(E) cash, cash equivalents and accounts receivable;

(F) personal property listed on Schedule 4C being used in connection with the clean-up of the paraxylene spill at the Wilmington Terminal as contemplated by Section 20.4 and any and all paraxylene recovered in connection therewith;

(G) the real property interests identified on Schedule 1D and the personalty located thereon and therein and rights associated therewith;

(H) items described on Schedule 4D;

(I) catalyst not located at the Refinery;

(J) any and all assets of the Sellers which Sellers shall sell, transfer or otherwise dispose of in conformity with the requirements of Section 12 (other than Section 12.3) or with the consent of Buyer;

(K) marine transportation equipment;

(L) oil and gas production and exploration properties, all interests therein and personal property associated therewith including flow lines and tank batteries connecting to gathering lines; and

(M) contracts and other agreements which Sellers are not required to transfer to Buyer as contemplated by Section 12.4.

(N) crude oil and natural gasoline as provided in Section 2.10.

2.7 The respective Sellers shall execute and deliver to Buyer at the Closing the deeds, leases, licenses, bills of sale, assignments and other documents identified in Schedule 9 in order to effect the sale and transfer of Sellers' respective rights, titles and interests in the Assets to Buyer as provided herein. None of the foregoing documents shall expand any of the representations, warranties, and covenants in connection with this Agreement or any liability of Sellers hereunder.

2.8 Concurrently with the execution of this Agreement, Buyer and one or more of the Sellers (or Sun or other Sun affiliate as indicated below) have executed or have caused to be executed Exhibits I, II, III and V and, at the Closing, shall execute or cause to be executed Exhibits IV, VI, VII, VIII, IX, X, XI, XII, XIII, XIV, XV, XVI, XVII and XVIII, all of which are attached hereto and described as follows:

(A) "Inventory Valuation and Sale Agreement" between Sun Oil and Buyer - Exhibit I.

(B) "Crude Oil Buy/Sell Agreement" between Sun Oil and Buyer - Exhibit II.

(C) "Petrochemical Sales Agreement" between Sun Oil and Buyer - Exhibit III.

(D) "Right of First Refusal Agreement" among SPL, Sunoco Terminals, Inc. and Buyer - Exhibit IV.

(E) "Guaranty and Undertaking" by Sun - Exhibit V.

(F) "Assignment and Assumption Agreement" regarding Riverway Lease between Sun Oil and Buyer - Exhibit VI.

(G) "Supplemental Agreement" regarding Riverway Lease between Sun Oil and Buyer - Exhibit VII.

(H) "Assignment and Assumption Agreement regarding Parachem Lease between Sun Oil and Buyer - Exhibit VIII.

(I) "Supplemental Agreement" regarding Parachem Lease between Sun Oil and Buyer - Exhibit IX.

(J) "Bill of Sale and Agreement" between Sun Oil and Buyer - Exhibit X.

(K) "Agreement For Joint Usage of Cathodic Protection Units" between SPL and Buyer - Exhibit XI.

(L) "Agreement for Joint Usage of Cathodic Protection Units" between Sun Pipe Line Services Company and Buyer - Exhibit XII.

(M) "Agreement for Joint Usage of Cathodic Protection Units" between SPL and Buyer - Exhibit XIII.

(N) "Terminalling and Storage Agreement" between Sunoco Terminals, Inc. and Buyer - Exhibit XIV.

(O) "Agreement to Furnish Fire Fighting Water" between Sunoco Terminals, Inc. and Buyer - Exhibit XV.

(P) "Agency Agreement (Paraxylene)" between Sun Oil and Buyer - Exhibit XVI.

(Q) "Agency Agreement (Cumene)" between Sun Oil and Buyer - Exhibit XVII.

(R) "Agency Agreement (JP-4)" between Sun Oil and Buyer - Exhibit XVIII.

2.9 Sellers will cooperate with Buyer to try to obtain for Buyer the benefit of Sellers' paid up capacities (to the extent of the Refinery's proportional share) under the following technological licenses listed on Schedule 5: the UOP Alkar Process, Catalytic Condensation Process, Catalytic Cracking Process, "HF" Alkylation Process, Merox Process, Sorption Process (Parex) and Rexforming; the Cosden Oil and Chemical Company Ethylbenzene Distillation; and the Standard Oil (Indiana), Ultrafining Process, Ultraforming Process and Paraxylene Separation. Nothwithstanding the foregoing, Sellers shall not be required by this Section 2.9 to incur any costs or expenses or make any payments to third parties.

2.10 The volume of crude oil and natural gasoline in the Gathering System is owned by the shippers thereof and is not being purchased and sold pursuant to the terms hereof. As of the Effective Time of Closing, Sellers shall transfer to Buyer, and Buyer shall assume, custody of the crude oil and natural gasoline in the Gathering System. The total volume of such crude oil and natural gasoline as determined in accordance with Schedule D of Exhibit I, less the amount and type of such crude oil and natural gasoline which SPL certifies as belonging to third party shippers, shall be deemed to be the amount of crude oil and natural gasoline balances belonging to Sun Oil regardless of any records to the contrary.

2.11 The Closing shall take place at the offices of Messrs. Pepper, Hamilton & Scheetz in Philadelphia, Pennsylvania or at such other place as Buyer and Sellers may agree.

2.12 Schedules 3, 3A, 18, 20 and 21 to this Agreement shall be amended prior to the Closing Date to include any contracts, agreements, franchises and permits relating to the Assets that Sellers have entered into subsequent to the date hereof in accordance with Section 12 or with consent of Buyer and Buyer shall accept and assume the rights, obligations and liabilities thereunder as if such had been included in the schedules on the date hereof.

2.13 Promptly after the shutdown of the platformer for its next turn-around, Buyer shall deliver to Sellers (F.O.B. the Refinery) the spent Engelhard E-302 catalyst (including platinum) in the platformer.

2.14 The parties shall grant to one another the subleases, licenses and easements (typical of industry standards) as provided in Schedules 1D and 2C.

3. Purchase Price

3.1 The purchase price to be paid by Buyer for the Assets is Two Hundred Sixty-Five Million Dollars ($265,000,000) which amount shall be paid, and shall be subject to adjustment, as specified in Sections 3.2, 3.3 and 3.4.

3.2 Buyer shall transfer to Suntide (for the account of Sellers) within three (3) Business Days after the date of this Agreement (or at the Closing, if sooner) Ten Million Dollars ($10,000,000) in Federal funds (or their equivalent) immediately available to Suntide at its account number 910-2-461580 with The Chase Manhattan Bank, N.A., New York, New York.

3.3 Buyer shall transfer to Suntide (for the account of Sellers) at the Closing Two Hundred Fifty-Five Million Dollars ($255,000,000) in Federal funds (or their equivalent) immediately available to Suntide at its account specified in Section 3.2.

3.4 Sellers at the Closing or as soon as practical thereafter shall deliver to Buyer a statement, certified by an appropriate officer of one of the Affiliates, of the amount of costs and expenditures incurred (for purposes of this Section 3.4 the term "incurred" shall be construed to mean accruals pro-rated based on work performed and materials supplied during the appropriate time period) by any of the Affiliates with respect to the capital and major expenditures identified in Schedule 15 between the date of this Agreement (or such earlier date as may be specified on Schedule 15) and the Effective Time of Closing concerning the Assets, and Buyer shall pay such amount to Suntide (for the account of

Sellers) as an addition to the purchase price by the transfer of Federal funds (or their equivalent) immediately available to Suntide at its account specified in Section 3.2 within five (5) Business Days after delivery of said statement. Within ninety (90) days after Closing, Buyer shall have a right of audit concerning such statement of capital and major expenditures and shall be entitled to a refund of any excess amounts shown to have been paid. Buyer and Sellers will cooperate fully with one another in the preparation and audit of such statement of capital and major expenditures. Any audit shall be at the expense of the party requesting it.

3.5 At the Closing, Buyer shall accept and assume, all of the liabilities and obligations of Sellers which accrue and relate to the period from and after the Effective Time of Closing under the contracts, agreements, franchises, licenses, permits, leases, easements, rights of way and other rights and documents listed or identified in Schedule 18 (all such liabilities, obligations and duties called herein the "Assumed Obligations").

Buyer shall protect, indemnify, save harmless, and, at the respective Affiliate's option, defend Affiliates and their respective parent and subsidiaries from any and all claims, demands, expenses (including reasonable attorneys' fees), costs, losses, damages, fines, and causes of action which may be made, sustained, incurred, or initiated by any person or persons arising from, caused by, or resulting in any way from any breach of or failure to perform any of the Assumed Obligations.

Sellers, jointly and severally, shall protect, indemnify, save harmless, and, at Buyer's option, defend Buyer and its respective subsidiaries from any and all claims, demands, expenses (including reasonable attorneys' fees), costs, losses; damages, fines, and causes of action which may be made, sustained, incurred or initiated by any person or persons arising from, caused by, or resulting in anyway from any breach or failure to perform any of Sellers' obligations respecting the contracts, agreements, franchises, licenses, permits, easements, rights-of-way and other rights and documents listed or identified in Schedule 18 insofar as they accrued and relate to periods prior to the Effective Time of Closing.

This Section 3.5 is subject to the provisions of Section 1.3.

4. <u>Prorations</u>.

4.1 Sellers will pay all Federal, state and local documentary taxes, and Buyer will pay all sales, use or similar taxes pertaining to the sale and transfer of the

Assets to Buyer. Sellers shall not file any tax returns concerning any sales, use or similar tax pertaining to the sale and transfer of the Assets to Buyer without providing Buyer a reasonable opportunity for review prior to the required filing date. With respect to the filing of returns and the payment of Texas sales taxes, Buyer shall obtain a Texas "direct pay permit" and Buyer shall thus have responsibility for the preparation of returns, payment of such taxes and the resolution of any disputes with the appropriate taxing authority. Buyer shall indemnify Sellers from and against expenses incurred in connection with such taxes and any penalties, interest and fines as may arise out of Buyer's performance or failure to perform hereunder.

4.2 All ad valorem taxes, both real and personal, tangible and intangible, or similar property taxes, including special and Corpus Christi Industrial District assessments which are levied or payable on an annual basis for the current tax year, upon the Assets and the inventory of crude oil, intermediate feed stocks and finished petroleum products located on the Refinery Land, the Wilmington Terminal Land or the terminals containing inventory sold or exchanged pursuant to Exhibit I, all of which are identified (by type) on Schedule 17, shall be prorated between the parties, and Buyer shall be responsible as between the parties for such taxes for that portion of the applicable tax year remaining after the Closing Date. Proration shall be based on taxes actually paid by Sellers and Buyer for the current year, and reimbursement shall be made by Buyer or Sellers, as the case may be, upon receipt of the other's invoice therefor supported by evidence of the taxes to be reimbursed actually having been paid.

4.3 Except as provided in Section 4.1 and 4.2, Sellers shall be responsible for all taxes, charges and governmental assessments on and with respect to the Assets and attributable to the period ending on the Closing Date and Buyer shall be responsible for all such taxes, charges and governmental assessments attributable to the period beginning on the Closing Date.

4.4 Subject to Section 3.4, Sellers shall pay promptly all expenses incurred for work performed, utilities supplied and materials delivered with respect to the Assets prior to the Effective Time of Closing and Buyer shall promptly pay or reimburse Sellers for work performed, utilities supplied and materials delivered with respect to the Assets after the Effective Time of Closing.

4.5 Prepaid expenses paid by Sellers with respect to the Assets and relating to the period after the Effective Time of Closing, of the type identified in Schedule 19, shall be reimbursed promptly by Buyer to Sellers, but if and only to the extent that the benefits resulting therefrom are transferable and transferred to Buyer or Buyer is otherwise able to obtain the corresponding benefits relating thereto.

4.6 Deferred liabilities (as such term is used or defined under generally accepted accounting principles) with respect to the Assets which are reflected on Sellers' books of account, including but not limited to royalties payable under license agreements, which are paid by Buyer after Closing but which accrued and relate to the period prior to the Effective Time of Closing shall be reimbursed promptly by Sellers to Buyer.

4.7 Promptly after Closing, Sellers shall pay over to Buyer, and Buyer shall assume responsibility for, any cash security deposits held by Sellers under contracts and leases identified in Schedule 20; provided, however, that Sellers shall retain all letters of credit and similar securities received in connection with their accounts receivable. Likewise, to the extent permitted under the terms thereof, Sellers will also assign and transfer to Buyer any and all unexpired warranties it may have from third parties with respect to the Assets and any liens, security interests, letters of credit and other security arrangements or agreements held by Sellers with respect to contracts, leases or agreements identified in Schedule 21 to the extent unrelated to the interests being retained by Sellers hereunder.

5. <u>Consents</u>.

5.1 Sellers and Buyer will use their best efforts to effectuate the transfer of the contracts described in Schedules 3 and 3A (the "Assigned Contracts") from the respective Seller to Buyer. Notwithstanding the foregoing, pipeline easements, rights-of-way, permits, leases and licenses shall not be subject to this Section 5 unless specifically listed on Schedule 3B.

5.2 At Sellers' option, the parties shall attempt to accomplish such transfers through novations substituting Buyer in place of the respective Seller as a party thereunder. Where novations cannot be arranged by the Closing Date, such transfers shall be made through assignments, unless any necessary third party consents cannot be obtained by the Closing Date in which case alternative arrangements shall be made as provided in Section 5.4 below.

5.3 This Agreement shall not constitute an agreement to assign any interest in any lease, contract, license or other instrument referred to in Section 2 (other than pipeline easements, leases, rights-of-way, permits and licenses which are not specifically listed on Schedule 3B) or any schedule thereto or any claim, right or benefit arising thereunder or resulting therefrom if an attempted assignment thereof without the consent of a third party thereto would constitute a breach thereof or in any way materially affect the rights of Sellers or Buyer thereunder, except to the extent that such consents are obtained.

5.4 If a third-party consent which is necessary to the transfer of an Assigned Contract is not obtained prior to the Closing Date, or if an attempted assignment thereof would be ineffective or would affect the rights of Sellers thereunder so that Buyer would not in fact receive such interest, Sellers will use their best efforts to cooperate with Buyer in any alternative arrangement (including performance thereof by Sellers as agents) necessary and economically feasible to provide that Buyer shall receive the equivalent of the benefits and rights to which Sellers are entitled under such leases, contracts, licenses or other instruments from and after the Effective Time of Closing and that Buyer shall assume the equivalent of the obligations, duties and liabilities of Sellers under and in connection therewith accruing and relating to the period from and after the Effective Time of Closing. As to any product sales agreements which are listed on Schedule 3 but as to which consent to transfer cannot be obtained, Buyer shall sell and deliver to Sun Oil all products necessary for Sun Oil to fulfill its obligations thereunder at the prices to be mutually agreed upon and in accordance with the specifications contained in such agreements, unless a specific agency or other agreement listed on Schedule 25 or attached as an Exhibit hereto makes provision for a particular product sales transaction. Sellers will also use their best efforts, if economically feasible, to enforce for the benefit of Buyer any and all rights of Sellers against any third party thereto arising out of any breach or cancellation of such leases, contracts, licenses or other instruments by such third party or otherwise. It is understood and agreed that in performing their duties under this Section 5 Sellers shall not be required to incur any additional obligations or costs in excess of $10,000 in the aggregate in connection therewith. This Section 5 is subject to the provisions of Section 1.3.

6. Representations and Warranties of Sellers.

Sellers represent and warrant to Buyer (provided that no representation or warranty is made herein or in any other provision of this Agreement that (i) Sellers possess all of the easements, rights-of-way, permits, licenses, leasehold interests and other interests in real property which may be required for the Gathering System or the pipeline systems constituting parts of the Refinery or the Wilmington Terminal or (ii) that Sellers are entitled to transfer to Buyer as contemplated by this Agreement their easements, rights-of-way, permits, licenses, leasehold interests or other interests in real property associated with the Gathering System or such pipeline systems without first obtaining consents or approvals of third parties (in each case it being understood and acknowledged by Buyer that to some extent such deficiencies are likely to exist and that they will be the sole responsibility of Buyer), and all representations and warranties in this Agreement are deemed to be modified accordingly):

6.1 Suntide, Sun Oil and SPL are corporations duly organized, existing, and in good standing under the laws of the State of Delaware, in the case of Suntide, and under the laws of the Commonwealth of Pennsylvania, in the case of Sun Oil and SPL; they have the corporate power and authority to carry on their businesses as now conducted; and they are duly qualified or registered to do business as foreign corporations and are in good standing in the State of Texas, and also in the State of North Carolina, in the case of Sun Oil.

6.2 Sellers have the corporate power and authority to enter into and to perform this Agreement and all documents and actions required of them hereunder; all corporate proceedings, including any and all necessary stockholder approvals, necessary for their execution and performance of this Agreement and all documents and actions required of them hereunder have been taken; and this Agreement and all of such documents have been duly executed and delivered and constitute the valid and binding obligations of Sellers enforceable in accordance with their terms.

6.3 Sellers have good and marketable title to all of the Assets described in Section 2 (other than those Assets which are described in Section 2 as being contractual rights, as being easements or rights-of-way, or as being assets which are leased or licensed) free and clear of any liens, mortgages and encumbrances (i) except as otherwise indicated on Schedule 10, (ii) except for minor encroachments or impairments which would not materially and adversely affect the overall operations of the Refinery, the Wilmington Terminal or the Gathering System, and (iii) with respect to the contracts, easements, licenses, permits and other rights which do not constitute absolute ownership, such limitations on and impediments to transfer as are reflected in the documents evidencing or constituting such contracts, easements, licenses, permits and other rights which have been disclosed to Buyer.

6.3(A) The managements of Sellers (the managements of Sellers for purposes of this Agreement shall be deemed to include only those individuals specified on Schedule 24 hereto) are not aware of any claims that Sellers are not entitled to the use of any easement or rights-of-way with respect to any portion of the pipeline system constituting part of the Gathering System, the Refinery, or the Wilmington Terminal or of any reason (except as may be related to any easement or right-of-way requiring third party consent to the transfer to Buyer contemplated hereunder) why Buyer may not continue to occupy and use such easements or rights-of-way in the same manner and with the same degree of enjoyment as that experienced by Sellers immediately prior to Closing.

6.3(B) All leases of assets used by Sellers (to the extent such leases are Assets hereunder) are valid, subsisting and in full force and effect, and Sellers or the respective lessors have not committed any material breach in the terms of any of said leases except for those which have been waived or cured and except for leases which are not material to the overall operation of the Refinery, the Wilmington Terminal or the Gathering System.

6.3(C) Attached hereto and marked Schedule 2D is a true and correct list of leases, easements and rights-of-way pertaining to the Gathering System, the Refinery or the Wilmington Terminal which require periodic payments in order to continue such leases, easements or rights-of-way in full force and effect, which Schedule also reflects the dates and amounts for each payment and the payee to whom such payments are to be made.

6.4 Except as stated in Schedule 11, one or more of the Sellers possess all the franchises, permits, licenses, patents, grants of authority, and contracts, governmental or otherwise, which are necessary for the overall operations of the Refinery, the Wilmington Terminal and the Gathering System as presently conducted and the absence of which would materially and adversely affect such overall operations. None of the Affiliates has received any written notice of infringement or breach of any of such franchises, permits, licenses, patents, grants of authority or contracts which remains uncured.

6.5 The making and performance of this Agreement by Sellers will not violate any provisions of any Federal, state or local laws or the articles or certificates of incorporation and by-laws of any of the Sellers and will not result in the breach or violation of, constitute a default under, or result in the creation of any lien, charge, or encumbrance upon any of the property or assets of any of the Sellers under any contractual agreement of any of them.

6.6 Except as stated in Schedule 12, no actions, suits or proceedings are pending or, to the knowledge of the managements of Sellers, threatened against any of the Affiliates which, if adversely resolved, would materially affect the overall operations of the Refinery, the Gathering System or the Wilmington Terminal or Sellers' abilities to consummate this Agreement.

6.7 Except as listed in Schedule 13, none of the Affiliates has received any written notice from an authorized governmental official asserting a claim that any of the Affiliates is in violation of any applicable Federal, state or local laws or regulations, which govern the operations of the Refinery, the Gathering System or the Wilmington Terminal, which remain uncured, and the enforcement of which in the event of a violation would materially and adversely affect the overall operations of the Refinery, the Gathering System or the Wilmington Terminal.

6.8 Except as specified under Section 14 or contemplated under Sections 1.3 or 5, no approvals or consents, governmental or otherwise, are required by reason of Sellers' execution and performance of this Agreement and all documents and actions required hereunder.

6.9 All of the Assigned Contracts which are material to the overall operations of the Refinery, the Gathering System or the Wilmington Terminal are valid and subsisting, and neither Sellers nor, to the knowledge of the managements of Sellers, any other party thereto is in default thereunder in any material respect, and Sellers are unaware of any claims of default against them thereunder.

6.10 No strikes by groups of Transferred Employees are pending or threatened against any of the Sellers.

6.7 Except as listed in Schedule 13, none of the Affiliates has received any written notice from an authorized governmental official asserting a claim that any of the Affiliates is in violation of any applicable Federal, state or local laws or regulations, which govern the operations of the Refinery, the Gathering System or the Wilmington Terminal, which remain uncured, and the enforcement of which in the event of a violation would materially and adversely affect the overall operations of the Refinery, the Gathering System or the Wilmington Terminal.

6.8 Except as specified under Section 14 or contemplated under Sections 1.3 or 5, no approvals or consents, governmental or otherwise, are required by reason of Sellers' execution and performance of this Agreement and all documents and actions required hereunder.

6.9 All of the Assigned Contracts which are material to the overall operations of the Refinery, the Gathering System or the Wilmington Terminal are valid and subsisting, and neither Sellers nor, to the knowledge of the managements of Sellers, any other party thereto is in default thereunder in any material respect, and Sellers are unaware of any claims of default against them thereunder.

6.10 No strikes by groups of Transferred Employees are pending or threatened against any of the Sellers.

6.11 A true and correct copy of the contract for the sale and purchase of natural gas between Suntide, as assignee of the original buyer thereunder, and Exxon Corporation (or one of its subsidiaries), as successor to the original seller thereunder, dated June 15, 1964, including all amendments, modifications or additions to date, is attached hereto as Exhibit XIX. Such contract constitutes a valid and binding obligation of Exxon Corporation (or one of such subsidiaries); the price for natural gas sold pursuant to the terms of such contract is nineteen and three-quarters cents (19-3/4¢) per million B.T.U.; reimbursement for increased taxes pursuant to Article VIII of such contract for the most recent monthly period was approximately $1,600 per month; the contract shall be and is freely assignable by Suntide to Buyer or any subsidiary of Buyer without the consent or other action on the part of Exxon Corporation; there has been no material default on the part of Exxon Corporation and no breach or default on the part of Suntide of any terms, provisions or conditions of such contract which would give rise to any right of termination, cause of action, counterclaim or set-off by Exxon Corporation against Suntide or any assignee contemplated above.

6.12 Except as disclosed herein or in any Schedule hereto, the managements of Sellers are not aware of any claim asserted or intended to be asserted against Sellers by a third party which, if successfully enforced against Buyer, would prevent Buyer, in any material respect, from operating the Refinery, the Gathering System or the Wilmington Terminal in substantially the same manner as currently operated by Sellers.

6.13 To the best knowledge of the managements of Sellers, there are no material facts or circumstances concerning the current operations of the Refinery, the Wilmington Terminal or the Gathering System not disclosed to Buyer which should be disclosed to Buyer in order to make any of the representations and warranties made on the part of Sellers herein not misleading in any material respect; provided that no representation or warranty is made herein or in any other provision of this Agreement concerning the profitability of the Assets, the sources of supply to the Assets, the markets for the Refinery's products, or the capabilities and condition of the equipment included in the Assets.

6.14 Sellers (including for such purpose Sun and its direct and indirect subsidiaries) do not have any intention to manufacture, market or distribute any of the products listed on Schedule 5A, it being the intention of the Sellers that they are transferring to Buyer all of Sellers' (including for such purpose Sun and its direct and indirect subsidiaries) current business of manufacturing, marketing and distributing the products listed on Schedule 5A including all good will and all proprietary trade secrets and know-how associated therewith to the extent reflected in a written form (which writings will be delivered to Buyer in a complete and up-to-date form at or promptly after Closing), to the end that Buyer will enjoy the benefits of such business in the same manner and to the same degree as Sellers have enjoyed prior to Closing. During the three (3) months after the Closing Date, Sellers shall give Buyer access to appropriate employees of Suntech Inc. ("Suntech"), as designated by Buyer, to discuss such trade secrets and know-how and Suntech's prior fine and pseudo chemical research relating to the products listed on Schedule 5A. To the extent materials provided to Buyer under this Section consist of proprietary trade secrets and know-how, Sellers shall (and Sellers shall cause Sun and its direct and indirect subsidiaries to) keep the same confidential and will not use such information or reveal it to others until such time as such information becomes generally known. However, to the extent such proprietary trade secrets or know-how become part of the public domain or become known to Sellers (or Sun or its direct and indirect subsidiaries) from third parties without any confidentiality duty to Buyer concerning said proprietary trade secrets or know-how, Sellers (or Sun or its direct and indirect subsidiaries) may use such proprietary trade secrets or know-how.

7. Representations and Warranties of Buyer.

Buyer represents and warrants to Sellers:

7.1 Buyer is a corporation duly organized, existing and in good standing under the laws of the State of Kansas; it has the corporate power and authority to carry on its business as now conducted; and it is duly qualified or registered to do business as a foreign corporation and is in good standing in the States of Texas and North Carolina.

7.2 Buyer has the corporate power and authority to enter into and to perform this Agreement and all documents and actions required hereunder; all corporate proceedings necessary for execution and performance of this Agreement and all documents and actions required hereunder have been taken; and this Agreement and all of such documents have been duly executed and delivered and constitute the valid and binding obligations of Buyer enforceable in accordance with their terms.

7.3 Buyer has the ability to obtain by the Closing Date sufficient funds to pay the purchase price for the Assets at the Closing and any adjustments payable pursuant to Section 3.4, and between the date of this Agreement and the Closing Date Buyer will not undertake any actions which would prevent it from obtaining such funds.

7.4 No actions, suits or proceedings are pending or, to the best of the knowledge of Buyer's management, are threatened against it which, if adversely resolved, would materially affect its ability to consummate this Agreement.

7.5 The making and performance of this Agreement by Buyer will not violate any provisions of any Federal, state or local laws or the articles or certificate of incorporation and by-laws of Buyer and will not result in the breach or violation of any contractual agreement of Buyer.

8. Conditions Precedent for Closing by Sellers.

The obligations of Sellers to be performed at the Closing, at the option of Sellers, are subject to the following conditions:

8.1 Sellers shall have received a resolution of the Board of Directors of Buyer, satisfactory to Sellers' counsel and certified by the Secretary or Assistant Secretary of Buyer, authorizing Buyer's execution, delivery and performance of this Agreement.

8.2 All of the representations and warranties stated in Section 7 shall be true and correct in all material respects as of the Closing Date and Buyer shall have performed or complied in all material respects with all of its obligations under this Agreement which are to be performed or complied with as of the Closing Date. Sellers shall have received a certification to such effect to the best of the knowledge, after due investigation, of an appropriate officer of Buyer, dated the Closing Date.

8.3 The applicable waiting period required under the H-S-R Act shall have expired or been terminated.

8.4 On the Closing Date, the consummation of the transactions contemplated by this Agreement shall not be subject to an injunction or restraining order (or threat thereof by a governmental agency which is evidenced by a writing or confirmed to Buyer orally by an authorized representative of the agency making the threat).

8.5 Sellers shall have received a written opinion, dated as of the Closing Date, from Buyer's Vice President - Legal Affairs addressed to Sellers (which shall be in a form reasonably satisfactory to Sellers' counsel) and who may rely on opinions of local or house counsel and certificates of public officials, that:

(A) Buyer is a corporation duly organized, existing and in good standing under the laws of the State of Kansas; it has the corporate power and authority to carry on its business as now conducted; and it is duly qualified or registered to do business as a foreign corporation and in good standing in the States of Texas and North Carolina.

(B) Buyer has the corporate power and authority to enter into and to perform this Agreement and all documents and actions required hereunder; all corporate proceedings necessary for the execution and performance of this Agreement and all documents and actions required hereunder have been taken; and this Agreement and all of such documents have been duly executed and delivered and constitute the valid and binding obligations of Buyer enforceable in accordance with their terms.

(C) The making and performance of this Agreement by Buyer do not violate any provisions of any Federal, state or local laws known to such counsel or Buyer's articles of incorporation and by-laws and do not result in the breach or violation of or constitute a default under any contractual agreement of Buyer known to such counsel after making a reasonable inquiry into such matters.

(D) No actions, suits, proceedings are pending or, to the best of such counsel's knowledge, are threatened against Buyer which, if adversely resolved, would materially affect Buyer's ability to consummate this Agreement.

(E) No approvals or consents, governmental or otherwise, are required by reason of Buyer's execution and performance of this Agreement and all documents and actions required hereunder.

8.6 All consents of third parties necessary for the transfer to Buyer of the contracts and other rights specified on Schedule 3B shall have been obtained on or before the Closing Date or other alternative arrangements shall have been made to the satisfaction of Sellers.

8.7 Sellers shall be satisfied as to arrangements for their continued access after the Closing to the Mobil and Coastal States facilities through the so-called "Burner Cargo" pipeline being retained by Sellers hereunder.

9. <u>Conditions Precedent for Closing by Buyer</u>.

The obligations of Buyer to be performed at the Closing, at the option of Buyer, are subject to the following conditions:

9.1 Buyer shall have received resolutions of the Board of Directors of each of the Sellers and the stockholder of Suntide, satisfactory to Buyer's counsel and certified by the Secretary or Assistant Secretary of the respective Seller, authorizing the respective Seller's execution, delivery and performance of this Agreement.

9.2 All of the representations and warranties of Sellers stated in Section 6 shall be true and correct in all material respects as of the Closing Date and Sellers shall have performed or complied in all material respects with all of their obligations under this Agreement which are to be performed or complied with as of the Closing Date. Buyer shall have received a certification to such effect to the best of the knowledge, after due investigation, of each of the individuals listed on Schedule 24, dated the Closing Date (which certification may be limited to the representations and warranties indicated next to the name of the respective individual listed on Schedule 24).

9.3 The applicable waiting period under the H-S-R Act shall have expired or been terminated.

9.4 On the Closing Date the consummation of the transactions contemplated by this Agreement shall not be subject to an injunction or restraining order (or threat thereof by a governmental agency which is evidenced by a writing or confirmed to Sellers orally by an authorized representative of the agency making the threat).

9.5 Buyer shall have received a written opinion, dated as of the Closing Date, from the General Counsel of Sun addressed to Buyer, (which shall be in a form reasonably satisfactory to Buyer's counsel) and who may rely on opinions of local or house counsel and on certificates of public officials (and provided that such opinion may be qualified to the effects set forth in the preamble to Section 6), that:

(A) Sellers are corporations duly organized, existing, and in good standing under the laws of the State of Delaware, in the case of Suntide, and of the Commonwealth of Pennsylvania, in the case of Sun Oil and SPL; they have the corporate power and authority to carry on their businesses as now conducted; and they are duly qualified or registered to do business as foreign corporations and in good standing in the State of Texas and also in the State of North Carolina, in the case of Sun Oil.

(B) Sellers, Sun and each of Sun's direct and indirect subsidiaries which are parties to the agreements with Buyer which are Exhibits hereto have the corporate power and authority to enter into and to perform this Agreement, such other agreements and all documents and actions required by them hereunder and thereunder; all of their corporate proceedings, including any and all necessary stockholder approvals, necessary for the execution and performance of this Agreement; such other agreements and all documents and actions required by them hereunder have been taken; and this Agreement and such documents have been duly executed and delivered and constitute the valid and binding obligations of the Sellers enforceable in accordance with their terms.

(C) The making and performance of this Agreement by Sellers do not violate any provisions of any

Federal, state or local laws known to the General Counsel or Sellers' articles or certificates of incorporation and by-laws and do not result in the breach or violation of, constitute a default under, or result in the creation of any lien, charge, or encumbrance upon any of Sellers' property or assets under any contractual agreement of them known to the General Counsel after making a reasonable inquiry concerning such matters.

(D) Except as stated in Schedule 12, no actions, suits, or proceedings are pending or, to the best of General Counsel's knowledge, are threatened against Affiliates which, if adversely resolved, would materially affect the overall operations of the Refinery, the Gathering System or the Wilmington Terminal or Sellers' abilities to consummate this Agreement.

(E) Except as stated in Section 14, or as contemplated in Sections 1.3 or 5, no approvals or consents, governmental or otherwise, are required by reason of Sellers' execution and performance of this Agreement and all documents and actions required hereunder.

9.6 All consents of third parties necessary for the transfer to Buyer of the contracts and other rights specified on Schedule 3B shall have been obtained on or before the Closing Date or other alternative arrangements shall have been made to the satisfaction of Buyer.

10. Investigations by Buyer and Access After Closing.

10.1 Prior to the Closing Date, Buyer shall have the right to undertake the investigations specified herein to confirm the accuracy and completeness of the representations and warranties made by Sellers in Section 6 and compliance with the covenants made by Sellers in Section 12. The results of such inquiries, observations, and information shall be subject to the existing Confidentiality Agreement made by the parties by that certain letter from Warburg, Paribas and Becker Incorporated, dated April 10, 1981 and accepted by Buyer on April 15, 1981 (the "Confidentiality Letter"). For such purposes, (i) during normal office hours, Buyer and its authorized representatives may inspect the assets, facilities, contracts, and operational data concerning the Refinery, the Wilmington Terminal and the Gathering System, and (ii) during all times, Buyer and its authorized representatives may observe the operations of the Refinery, the Wilmington Terminal and the Gathering System. Notwithstanding the foregoing, Sellers shall not be under any obligation to disclose to Buyer prior to the Closing Date those items specified as documents to be retained on Schedule 22.

10.2 Subject to Section 10.3, Sellers, Sun, and their respective authorized representatives shall have the right after the Closing Date, upon reasonable prior notice, during normal business hours and for reasonable purposes related to their respective prior interests in the Assets to make copies and extracts of and otherwise to audit and review the originals of the records, documents and files relating to the Assets and the Transferred Employees and also to examine, make copies and extracts of and otherwise to audit and review contracts, leases, licenses, process rights and other agreements assigned, transferred, or delivered to Buyer and records relating thereto to the extent such records cover periods prior to the Closing Date.

10.3 On the Closing Date, Sellers shall provide to Buyer the original or copies of records, files, and other documents specified as documents to be transferred on Schedule 22, but Sellers shall not be required to provide to Buyer any originals or copies of any documents specified as documents to be retained on Schedule 22.

10.4 Buyer shall retain the original records, files and other documents concerning the Assets, which the Affiliates may transfer to Buyer, in accordance with applicable law and Buyer's practices currently in effect, and as they may be changed by Buyer from time to time, with respect to its other records, files and other documents of similar nature to those referred above, but, except as otherwise provided in this Agreement, Buyer shall have no obligation or duty to retain same for any period greater than it is legally required to keep or normally keeps such records. Buyer shall release to Sellers, Sun or their respective agents, at the sole expense of the Affiliates, such records which Sellers or Sun may request at least thirty (30) days prior to the date when such records would normally be destroyed under Buyer's practices and Buyer shall notify Sellers of Buyer's intention to destroy such records not less than one hundred twenty (120) days prior to such destruction.

11. Limitations of Liability. Except as specifically provided in the last sentence of this Section, none of the representations and warranties of Sellers shall survive the Closing nor shall Sellers have any liability after the Closing with respect thereto. Buyer's sole right, if Closing does not occur, as to any misrepresentation or breach of warranty by Sellers shall be to terminate this Agreement pursuant to Section 16. Notwithstanding the preceding sentences of this Section 11, (i) the representations and warranties of Sellers hereunder shall survive the Closing if and to the extent any of the individuals identified on Schedule 24 hereto knew on or before the Closing Date, and withheld such knowledge from Buyer with intent to deceive, that any such representation and warranty was not true and

correct in any material respect, (ii) the representations and warranties of Sellers contained in Section 6.11 shall survive the Closing for a period of thirty-eight (38) months from the Closing (and, in this connection, it is expressly agreed that if Sellers' representations in Section 6.11 are not true and correct with the result that Buyer is not able to enjoy the full benefit of the natural gas contract referred to therein, the liability of Sellers shall be measured by the increased costs incurred by Buyer as a result thereof, which liability shall be computed without regard to the amount of the purchase price allocated to such contract in Schedule 16), and (iii) the representations and warranties in Section 6.14 shall survive the Closing, and (iv) Sellers' representation in Attachment A shall survive Closing until receipt of a favorable determination by the Internal Revenue Service regarding the tax qualified status under Section 401 of the Code of the Suntide Plan (as described in Section 13.6).

12. Operations Prior to Closing.

12.1 Until the Closing Date, unless Buyer otherwise consents, Sellers

(A) shall conduct the operations of the Assets in their usual and ordinary course of business;

(B) shall not create, permit, or suffer the creation of any liens, security interests, or other encumbrances on the Assets except in the ordinary course of business (any liabilities relating to any such liens, security interests or other encumbrances on the Assets shall be paid by the parties as contemplated in Section 4.4) or in any way arising out of the borrowing of money;

(C) shall not make any capital or major expenditures or incur any obligations for capital or major expenditures except as provided in Section 12.2;

(D) shall not sell, lease, transfer, or otherwise dispose of any substantial part of the Refinery, the Undeveloped Land, the Wilmington Terminal or the Gathering System or discontinue or liquidate any substantial part of their operations and;

(E) shall not enter into new or revised labor agreements (except amending the signatories to such agreements), revise the compensation of its employees (except ordinary merit salary raises as they become due and the implementation of a new merit salary budget), or revise its complement except in the ordinary course of business.

12.2 Until the Closing Date, Sellers shall continue in the ordinary course of business to make the capital and major expenditures as listed in Schedule 15.

12.3 Until the Closing Date, Sellers shall be entitled to transfer the Assets among themselves.

12.4 Notwithstanding anything herein, Sellers shall not be required to transfer to Buyer and Buyer shall not be required to assume any contracts or other agreements solely between or among Sellers, Affiliates and other direct or indirect subsidiaries of Sun except for such contracts which are listed on Schedule 23.

12.5 Sellers shall not enter into any lease, contract or agreement (excluding any purchase orders for less than ten thousand dollars ($10,000) each) which shall be an Assumed Obligation which, in any combination thereof, result in the aggregate to more than two hundred thousand dollars ($200,000) without consent of Buyer, which consent shall not be unreasonably withheld.

13. Personnel.

13.1 Buyer shall hire and offer continued employment with Buyer or shall cause its subsidiaries to offer employment to all of the Transferred Employees. Buyer shall use its best efforts to retain the Transferred Employees for a period of not less than twenty-four (24) months from the Closing Date (hereinafter the "Protected Period") and shall not terminate the employment of any such Transferred Employees during such Protected Period other than for reasonable cause.

Buyer shall use its best efforts to provide responsibilities to each Transferred Employee at a level substantially similar to his responsibilities as of the Closing Date. The rate of compensation for each Transferred Employee during the Protected Period shall be not less than his rate of compensation on the Closing Date. After the Protected Period, Buyer shall not discriminate against any Transferred Employee as to conditions of employment and job responsibilities on account of such Transferred Employee's service with Sellers prior to the Closing Date.

13.2 As of the Closing Date, the Transferred Employees shall be eligible to participate in the Koch Industries Employees' Pension Plan ("Buyer's Pension Plan") upon the completion of service (calculated to include service as provided herein) sufficient to satisfy the participation requirements of Buyer's Pension Plan. Buyer shall amend Buyer's Pension Plan to provide:

(A) credited service (as defined under Buyer's Pension Plan) with respect to periods of service prior to the Closing Date for benefit accrual, eligibility and vesting purposes on behalf of the Transferred Employees to the same extent provided under the Sun Company, Inc. Retirement Plan (the "Sellers' Retirement Plan"); and

(B) early retirement benefits (calculated using the normal retirement formula contained in Buyer's Pension Plan, amended to reflect the changes described herein) on behalf of the Transferred Employees who attain age 55 with 10 years of service. In the case of a Transferred Employee who retires after age 55, but prior to age 60, his benefits shall be reduced by 5/12% for each full month early retirement precedes age 60. In the case of a Transferred Employee who retires on or after age 60, but prior to age 65, there will be no reduction in benefits; and

(C) a minimum benefit equal to the benefit provided under the Suntide Plan (as described in Section 13.6). In the event the Suntide Plan is (i) merged into Buyer's Pension Plan (or any other tax qualified pension plan maintained by Buyer) or, (ii) assets are to be contributed directly to Buyer's Pension Plan (or to any other tax qualified plan maintained by Buyer) upon an adverse determination by the Internal Revenue Service on the tax qualification of the Suntide Plan (as described in Section 13.7), or (iii) upon termination of the Suntide Plan, such minimum benefit shall be maintained under Buyer's Pension Plan.

13.3 As of the Closing Date, the Transferred Employees shall be eligible to participate in the Koch Industries Employees' Savings Plan ("Buyer's Savings Plan"), upon the completion of service (calculated to include service as provided herein) sufficient to satisfy the participation requirements of the Buyer's Savings Plan. Buyer shall also amend Buyer's Savings Plan to provide that: (i) credited service (as defined under Buyer's Savings Plan) for purposes of eligibility and vesting on behalf of the Transferred Employees under Buyer's Savings Plan shall be measured from the date each Transferred Employee commenced employment with Sellers, and (ii) employee contributions under Buyer's Savings Plan shall be increased to a level equal to 6% of compensation (as defined thereunder) and matching employer contributions shall be at a level equal to 50% of the employee contributions.

Buyer shall accept a transfer of account balances maintained on behalf of the Transferred Employees in the Sellers' Savings Program of the Stock Purchase and Savings Plan for Employees of Sun Company, Inc. and Subsidiaries ("Sellers' Savings Plan"). Thereafter Buyer shall administer such assets in accordance with the terms of Buyer's Savings Plan, except that the transferred account balances shall remain at all times fully vested.

13.4 Buyer shall amend its respective welfare plans or programs (or take such other action as may be necessary) to provide the Transferred Employees with:

(A) vacation, holiday and short-term disability benefits equivalent to those provided by Sellers, and where applicable, treat such employment with Sellers under such plans or programs the same as if such employment had been with Buyer. With respect to vacation benefits, Buyer shall not be responsible for accumulated vacation benefits earned by the Transferred Employees on account of employment with Sellers prior to the Closing Date, but not taken as of that date; and

(B) post-retirement death benefits equal to a $5000 lump sum payment, payable to the designated beneficiaries of the Transferred Employees; and

(C) post-retirement medical benefits commencing at age 65 equal to those medical benefits to which the Transferred Employees would have been entitled under Sellers' post-retirement medical benefit plan in effect on behalf of the Transferred Employees immediately prior to the Closing Date. Post-retirement medical benefits commencing prior to age 65 shall be provided under Buyer's Group Medical Plan; and

(D) Buyer shall provide additional compensation or similar benefits to those eligible Transferred Employees which in the aggregate are equal to the compensation which would have been provided to such Transferred Employees under Sellers' 1981 1% Bonus Program, the Middle Management Bonus Program and the Christmas Gift Program in effect immediately prior to the Closing Date.

13.5 Except as provided herein, Buyer shall continue the 12-hour work shift already in place and all other work practices, terms and conditions of employment in effect on behalf of the Transferred Employees immediately prior to the Closing Date. Buyer may alter such practices, terms and conditions only as long as such alterations do not have a material adverse impact upon the Transferred Employees.

13.6 On or before the Closing Date, Sellers shall adopt the "Retirement Plan for Former Employees of Suntide Refining Company and Certain Affiliates" (the "Suntide Plan"). As of the Closing Date, the Suntide Plan will provide benefits, and shall be funded by Sellers from whatever source it chooses, with an amount equal to: (i) the present value of the Accrued Benefit accrued by the Transferred Employees as of the Closing Date under the Sellers' Retirement Plan, calculated under the actuarial methodologies and assumptions stated in Attachment A hereto; plus (ii) the present value of a cost of living adjustment to the Accrued Benefit set forth in (i) above, equal to 6-3/4%, compounded annually from the Closing Date to the earlier of the date of death, termination or retirement of the Transferred Employees under the Suntide Plan. Such present value of the cost of living adjustment shall be calculated under the actuarial methodologies and assumptions stated in Attachment A hereto. The funding described herein shall be conditioned upon a favorable determination pursuant to a request undertaken by Buyer, as described in Section 13.7, from the Internal Revenue Service that the Suntide Plan is qualified under Section 401 of the Code.

13.7 As of the Closing Date, Buyer shall assume the Suntide Plan. As soon as practicable after the Closing Date, Buyer will obtain a determination from the Internal Revenue Service that the Suntide Plan is qualified under Section 401 of the Code. Buyer shall use its best efforts to obtain a favorable determination. Should Buyer receive an adverse determination concerning the Suntide Plan, all amounts contributed by Sellers or transferred from the Sellers' Retirement Plan to the Suntide Plan shall be returned to Sellers or Sellers' Retirement Plan, as the case may be, within one year of such denial of qualification. Thereafter, Sellers shall transfer amounts equal to the amounts described in Section 13.6 to Buyer's Pension Plan.

13.8 Sellers shall transfer the account balances maintained on behalf of the Transferred Employees in Sellers' Savings Plan as of the Closing Date to Buyer's Savings Plan.

Any such transfers shall be accomplished within a reasonable time after the date of this Agreement, but not later than nine months after the Closing Date.

13.9 Sellers shall pay, or make provision for payment of, accumulated vacation benefits earned by the Transferred Employees on account of employment with Sellers prior to the Closing Date, but not taken as of that date.

13.10 On or after the Closing Date, Buyer may, at its option and expense, adopt life insurance, long-term disability and medical insurance plans identical to those in effect for the Transferred Employees prior to the Closing Date. Sellers will administer said plans as Buyer's agent, at Buyer's request and Buyer's expense, through December 31, 1981.

13.11 After the Closing Date, Suntide or one of the other Affiliates will continue to be responsible for the administration of the account balances for those Transferred Employees who participated in the "Stock Purchase Program of the Stock Purchase and Savings Plan for Employees of Sun Company, Inc. and Subsidiaries," (the "Stock Purchase Program"), the "Sun Company, Inc. Tax Reduction Act Employee Stock Ownership Plan" (the "Sun TRASOP") and the frozen "Employee's Savings Plan for Employees of Sun Ray DX Oil Co." ("the DX Plan"). Sellers will identify to Buyer such

Transferred Employees and Buyer shall furnish Sun on a continuing basis with such information concerning the employment status and addresses of such Transferred Employees as Sun may reasonably request pursuant to its administration of the Stock Purchase Program, the Sun TRASOP and the DX Plan.

14. Governmental Compliance.

14.1 Buyer and Seller have filed separate Hart-Scott-Rodino Pre-Merger Notifications with the Federal Trade Commission and the Antitrust Division of the Department of Justice as required under the H-S-R Act and will use due diligence to comply with all reasonable requests for information which may be made by the FTC or the Department of Justice.

14.2 On or before the Closing Date, and effective upon Closing, Buyer will publish its tariffs for the transportaton of crude oil through the Gathering System.

15. Tax Allocation. No part of the purchase price or other consideration paid by Buyer shall be allocated to, or otherwise deemed paid in consideration of, any of the contracts and agreements executed and delivered as contemplated by this Agreement and all of such purchase price and other consideration shall be allocated to the Assets in accordance with Schedule 16. After the Closing Date, Schedule 16 shall be amended by Buyer and Sellers to reflect any adjustments

which may be necessary to take account of differences in actual Asset values as of the Closing Date from those as of August 31, 1981 (from which Schedule 16 is derived). Such differences in actual Asset values shall be determined based on Sellers' books of account as of August 31, 1981 and as of the Closing Date.

16. Termination.

16.1 This Agreement may be terminated through written notice to the other party prior to the Closing Date by:

(A) mutual consent of Buyer and Sellers;

(B) Buyer or Sellers after November 13, 1981, if the Closing has not occurred on or prior to such date;

(C) Sellers, if any of the conditions specified in Section 8 is not met or waived on or before the Closing Date or if Buyer shall have failed to perform as and when required any of its obligations hereunder on or before the Closing Date;

(D) Buyer, if any of the conditions specified in Section 9 is not met or waived on or before the Closing Date or if Sellers shall have failed to perform as and when required any of their obligations hereunder on or before the Closing Date;

(E) Buyer or Sellers if on or before the Closing Date the transactions contemplated by this Agreement are enjoined by a court of competent jurisdiction and such injunction is final, permanent, and non-appealable; and

(F) Buyer pursuant to Section 17.

16.2 Except as provided in Section 16.3, upon any such termination, this Agreement shall become null and void, and neither Buyer, Sellers, nor any of their respective parents, subsidiaries, affiliates, directors, officers, employees or agents shall have any responsibility or liability to the other under this Agreement.

16.3 Upon any such termination by Sellers under Section 16.1 because of Buyer's failure to perform any of its obligations hereunder as and when required or because the conditions precedent to Sellers' obligations hereunder which are set forth in Section 8 other than in Sections 8.3, 8.4, 8.6 and 8.7 thereof are not satisfied, Buyer shall forfeit and Sellers may retain the Ten Million Dollars ($10,000,000) paid pursuant to Section 3.2; unless such failure to perform or failure to satisfy conditions precedent is a result of the existence of threat of injunction or restraining order as contemplated by Section 8.4. Upon any other termination, such amount shall be returned to Buyer.

17. Material Event.

17.1 If between the date of this Agreement and the Closing Date a Material Event would occur, the respective Seller promptly shall notify Buyer concerning the occurrence and the magnitude of the damage, destruction or loss by condemnation. In such event Buyer may notify Sellers if it will complete the Closing or will terminate pursuant to Section 16.1(F). If Buyer shall not so elect and so advise Sellers, Buyer shall be deemed to have elected to complete the Closing as contemplated in Section 17.2.

17.2 If Buyer would elect to complete the Closing and to possess the Assets in that condition without a reduction in the purchase price, Sellers shall not have any liability to Buyer concerning the Material Event.

18. Notices.

18.1 All notices shall be considered as properly given if in writing and hand-delivered or sent by registered or certified United States Mail or filed with the telegraph company and in either instance shall be addressed to the party for whom intended at the following respective addresses:

TO SELLERS: Sellers c/o Sun Company, Inc.
100 Matsonford Road
Radnor, PA 19087

Attn: Senior Vice President
and General Counsel

TO BUYER: Koch Industries, Inc.
4111 E. 37th Street North
Wichita, Kansas 67201

Attn: Vice President -
Legal Affairs

18.2 The date of service of the notice, when served by mail, shall be the date on which said notice is received or, when served by telegraph, shall be the date on which said notice is filed with the telegraph company or when hand-delivered, shall be the date of delivery.

19. Assignment. This Agreement is not assignable or transferable by either party; provided, however, that Buyer, by written notice to Sellers at least three (3) Business Days prior to the Closing Date, may irrevocably designate Koch Refining Company or any of Buyer's wholly-owned subsidiary corporations as the transferees ("Buyer's Designees") of all or part of the Assets and Sellers shall undertake to effect transfer, conveyance and assignment of the Assets as so designated upon the condition that, as and to the extent elected by Sellers, Sellers receive from such Buyer's Designees appropriate representations and warranties, certifications of officers and written opinions of counsel, all of which shall be in substantially the same form as required of Buyer under this Agreement. Any such designation shall not limit or diminish the obligations and undertakings of Buyer under this Agreement and the documents related hereto, and

Buyer shall perform or cause Buyer's Designees to perform each and every of such obligations and undertakings.

20. <u>Further Undertakings</u>.

20.1 The parties hereto recognize that a forty (40) foot strip of land included within the Refinery Land has been heretofore dedicated as a public street and, subject to Buyer advising Seller of Buyer's election to proceed hereunder within six (6) months after the Closing Date, agree to jointly undertake diligent efforts to have the title thereto vest in Buyer. Each party shall bear its own expenses and costs incurred in the pursuit of such efforts; provided, however, in connection with such efforts Sellers shall reimburse Buyer for such appraised value as may be necessary to be paid by Buyer for such strip in order to vest title thereto in Buyer free and clear of any and all deficiencies in title thereto attributable to such dedication.

20.2 Sellers will deliver to Buyer at (or within 30 days after) the Closing Date all of Sellers' files pertaining to the products listed on Schedule 5A including all files pertaining to the patents listed on Schedule 7, all Suntech reports and memoranda which pertain to the research and development of such products and all copies of marketing information, market research and contact reports pertaining to such products, except that (i) Sellers do not guarantee to be able to locate or accumulate for Buyer all copies of documents which have been the subject of copying and distribution and (ii) with respect to laboratory notebooks and documents of a scope beyond the products listed on Schedule 5A, Sellers will provide to Buyer legible photocopies of such material.

20.3 For a period of thirty-six (36) months from and after the Closing Sellers will not compete, directly or indirectly, with Buyer in the manufacture, sale or distribution of the products listed on Schedule 5A (except for pseudocumene, durene and Sur Sol 290), and during such period Sellers will not purchase or commence construction of facilities needed for the manufacture of such products.

20.4 Sellers shall take all actions and bear all expenses necessary to clean up the spill of an estimated volume of two hundred ninety-two thousand (292,000) gallons of paraxylene at the Wilmington Terminal (the "Spill"). The Spill shall be deemed to have been cleaned up when an independent third party, selected by Sellers, certifies to Buyer that it is satisfactorily cleaned. Sellers shall be allowed access to the area of the Spill (for such clean-up activities, monitoring and testing) and shall be allowed to bring machinery, equipment and personalty useful in cleaning up the Spill onto the Wilmington Terminal Land and to leave such thereon as may be necessary. After Closing, Buyer shall make its employees available to Sellers, at Sellers' expense, to clean up the Spill.

20.5 Buyer shall indemnify, defend and hold Sellers harmless from and against any and all loss, cost, damage, expense (including attorneys' fees and court costs), fines, penalties, claims, suits or liability to any persons, entities or governments (including Buyer or Buyer's employees) attributed to events or omissions directly or indirectly caused by Buyer's conduct or omitted conduct in connection with the operation and utilization of the Assets after the Effective Time of Closing. For purposes of this Section, the term Buyer includes subsidiaries of Buyer.

20.6 Sellers shall indemnify, defend and hold Buyer and Buyer's Designees under Section 19 harmless from and against any and all loss, cost, damage, expense (including attorneys' fees and court costs), fines, penalties, claims, suits or liability to any persons, entities or governments (other than Buyer, Buyers' subsidiaries, their subsidiaries, affiliates, successors and assigns) attributed to events or omissions directly or indirectly caused by Sellers' conduct or omitted conduct in connection with the operation and utilization of the Assets prior to the Effective Time of Closing including, by way of example but not limitation:

(A) The Spill. (Sellers shall be responsible for timely and proper notification of governmental authorities and no part of this Agreement shall be construed or interpreted to imply on the part of Buyer any assumption of obligation, responsibility or liability with respect to the Spill, the damage allegedly resulting therefrom and potentially occurring in the future.)

(B) The creation, prior maintenance, and current existence of certain inactive waste sites notified and identified to the Environmental Protection Agency in May of 1981 commonly known as Carson Pit and Plummer Pit.

Sellers shall have no liability or obligation under this Section 20.6 except to the extent Sellers are liable to parties other than Buyer, Buyer's subsidiaries and affiliates and their successors and assigns on account of such conduct or omitted conduct (or would have been so liable had the claim been asserted directly against Sellers).

21. Miscellaneous Provisions.

21.1 This Agreement is deemed a Texas contract and shall be construed, governed by, and administered in accordance with the laws of the State of Texas.

21.2 Subject to provisions of this Section 21, all provisions, covenants, and agreements contained in this Agreement shall bind and shall inure to the benefit of the parties and their respective successors-in-interest and assigns whether so expressed or not.

21.3 This Agreement (including the Confidentiality Letter) represents the entire understanding of the parties, and supersedes and replaces all prior agreements, contracts, arrangements, and understandings between the Buyer and the Affiliates, concerning the sale and purchase of the Assets or any refinery (other than the Refinery) owned by any of the Affiliates. There are not any other terms, conditions, representations, or warranties, express or implied, written or oral, except as set forth herein and in the Confidentiality Letter. No amendments, modifications, or additions hereto will be binding unless they would be executed in writing by all of the parties.

21.4 If any portion of this Agreement should be adjudged illegal or unenforceable, the remainder of this Agreement shall continue to be enforceable.

21.5 The captions used in this Agreement are for reference purposes only and shall not affect the interpretation or meaning of this Agreement.

21.6 This Agreement may be executed simultaneously in one or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument.

21.7 Buyer and Sellers and their respective affiliates and agents shall not disclose this Agreement to any third parties except as required by law or as otherwise agreed in writing between the parties.

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21.8 Each party will pay its own expenses, including financial advisers, consultants, counsel, and public accountant's fees and expenses, incurred in any way concerning the sale and purchase of the Assets and shall indemnify the other party against any claim for a commission, brokerage or finder's fee asserted in connection with the sale and purchase of the Assets.

21.9 Between the date of this Agreement and the Closing Date or the date of any termination pursuant to Section 16, Sellers will not actively solicit or negotiate with others for other offers to purchase the Assets.

21.10 Nothing herein expressed or implied is intended, or shall be construed, to confer upon or provide to any person, firm or corporation, other than Affiliates and Buyer, Buyer's Designees and their respective successors and assigns, any rights or remedies under or by reason of any term, provision, condition, undertaking, warranty, representation or agreement contained in this Agreement.

21.11 Sellers, Buyer and Buyer's Designees each agree to execute and deliver such other and further instruments, documents, certificates and undertakings (and to provide such cooperation) as may be reasonably required from time to time in order to fully effectuate the provisions and purposes of this Agreement. Subsequent to the Effective Time of Closing, and from time to time, Sellers shall execute and deliver to Buyer any instruments, documents or certificates as may be reasonably required by Buyer (prepared by Buyer at Buyer's expense) to record specifically Buyer's interest in the Gathering System Real Property and in any other pipeline easements and rights-of-way to be transferred to Buyer hereunder; provided, however, that Sellers shall be reimbursed for any costs paid or incurred in connection therewith.

21.12 With respect to any claim by a third party after Closing in respect to which any of Sellers may have a liability to Buyer or any of Buyer's Designees under any provision hereof or in any document related hereto, Buyer shall promptly advise Sellers of the initiation of such a claim, shall exercise reasonable efforts in the defense thereof, and shall, at the request of Sellers and at their expense, permit Sellers to control the defense thereof. Any settlement or other disposition of any such claim shall be subject to the consent of Sellers. Buyer and Buyer's Designees shall also assert and prosecute such claims against third parties as may be necessary, appropriate or requested by Sellers to minimize any liability of Seller to Buyer or Buyer's Designees hereunder and Buyer and Buyer's Designees, at Sellers' expense, shall permit Sellers to control the assertion and prosecution of such claims. With respect to any claim by a third party after Closing in respect to which Buyer or any of Buyer's Designees may have a liability to any of Sellers under any provision hereof or in any document related hereto, the respective Seller shall promptly advise Buyer of the initiation of such a claim, shall exercise reasonable efforts in the defense thereof, and shall, at the request of Buyer and at its expense, permit Buyer to control the defense thereof. Any settlement or other disposition of any such claim shall be subject to the consent of Buyer. The respective Seller shall also assert and prosecute such claims against third parties as may be necessary, appropriate or requested by Buyer to minimize any liability of Buyer to Sellers hereunder and such Seller, at Buyers' expense, shall permit Buyer to control the assertion and prosecution of such claims. Each party shall take reasonable steps to mitigate any damages which may be owing hereunder.

IN WITNESS WHEREOF, the parties have duly executed this Agreement on the day and year first written above.

SUNTIDE REFINING COMPANY

By________________________________
Title:

SUN REFINING AND MARKETING COMPANY

By________________________________
Title:

SUN PIPE LINE COMPANY

By________________________________
Title:

KOCH INDUSTRIES, INC.

By________________________________
Title: