MUTUAL RELEASE AND SETTLEMENT AGREEMENT

This MUTUAL RELEASE AND SETTLEMENT AGREEMENT (the "Agreement") is entered into as of the 11th day of March, 1997 (the "Effective Date"), by and between MAFCO CONSOLIDATED GROUP INC., formerly Abex Inc ("MAFCO") and NEW ABCO HOLDINGS INC ("Abco" and, together with MAFCO, the "Abex Parties"), on the one hand, and KOLL REAL ESTATE GROUP, INC. ("KREG"), THE HENLEY
GROUP, INC. ("Henley III") and NEW HENLEY HOLDINGS INC ("New Henley Holdings" and, together with KREG and Henley III, the "KREG Parties"), on the other hand

RECITALS

This Agreement is made with respect to the following facts

1 The Abex Parties and the KREG Parties are currently in discussion over their respective rights, duties and obligations under a number of agreements, including (a) that certain Restated Transfer, Assignment, and Assumption Agreement (the "Assignment and Assumption Agreement") dated as of July 16, 1992, between New Henley Holdings and MAFCO, then known as Abex Inc , and (b) that certain Pension Agreement dated as of July 16, 1992, among KREG, then known as The Bolsa Chica Company, Henley III and MAFCO (the "Pension Agreement")

2. The discussion involves, among other matters, disputes arising over the following issues·

A New Henley Holdings alleges that MAFCO breached the Assignment and Assumption Agreement in failing to assume all liability and defense costs for past, present and future product liability or completed operations liability in respect of

(i) any of the businesses conducted by the passenger rail car operations of Pullman Incorporated ("Pullman"), or any affiliate, company or division thereof, which is or alleged to be the predecessor-in-interest or successor-in-interest to Pullman's passenger rail car operations ("Pullman Claims"),

(ii) any of the businesses conducted by the Pullman Passenger Car Company ("PPC"), or any affiliate, company or division thereof, which is or alleged to be the predecessor- in-interest or the successor-in-interest to any such business including, but not limited to, the claims listed in Exhibit 1 attached hereto (hereafter "PPC Claims") Mafco denies any such breach

A. MAFCO alleges that it has paid or received invoices for Uninsured Retention Liabilities (as defined in the Assignment and Assumption Agreement) in excess of the Casualty Reserve Limits set forth in Exhibit A to Schedule II of the Assignment and Assumption Agreement with respect to the Wolverine, TM Leasing-Miami and Bunker Ramo categories (collectively, the "Exceeded Categories"), the amount of such excess being approximately $96,000, $86,400, and $8,000
