

liability in respect of the business conducted by Nichols and Procon (collectively, the "Nichols/Procon Product Liability/Completed Operations Liability"), and shall indemnify, defend and hold harmless the KREG Parties, their shareholders, parents, subsidiaries and affiliates and the officers, directors, employees and agents of any of them from and against any and all claims, damage, loss, liability or expense (including without limitation reasonable attorneys' fees and expenses) arising out of or relating to any Nichols/Procon Product Liability/Completed Operations Liability

C. KREG shall cause Nichols to assume and reaffirm its assumption under the Assignment and Assumption Agreement all liability for the Belle Mead and Svedala claims and any and all past, present or future Nichols Environmental Claims, and the KREG Parties shall indemnify, defend and hold harmless the Abex Parties, their shareholders, parents, subsidiaries and affiliates and the officers, directors, employees and agents of any of them from and against any and all claims, damage, loss, liability or expense (including without limitation reasonable attorneys' fees and expenses) arising out of or relating to any Nichols Environmental Claims

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D KREG shall cause Procon to assume and reaffirm its assumption under the Assignment and Assumption Agreement all liability for Procon Workers Compensation Claims, and the KREG Parties shall indemnify, defend and hold harmless the Abex Parties, their shareholders, parents, subsidiaries and affiliates and the officers, directors, employees and agents of any of them from and against any and all claims, damage, loss, liability or expense (including without limitation reasonable attorneys' fees and expenses) arising out of or relating to any Procon Workers Compensation Claims

E Except for the Procon invoices described in paragraph C of the Recitals above, MAFCO hereby represents and warrants that it has no actual or constructive knowledge of any unpaid invoices with respect to any Procon Workers Compensation Claim through the Effective Date

F Notwithstanding the foregoing, MAFCO shall not seek reimbursement from the KREG Parties or Procon for the payment of \$139,000, and MAFCO shall pay the outstanding invoice of \$118,500, both of which relate to Procon Workers Compensation Claims, and neither KREG nor Procon shall have any liability for any amount paid by MAFCO with respect to the Procon Workers Compensation Claims received prior to December 31, 1996.

G. Nothing in this paragraph is intended as, or should be considered, an admission or concession that any party

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to this Agreement or any of their subsidiaries has any liability to any third party

10 Releases

A MAFCO's Special Release of KREG Except as specifically set forth in this Agreement, the Abex Parties hereby release and forever discharge the KREG Parties and all of their respective agents, employees, representatives, officers, attorneys and shareholders from any and all claims, disputes, demands, debts, liabilities, obligations, claims for indemnification, causes of action, suits and costs (including without limitation reasonable attorneys' fees and expenses), of whatever nature, character or