

SETTLEMENT AGREEMENT

This Settlement Agreement (the “Settlement Agreement”) is entered into as of April 20, 2010 by and among Equistar Chemicals, LP (“Equistar”), and Millennium Petrochemicals, Inc. (“MPI”), (collectively, the “Debtors”), Solutia Inc. (“Solutia”), Solutia Europe SPRL/BVBA (“Solutia Europe”) and Ascend Performance Materials LLC (“Ascend”) (collectively the “Parties”). Each of the Debtors enters into this Settlement Agreement as a debtor and debtor-in-possession.

WHEREAS, Equistar owns and operated a chemical manufacturing plant located on land near Alvin, Texas owned by Ascend and formerly owned by Solutia;

WHEREAS, certain Debtors commenced voluntary cases under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”) on January 6, 2009 (the “Petition Date”) in the United States Bankruptcy Court for the Southern District of New York (the “Bankruptcy Court”).¹ The Debtors’ chapter 11 cases are being jointly administered as In re Lyondell Chemical Company, et al., chapter 11 Case No. 09-10023 (REG) (the “Bankruptcy Case”);

WHEREAS, on January 16, 2009, Equistar filed an adversary complaint against Solutia in the Bankruptcy Court captioned Equistar Chemicals, LP v. Solutia Inc., Adversary Proceeding No. 09-01014 (the “Equistar Adversary Proceeding”);

¹ Additional Debtors commenced chapter 11 cases on April 24, 2009 under Case Numbers 09-12518 and 09-12519, and on May 8, 2009 under Case Numbers 09-12940 through 09-12955. On April 30, 2009, the Bankruptcy Court entered an interim order [Docket No. 1658] making certain orders and other pleadings entered or filed in the jointly administered Case Number 09-10023 applicable to the Case Numbers 09-12518 and 09-12519, and the Debtors have moved for similar relief for Case Numbers 09-12940 through 09-12955 [Docket No. 1693].

WHEREAS, on February 12, 2009, Equistar filed a Motion For Order Authorizing the (I) Long-Term Idling of the Chocolate Bayou Olefins Facility; (II) Rationalization of the Workforce at the Facility; and (III) Rejection of Certain Executory Contracts and Unexpired Leases Related to the Facility (the “Rejection Motion”) [Docket No. 708 as amended by Docket No. 894];

WHEREAS, on March 13, 2009, the Bankruptcy Court granted the Rejection Motion [Docket No. 1211];

WHEREAS, on March 13, 2009, MPI filed an adversary complaint against Solutia and Solutia Europe in the Bankruptcy Court captioned Millennium Petrochemicals Inc. v. Solutia Inc. and Solutia Europe SPRL/BVBA, Adversary Proceeding No. 09-01121 (the “MPI Adversary Proceeding”);

WHEREAS, on or about June 26, 2009, Ascend filed a proof of claim in the Bankruptcy Court against Equistar [Proof of Claim No. 4668];

WHEREAS, on or about June 30, 2009, Solutia filed a proof of claim in the Bankruptcy Court against Equistar [Proof of Claim No. 12501];

WHEREAS, on October 16, 2009, the Debtors filed their Motion for Order Pursuant to Section 554(a) of the Bankruptcy Code Authorizing the Debtors to Abandon Property at the Chocolate Bayou Plant (the “Abandonment Motion”) [Docket No. 3070];

WHEREAS, on October 27, 2009, Solutia and Ascend filed their Joint Objection to the Debtors’ Motion for an Order (I) Approving the Disclosure Statement; (II) Establishing Plan Solicitation, Voting and Tabulation Procedures; (III) Establishing Procedures for Participating in Rights Offering; and (IV) Scheduling a Hearing and

Establishing Notice and Objection Procedures for Confirmation of Debtors' Plan of Reorganization (the "Disclosure Statement Objection") [Docket No. 3135];

WHEREAS, on November 2, 2009, the Texas Commission on Environmental Quality ("TCEQ") issued a Notice of Enforcement to Equistar with respect to the Equistar Facility ("NOE");

WHEREAS, on November 17, 2009, Debtors filed their Fifteenth Tier I Omnibus Objection to Certain Incorrectly Filed Proofs of Claim Related to the Chocolate Bayou Facility [Docket No. 3279];

WHEREAS, on November 25, 2009, Solutia and Ascend filed a joint Motion for Allowance and Immediate Payment of Administrative Expenses [Docket No. 3334] (the "Administrative Expense Motion");

WHEREAS, on November 25, 2009, Solutia and Ascend also filed a joint Objection to Debtors' Abandonment Motion [Docket No. 3332];

WHEREAS, on March 3, 2010, TCEQ issued an Executive Director's Preliminary Report and Petition Recommending that the TCEQ Enter an Enforcement Order Assessing an Administrative Penalty Against and Requiring Certain Actions of Equistar with respect to the Equistar Facility ("EDPRP");

WHEREAS, on April 14, 2010, Ascend filed a Limited Objection to Confirmation of Debtors' Third Amended Joint Chapter 11 Plan of Reorganization And Reservation of Rights With Respect Thereto [Docket No. 4217], which Solutia joined [Docket No. 4221] (collectively, the "Limited Plan Objection");

WHEREAS, the Debtors have determined, in the exercise of their sound business judgment, that it is in the best interest of their estates and creditors to, among other

things, settle disputes and compromise certain claims with Solutia, Solutia Europe and Ascend in accordance with the terms set forth herein; and

WHEREAS, the Parties desire to enter into an agreement to resolve, in an orderly and consensual manner, the issues and disputes addressed in this Settlement Agreement.

NOW, THEREFORE, for and in sufficient consideration of the promises and mutual covenants contained herein, subject to approval of the Bankruptcy Court, the Parties hereby agree as follows:

1. Definitions. As used in this Settlement Agreement, the following terms have the respective meanings indicated below:
 - 1.1. “Boilers” means the two steam generating boilers at the Equistar Facility.
 - 1.2. “Business Day” means any day that is not a Saturday, Sunday or other day on which banks are required or authorized by law to be closed in the State of New York.
 - 1.3. “Chocolate Bayou Plant” means the chemical manufacturing complex owned by Ascend and located on FM Road 2917, approximately twelve miles south of Alvin in Brazoria County, Texas.
 - 1.4. “Claim” means any (a) right to payment, whether or not such right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, or unsecured; or (b) right to an equitable remedy for breach of performance, whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent, matured, unmatured, disputed, undisputed, secured, or unsecured.

- 1.5. “Consent Decree” means the Consent Decree entered by the United States District Court for the Northern District of Illinois in United States and the States of Illinois, Iowa and Louisiana v. Equistar Chemicals, LP, Civil Action No. 1:07-CV-4045, Docket No. 33 (N.D. Ill.).
- 1.6. “Decontamination” and “Decontaminate” when relating to equipment, tanks (including Distribution Tanks), vessels, units or materials (other than Piping) means (A) to clean and decontaminate to a level (i) at which no air permit is needed from TCEQ or any other environmental regulatory authority, (ii) such that the decontaminated equipment, tanks (including Distribution Tanks), vessels, units or materials can be left open to the atmosphere without violating applicable laws and allow human entry without personal protective equipment (“PPE”) (other than hard hats, gloves and standard eye and ear protection) regardless of whether human entry is physically possible given the size of the equipment, tanks (including Distribution Tanks), vessels, units or materials, and (iii) required for confined space entry (including removal of sludge, solids and residues) without PPE (other than hard hats, gloves and standard eye and ear protection) regardless of whether human entry is physically possible given the size of the equipment, tanks (including Distribution Tanks), vessels, units or materials, in each case of (i) through (iii), consistent with standard industry practice; and (B) the proper disposition in compliance with applicable laws and regulations of chemicals, materials, wastes and decontamination residues. “Decontamination” and

“Decontaminate” when relating to Piping means: (A) to clean and decontaminate to a level (i) at which no air permit is needed from TCEQ or any other environmental regulatory authority, (ii) such that the decontaminated Piping can be left open to the atmosphere at both ends without violating applicable laws and allow for human entry without PPE (other than hard hats, gloves and standard eye and ear protection) regardless of whether human entry is physically possible given the size of the Piping, (iii) required for confined space entry (including removal of sludge, solids and residues) without PPE (other than hard hats, gloves and standard eye and ear protection) regardless of whether human entry is physically possible given the size of the Piping, and (iv) that all verified line bleeds read “no flammables” and no chemicals remain in excess of applicable exposure levels, in each case of (i) through (iv), consistent with standard industry practice; and (B) the proper disposition in compliance with applicable laws and regulations of chemicals, materials, wastes and decontamination residues.

- 1.7. “Decontaminated Tank” means a Distribution Tank for which Decontamination has been completed, and as applicable, verified as Decontaminated pursuant to the terms of this Settlement Agreement.
- 1.8. “Decontamination Verification Procedures” has the meaning ascribed to such term in Section 6.1.

- 1.9. “Distribution Area” means the area of the Chocolate Bayou Plant in which Distribution Tanks (and other tanks owned by Ascend and Huntsman) are located in the western portion of the Chocolate Bayou Plant.
- 1.10. “Distribution Tanks” means all tanks owned by Equistar located in the Distribution Area.
- 1.11. “Effective Date” means the first date on which both the order entered by the Bankruptcy Court in the Bankruptcy Case approving this Settlement Agreement has become a Final Order and the conditions to the effectiveness of this Settlement Agreement set forth herein have been satisfied.
- 1.12. “Equistar Facility” means all property owned by Equistar (including buildings, Boilers, cooling towers, process units, vessels, tanks (including Distribution Tanks), Piping, Wastewater Pre-Treatment System, Propylene Bullets, water treatment system and chemicals) at the Chocolate Bayou Plant, which is subject to the Abandonment Motion.
- 1.13. “Equistar’s Side of the Fence” means the portion of the Equistar Facility to which Equistar controls ingress, egress and access. This area generally encompasses the portion of the Chocolate Bayou Plant north of F Street and east of 11th Street and excludes the Distribution Area.
- 1.14. “Final Order” means an order or judgment that has not been reversed, vacated or stayed and as to which (i) the time to appeal, to petition for a writ of certiorari or to move for a new trial, reargument or rehearing has expired and as to which no appeal, petition for a writ of certiorari or

motion for a new trial, reargument or rehearing shall then be pending; or (ii) if an appeal, writ of certiorari, new trial, reargument or rehearing thereof has been sought, such order or judgment shall have been affirmed by the highest court to which such order was appealed, or the petition for a writ of certiorari shall have been denied, or a new trial, reargument or rehearing shall have been denied or resulted in no modification of such order or judgment, and the time to take any further appeal, to petition for a writ of certiorari or to move for a new trial, reargument or rehearing shall have expired.

- 1.15. “Huntsman” means Huntsman Petrochemical LLC.
- 1.16. “Huntsman Tanks” means Equistar-owned tank nos. T246-1 and the two associated “run down” tanks nos. T245-1 and T245-2 (and all associated discharge, filling, metering equipment and other appurtenances) located in the Distribution Area.
- 1.17. “Hydrocarbons Unit” means that portion of the Equistar Facility that formerly produced hydrocarbon products, including all process units, catalysts, desiccants, vessels, tanks, Piping, equipment and chemicals which are the subject of the Abandonment Motion.
- 1.18. “Lease Agreements” means the Sublease Agreement dated June 9, 1987, between E.I. du Pont de Nemours and Company and Equistar (as successor in interest to Cain Chemical Inc.) and the Tank Sites Lease Agreement dated April 1987 between Solutia (as successor in interest to

Monsanto Company) and Equistar (as successor in interest to E.I. du Pont de Nemours and Company).

- 1.19. “Olefins Unit” means that portion of the Equistar Facility that formerly produced olefin products, including all process units, catalysts, desiccants, vessels, tanks, Piping, equipment and chemicals which are the subject of the Abandonment Motion.
- 1.20. “Person” means an individual, a corporation, a partnership, a limited liability company, a trust, an unincorporated association or a governmental authority.
- 1.21. “Piping” means all (i) pipes and piping to and from tanks owned by Equistar (including Distribution Tanks), including (a) pipes and piping from inside the battery limits of the Equistar Facility to Equistar owned tanks (including Distribution Tanks); (b) pipes and piping from Equistar owned tanks to the loading/unloading operations and control devices; and (c) transfer lines dedicated to Equistar owned tanks; and (ii) pipes and piping located at or dedicated to the Hydrocarbons Unit and/or Olefins Unit.
- 1.22. “Project” means the actions Equistar is required to perform pursuant to this Settlement Agreement, including the actions required under Sections 3 and 4.
- 1.23. “Propylene Contract” means the Amended and Restated Propylene Sales Agreement, dated as of June 12, 2007 between Equistar and Solutia.

- 1.24. “Sewer System” means the wastewater and stormwater conveyance system that conveys wastewater and stormwater from the Equistar Facility and Equistar’s Side of the Fence to the Wastewater Pre-Treatment System, including pipes, sumps, the corrugated plate interceptor and the “F&G Street separators.”
- 1.25. “Sewer System Cleaning and Closure Activities” means to clean and close the Sewer System, subject to the Sewer System Cleaning and Closure Activities Verification Procedures in Section 6, including the (i) vacuuming out of the sumps, the corrugated plate interceptor and the “F&G Street separators,” such that solids, liquids, sludges and residues are adequately removed from the Sewer System; (ii) flushing of the wastewater/sewer pipes; and (iii) grouting of the wastewater/sewer pipes inside the battery limits such that no stormwater or wastewater can enter the Sewer System.
- 1.26. “Sewer System Cleaning and Closure Activities Verification Procedures” has the meaning ascribed to it in Section 6.2.
- 1.27. “Sludge Ponds” means the two ponds on Equistar’s Side of the Fence that collect sludge from Ascend’s clarified water system identified as Unit 017 on Equistar’s Notice of Registration.
- 1.28. “Solid Waste Management Unit” means: (i) all solid waste management units listed on Equistar’s TCEQ Notice of Registration (SWR No. 32212); (ii) the following solid waste management units listed on Solutia/Ascend’s Notice of Registration (SWR No. 30138): item 063, wastewater pre-

treatment, including 316S1, 316S2, 316S3-1, 316S3-2, 316T3, 316T5, 316T6, 316T7, 316T131, 320T913 and 320T115; and (iii) tank 92T9.

1.29. “TPDES Permit” means Texas Pollutant Discharge Elimination System Permit Number WQ0000001000.

1.30. “Utilities and Services Agreement” means the Amended and Restated Utilities and Services Agreement, dated as of September 30, 1999, as amended by Amendment No. 1 dated June 12, 2007, by and between Equistar and Solutia.

1.31. “Wastewater Pre-Treatment System” means all wastewater pre-treatment/treatment units and tanks which are owned by Equistar and covered by the TPDES Permit upstream of Ascend’s biological treatment unit, including, without limitation, NESHAP separator 90S4, wet air oxidation units (94T10, 90T20, 94T20, 94R1, 94D9, 94T4, 94T23, 94T24), maintenance wastewater storage tank (92T9), NESHAP separators (20S1, 80S13), process water separators (316S1 and 316S2), wastewater storage tanks (316T6, 316T7, 316T3, 316T5, 316T131) and air strippers (316S3-1 and 316S3-2).

1.32. “Water Treatment Plant” means the facility used to treat water in order to produce boiler feedwater for the Boilers at the Equistar Facility.

2. Project Scope. Except as otherwise provided herein, and subject to the terms of this Settlement Agreement (including Section 9 and Schedules 9 and 10):
- (i) Equistar will complete the Project at Equistar’s sole cost and under Equistar’s sole supervision and control;
 - (ii) Equistar, in its sole discretion, may employ third

party contractors to perform tasks related to the Project; and (iii) such third party contractors shall conduct work under Equistar's sole supervision and control; provided, however, Equistar shall: (i) keep Ascend and Solutia reasonably apprised of the progress and ultimate completion of the Project; (ii) reasonably consult with Ascend and Solutia from time to time regarding the Project; and (iii) afford Ascend and Solutia a reasonable opportunity to participate in certain meetings and communications with governmental authorities as set forth in more detail below.

2.1. Equistar shall coordinate its execution of the Project and consult with Ascend: (i) as necessary to avoid (in so far as reasonably possible) any interference with, or disruption to, the business of Ascend or any other tenant of the Chocolate Bayou Plant; (ii) as necessary to ensure the safe and efficient execution of the Project; (iii) as otherwise contemplated by this Settlement Agreement; and (iv) as otherwise reasonably necessary.

2.2. Except as otherwise set forth in Schedules 9 or 10, Equistar's performance of the Project, or of its obligations, or exercise of its rights, in accordance with the terms of this Settlement Agreement shall not give rise to any claim by Ascend or Solutia in contract, tort, strict liability, warranty or otherwise, for any special, incidental or consequential damages, such as, but not limited to, delay, disruption, loss of product, loss of anticipated profits or revenue, loss of use of any equipment or system, non-operation or increased expense of operation of any equipment or system, cost of capital, or cost of purchase or replacement equipment systems or power.

Neither Ascend's nor Solutia's performance of their respective obligations or exercise of their respective rights in accordance with the terms of this Settlement Agreement shall give rise to any claim by Equistar in contract, tort, strict liability, warranty or otherwise for any special, incidental or consequential damages, such as, but not limited to, increased costs associated with suspension, delay or interruption of all or any part of the Project.

- 2.3. Except as set forth in Schedules 9 or 10, if the performance of all or any part of the Project is suspended, delayed, or interrupted due to any conduct of Ascend or Solutia, other than through the performance of their respective obligations or exercise of their respective rights in accordance with the terms of this Settlement Agreement, an adjustment shall be made for any significant increase in Equistar's cost of performance of the Project directly caused by the suspension, delay or interruption and any such increased costs shall be deducted from the Equistar payments set forth in Sections 10 and 11 of this Settlement Agreement.
3. Decontamination/Demolition of Olefins Unit, Hydrocarbons Unit, Wastewater Pre-Treatment System and Sewer System. No later than ten (10) Business Days after the Effective Date, Equistar shall commence work to Decontaminate the Olefins Unit and Hydrocarbons Unit (the "Project Commencement Date"). Promptly after the Project Commencement Date, Equistar also shall proceed with the Decontamination and demolition of the Olefins Unit and Hydrocarbons Unit, Decontamination and closure of the Wastewater Pre-Treatment System and the

Sewer System Cleaning and Closure Activities portion of the Project, which shall generally include three phases as described below. Equistar may, in its sole discretion, combine work on different Phases to achieve efficiencies in execution of the Project; provided, however, that any such combining of work on different Phases shall not have a significant adverse impact on Ascend's business, operations or obligations to other tenants at the Chocolate Bayou Plant or Ascend's ability to perform its obligations hereunder.

3.1. Phase 1. Equistar shall Decontaminate the Olefins Unit and the Hydrocarbons Unit (including completion of the Decontamination Verification Procedures set forth in Section 6 with the exception that the Decontamination Verification Procedures shall not apply to any equipment demolished and removed from the Chocolate Bayou Plant) in accordance with the terms and requirements set forth herein and in Equistar's project plan, which may be amended from time to time and which Equistar will share with Ascend and Solutia (the "Phase 1 Activities"). Equistar shall use commercially reasonable efforts to complete the Phase 1 Activities within six (6) months of the Project Commencement Date; provided that, if Equistar determines in good faith that the Phase 1 Activities are likely to take longer than the six month period notwithstanding its use of such commercially reasonable efforts, Equistar shall (i) notify Ascend and Solutia prior to expiration of such time frame of its estimated revised time frame for completion of the Phase 1 Activities and the basis of such

estimate; and (ii) use commercially reasonable efforts to complete the remaining Phase 1 Activities as soon as practicable thereafter.

- 3.2. Phase 2. Subject to Section 5 of this Settlement Agreement, Equistar shall: (i) demolish and remove from the Equistar Facility and Chocolate Bayou Plant, the cooling towers (located on Equistar's Side of the Fence), the Olefins Unit, the Hydrocarbon Unit and all vessels, Piping, tanks, equipment, chemicals, wastes, catalysts, desiccants, products and all other materials at the Olefins Unit and Hydrocarbon Unit to the level of the foundation or concrete pads ("Concrete Pads"); (ii) clean and Decontaminate the Concrete Pads (including any trenches) which will remain in-place; and (iii) commence closure of the Solid Waste Management Units in compliance with applicable environmental laws and regulations, and in each case, pursuant to Equistar's project plan, which may be amended from time to time and which Equistar will share with Ascend and Solutia (the "Phase 2 Activities"). Equistar shall use commercially reasonable efforts to complete the Phase 2 Activities within twelve (12) months of the Project Commencement Date; provided that, if Equistar determines in good faith that the Phase 2 Activities are likely to take longer than the twelve month period notwithstanding its use of such commercially reasonable efforts, Equistar shall (i) notify Ascend and Solutia prior to expiration of such time frame of its estimated revised time frame for completion of the Phase 2 Activities and the basis of such

estimate; and (ii) use commercially reasonable efforts to complete the remaining Phase 2 Activities as soon as practicable thereafter.

- 3.3. Phase 3. Prior to the implementation of sewer cleaning, but no later than 10 months after the Effective Date, Ascend shall ensure that all tanks in the Distribution Area owned by Ascend or any tenants at the Chocolate Bayou Plant (other than Equistar), including Distribution Tanks purchased by Ascend (after such Distribution Tanks have been Decontaminated) or its tenants, shall not have water draws routed to the Wastewater Pre-Treatment System. Equistar shall: (i) conduct and complete the Sewer System Cleaning and Closure Activities (including completion of the Sewer System Cleaning and Closure Activities Verification Procedures set forth in Section 6); (ii) Decontaminate the Wastewater Pre-Treatment System (including completion of the Decontamination Verification Procedures set forth in Section 6 with the exception that Decontamination Verification Procedures shall not apply to any equipment demolished and removed from the Chocolate Bayou Plant); (iii) complete the closure of the Wastewater Pre-Treatment System pursuant to the requirements of applicable environmental laws, regulations and permits, including 30 TAC Chapter 335.8 and the TPDES Permit (including completion of the Closure Verification Procedures set forth in Section 6); and (iv) complete the closure of the Solid Waste Management Units pursuant to applicable environmental laws and regulations, including 30 TAC Chapter 335.8 and the TPDES Permit (including completion of the Closure Verification

Procedures set forth in Section 6) (the “Phase 3 Activities”). Equistar shall use commercially reasonable efforts to complete the Phase 3 Activities within twenty-four (24) months of the Project Commencement Date; provided that, if Equistar determines in good faith that the Phase 3 Activities are likely to take longer than the twenty-four month period notwithstanding its use of such commercially reasonable efforts, Equistar shall (i) notify Ascend and Solutia prior to expiration of such time frame of its estimated revised time frame for completion of the Phase 3 Activities and the basis of such estimate; and (ii) use commercially reasonable efforts to complete the remaining Phase 3 Activities as soon as practicable thereafter.

4. Decontamination of Distribution Tanks and Piping.

- 4.1. Equistar shall Decontaminate all Piping and Distribution Tanks in accordance with the terms and requirements set forth herein and in Equistar’s project plan, which may be amended from time to time and which Equistar will share with Ascend and Solutia. Equistar shall commence such Decontamination activities no later than the Project Commencement Date.
- 4.2. Equistar shall use commercially reasonable efforts to: (i) empty and Decontaminate at least one or two (1-2) Distribution Tanks per month on average; provided, however, in no event shall the number of Distribution Tanks being Decontaminated at any one time have a significant adverse impact on Ascend’s business, operations or obligations to other tenants at

the Chocolate Bayou Plant or Ascend's ability to perform its obligations hereunder; and (ii) complete Decontamination of all of the Piping and Distribution Tanks (including completion of the Decontamination Verification Procedures set forth in Section 6) within twenty-four (24) months after the Project Commencement Date; provided that, if Equistar determines in good faith that such Decontamination is likely to take longer than the twenty-four month period notwithstanding its use of such commercially reasonable efforts, Equistar shall (i) notify Ascend and Solutia prior to expiration of such time frame of its estimated revised time frame for completion of such Decontamination and the basis of such estimate; and (ii) use commercially reasonable efforts to complete the remaining Decontamination as soon as practicable thereafter.

- 4.3. Once a Distribution Tank becomes a Decontaminated Tank, Equistar shall so notify Ascend and Solutia in writing ("Decontaminated Tank Notice"). Ascend shall notify Equistar in writing within ten (10) business days of receipt of a Decontaminated Tank Notice whether or not Ascend desires the permit(s) associated with such Decontaminated Tank to be transferred to Ascend. In the event Ascend does not request a transfer of the relevant permit(s), Equistar shall promptly terminate all permits associated with such Decontaminated Tank. In the event Ascend notifies Equistar that it desires a permit(s) to be transferred to Ascend, Equistar shall cooperate with Ascend and use commercially reasonable efforts to transfer such

permit(s) to Ascend and will allow Ascend to operate under its permit(s) until the transfer is complete subject to the indemnifications in Schedule 9.

- 4.4. Equistar shall use commercially reasonable efforts to prioritize the emptying and Decontamination of Distribution Tanks to (i) optimize liquid consolidation in the Distribution Area; (ii) minimize inspection, maintenance and other service requirements and associated costs; and (iii) minimize demands for the use of, or access to, barge-loading equipment (including the barge arm) and services to a period not to exceed sixty (60) consecutive calendar days (the “60-day Window”); provided, however, (i) in the event that Equistar requires the use of or access to the barge-loading equipment (including the barge arm) and services for a period that exceeds the 60-day Window notwithstanding its use of commercially reasonable efforts, Equistar shall notify Ascend in writing of such requirement prior to the expiration of the 60-day Window and Equistar shall pay Ascend \$5,000 per day for such use, access and services beyond the 60-day Window; (ii) Equistar shall provide Ascend with written notice no later than May 31, 2010 of the date upon which Equistar desires the 60-day Window to commence; and (iii) in no event shall Ascend be required to conduct any modifications, upgrades or improvements to the dock, barge arm or other equipment.

- 4.5. Subject to the requirements, conditions and specifications set forth in Schedule 4.5, Equistar shall: (i) be permitted reasonable use of the so-called “barge dock 4 area” (for a single barge at any given time), for

purposes of loading and unloading equipment to facilitate equipment access to the facility and removal of equipment/assets consistent with execution of the Project provided Equistar (and such use) complies with the specifications, conditions and requirements set forth in Schedule 4.5;

(ii) pay Ascend \$5,000 per day per barge for each day the barge dock is used within the 60-day Window; (ii) pay Ascend \$10,000 for the first day and \$5,000 per day thereafter for each day the barge dock is used outside the 60-day Window with respect to each barge Equistar requests access and use of the dock hereunder (provided only one barge may be present at the dock at any given time); and (iii) provide written notice to Ascend at least thirty (30) days in advance of the date Equistar wishes to commence use of and access to the barge dock, provided, however, such access and use of the barge dock: (i) shall in no event require barge dock loading arms or other liquid handling equipment operated by Ascend; (ii) shall be coordinated with Ascend consistent with Schedule 4.5, Section 9 and Schedule 9 of this Agreement and Ascend shall have the right to: (a) establish and require Equistar to comply with appropriate environmental, health and safety procedures for such use and access; (b) participate with Equistar in job safety analyses (at Equistar's sole expense); and (c) deny access for any particular proposed transfer or activity if in Ascend's reasonable discretion, the proposed transfer or activity presents an unreasonable level of risk to the environment, health or safety; and (iii) shall in no event have a significant adverse impact on Ascend's business,

operations or obligations to other tenants at the Chocolate Bayou Plant or Ascend's ability to perform its obligations hereunder.

4.6. Equistar shall prioritize any remaining work to Decontaminate the Distribution Tanks that were empty as of December 15, 2009 in order to modify the status of such Distribution Tanks to "Out of Service" to accelerate the reduction of remaining operational requirements on such Distribution Tanks (including inspection, maintenance and monitoring requirements). Ascend shall make available to Equistar pursuant to Section 10.2(iv), operational support for up to three (3) Equistar work crews in the Distribution Area at any given time and shall use commercially reasonable efforts to support a fourth crew, provided, however, Ascend shall in no event be required to support a fourth crew if such additional support would have a significant adverse impact on Ascend's business, operations or obligations to other tenants at the Chocolate Bayou Plant or Ascend's ability to perform its obligations hereunder.

4.7. Equistar reserves the exclusive right to sell or otherwise use commercially valuable contents of the Distribution Tanks (other than the Huntsman Tanks as set forth below).

5. Preservation of Distribution Area Assets, Boilers, Water Treatment Plant, Propylene Bullets and Chocolate Bayou Required Assets.

5.1. Distribution Area Assets. Equistar shall: (i) use Decontamination procedures that are reasonably expected to maintain the Distribution

Tanks, associated Piping, ancillary equipment and controls, and all other assets owned by Equistar in the Distribution Area (“Distribution Area Assets”) in useable condition; (ii) not conduct (and shall not have conducted since April 20, 2010) scavenging activities on the Distribution Area Assets or otherwise remove any Distribution Area Assets (or any parts thereof), provided, however, with respect to the Distribution Tank Nos. 320T922-1 and 320T922-2 containing py-tar (the “Py-Tar Tanks”), Equistar shall have the option of (a) demolishing and removing the Py-Tar Tanks in their entirety from the Chocolate Bayou Plant in compliance with applicable laws; or (b) Decontaminating the Py-tar Tanks and leaving the Py-Tar Tanks with their structural integrity in-tact; and (iii) transfer title to the Distribution Area Assets to Ascend by means of quitclaim title transfer after Equistar has completed Decontamination of the Distribution Area Assets and such Decontamination has been verified pursuant to the terms of this Settlement Agreement. Nothing herein shall modify, diminish or eliminate Equistar’s obligations under this Settlement Agreement to Decontaminate Distribution Area Assets.

- 5.2. Boilers and Water Treatment Plant and Ancillary Equipment. Equistar shall transfer to Ascend, title to the: (i) Boilers; (ii) the Water Treatment Plant; (iii) all ancillary equipment required to operate the Water Treatment Plant; and (iv) all ancillary equipment required to operate the Boilers, in each case, by quitclaim title transfer upon completion of the Project or such other date mutually agreed by Ascend and Equistar.

5.3. Propylene Bullets. At Ascend's option, at any time after the Effective Date, with three (3) days prior notice to Equistar, Ascend may take possession of some or all of the propylene contained in Equistar's propylene bullets nos. 320T973, 320T974 and 320T975 (the "Propylene Bullets") and Equistar and Ascend shall cooperate to transfer such propylene to Ascend's propylene system. Equistar shall Decontaminate the Propylene Bullets and any ancillary equipment required to operate the bullets ("Propylene Bullets Ancillary Equipment") pursuant to the terms of this Agreement unless Ascend requests in writing that Equistar does not Decontaminate the Propylene Bullets and/or the Propylene Bullets Ancillary Equipment. Equistar shall transfer title to the Propylene Bullets and the Propylene Ancillary Equipment to Ascend by means of quitclaim title transfer after Equistar has completed Decontamination of the Propylene Bullets and the Propylene Bullets Ancillary Equipment and such Decontamination has been verified pursuant to the terms of this Settlement Agreement. In the event that Ascend requests that Equistar not Decontaminate the Propylene Bullets and/or the Propylene Bullets Ancillary Equipment, Equistar shall transfer title to the Propylene Bullets and the Propylene Bullets Ancillary Equipment to Ascend by means of quitclaim title transfer at a date mutually agreed by Ascend and Equistar.

5.4. Documents and Records. Equistar agrees to transfer, at Ascend's request, readily available documents, records and files associated with the Equistar Facility, including the Boilers, Distribution Area Assets,

Propylene Bullets, Propylene Bullets Ancillary Equipment, Water Treatment Plant and Chocolate Bayou Plant Required Equipment.

- 5.5. Chocolate Bayou Plant Required Equipment. The Parties acknowledge that certain equipment, materials and other assets located on Equistar's Side of the Fence are not exclusively dedicated to the Equistar Facility and are necessary for the continued and uninterrupted operation of the Chocolate Bayou Plant or Ascend's operations or tenant operations thereat (the "Chocolate Bayou Required Assets"). The Chocolate Bayou Required Assets of which the Parties are aware as of the date of execution of this Settlement Agreement are identified on Schedule 5.5. Ascend shall notify Equistar in writing of any additional Chocolate Bayou Required Assets not identified on Schedule 5.5 promptly after becoming aware of any such additional Chocolate Bayou Required Assets (a "Chocolate Bayou Required Assets Notification"). Equistar shall notify Ascend in writing of any additional equipment, materials or other assets that it in good faith believes may be Chocolate Bayou Required Assets ("Equistar Identified Chocolate Bayou Required Assets Notification") promptly after becoming aware of such additional equipment, materials or assets. Within ten (10) days of receipt of an Equistar Identified Chocolate Bayou Required Assets Notification, Ascend shall notify Equistar in writing which, if any, equipment, materials or assets identified in such Equistar Identified Chocolate Bayou Required Assets Notification Ascend shall be deemed and otherwise treated as Chocolate Bayou Required Assets. The

designation of any equipment, materials or assets as Chocolate Bayou Required Assets shall not modify, diminish or eliminate Equistar's obligations under this Settlement Agreement to Decontaminate any Chocolate Bayou Required Assets. Equistar shall preserve and shall not demolish, disturb in any manner that would impact the functioning or remove any Chocolate Bayou Required Assets (including any equipment, materials or assets that are the subject of a pending Chocolate Bayou Required Assets Notification or a pending Equistar Identified Required Chocolate Bayou Required Assets Notification). Equistar shall transfer the Chocolate Bayou Required Assets to Ascend by means of quitclaim title transfer (to the extent not already owned by Ascend) upon completion of the Project other than the electrical substations identified on Schedule 5.5 (the "Electrical Substations") with respect to which Equistar shall transfer title to Ascend thirty (30) days after the Effective Date. Ascend and Equistar shall cooperate to develop mutually agreeable procedures to separate the Chocolate Bayou Required Assets from assets to be demolished by Equistar consistent with the Project and this Settlement Agreement.

- 5.6. Promptly after the Effective Date, Equistar and Ascend shall cooperate and coordinate to determine which equipment constitutes Electrical Substations (as defined below) and which equipment constitutes motor control centers (as referenced in Section 5.7). Commencing on the thirtieth day after the Effective Date, provided that Equistar has

transferred title to the Electrical Substations pursuant to Section 5.5, Ascend shall be responsible for performing any required maintenance and operating the Electrical Substations at its sole cost and expense, provided, however, responsibility for payment of the costs of all utilities (including electricity) to maintain and operate the Electrical Substations shall remain consistent with past practice and shall not be affected by this Section 5.6.

5.7. Equistar shall maintain and operate the motor control centers identified on Schedule 5.5 consistent with past practice (including providing electricity to Ascend and its tenants) at Equistar's sole cost and expense until Equistar completes the Project.

5.8. Equistar agrees that it will not conduct (and shall not have conducted such activities since April 20, 2010) any scavenging activities on any spare parts or equipment associated with or required to operate any Distribution Area Assets, the Propylene Bullets, the Propylene Bullets Ancillary Equipment, the Water Treatment Plant, the Boilers, the Chocolate Bayou Required Assets or any other assets to be transferred by Equistar to Ascend pursuant to this Settlement Agreement (the "Spare Parts"). Equistar shall transfer title to Ascend for the Spare Parts by means of quitclaim title transfer at such time that the related asset is transferred to Ascend pursuant to this terms of this Settlement Agreement.

5.9. Ascend shall pay Equistar five-hundred thousand dollars (\$500,000) within ten (10) days after Equistar completes the Project, provided that Equistar has transferred to Ascend the Distribution Area Assets, Boilers,

Water Treatment Plant, Propylene Bullets and the Chocolate Bayou
Required Assets pursuant to the terms of this Settlement Agreement.

6. Verification Procedures. Equistar shall verify that it has achieved applicable standards set forth herein with respect to: (i) Decontamination; (ii) Sewer System Cleaning and Closure Activities; (iii) closure of Solid Waste Management Units; and (iv) NPDES Permit/Wastewater Pre-Treatment System closure obligations in accordance with terms and procedures set forth in this Section 6. Notwithstanding anything to the contrary herein, Equistar shall not be deemed to have achieved an applicable standard hereunder until the relevant verification procedure set forth herein has been completed and is not subject to dispute. As provided in Section 31, any disputes concerning completion of the verification procedures that the Parties cannot resolve by mutual agreement shall be determined by the Bankruptcy Court.

- 6.1. Decontamination Verification. Equistar shall verify that all equipment, Piping, vessels, tanks (including any Distribution Tank), the Olefins Unit, Hydrocarbons Unit, Wastewater Pre-Treatment System, the Concrete Pad and any other areas or materials that Equistar is not removing from the Chocolate Bayou Plant and is required to Decontaminate hereunder are Decontaminated by: (i) performing and documenting verification tests and procedures consistent with and/or required by applicable standard industry practice (“Decontamination Verification Testing”); (ii) submitting all documents and reports required to be submitted under applicable environmental laws and regulations to governmental authorities with

jurisdiction over the subject matter thereof (“Decontamination Submissions”) and promptly providing Ascend and Solutia with copies thereof; and (iii) providing Ascend and Solutia with written certification (including backup documentation) that the Decontamination Verification Testing was performed and confirmed that Decontamination has been achieved and all Decontamination Submissions have been duly submitted (the “Decontamination Verification Notification”) ((i)-(iii) shall collectively be referred to as the “Decontamination Verification Procedures”). Equistar shall provide Ascend and Solutia with at least five (5) days advance notice of its intent to conduct Decontamination Verification Testing, which notice may be provided for multiple pieces of equipment as appropriate based on Equistar’s project plan. Ascend and Solutia have the right but not the obligation, at, as applicable, Ascend’s or Solutia’s expense, to observe the performance of such Decontamination Verification Testing and to perform independent tests or procedures to confirm Decontamination has been achieved. In the event that Ascend or Solutia disputes that Decontamination has been achieved with respect to any equipment, Piping, vessels, tanks (including any Distribution Tank), the Olefins Unit, Hydrocarbons Unit, Wastewater Treatment System, the Concrete Pad or any other areas or materials that Equistar is required to Decontaminate hereunder, Ascend or Solutia shall so notify Equistar within five (5) Business Days after receipt of the Decontamination Verification Notification, and the Parties shall thereafter cooperate and

work together in good faith to resolve the dispute. Distribution Area Assets may be excepted from Decontamination Verification Procedures if consented to in writing by Ascend and Equistar, which consent may be withheld by Ascend in Ascend's sole discretion.

- 6.2. Sewer System Cleaning and Closure Activities Verification. Equistar shall verify that the Sewer System Cleaning and Closure Activities have been completed in accordance with the terms and requirements of this Settlement Agreement by: (i) performing and documenting verification tests and procedures consistent with and/or required by applicable standard industry practice (the "Sewer System Cleaning and Closure Activities Verification Testing"); (ii) submitting all documents and reports required under applicable environmental laws and regulations to be submitted to governmental authorities with jurisdiction over the subject matter thereof ("Sewer System Cleaning and Closure Activities Submissions") and promptly providing Ascend and Solutia with copies thereof; and (iii) providing Ascend and Solutia with written certification (including backup documentation) that the Sewer System Cleaning and Closure Activities Verification Testing were performed and confirm that the Sewer System Cleaning and Closure Activities have been completed and satisfy the terms and requirements of this Settlement Agreement and all Sewer System Cleaning and Closure Activities and Submissions were duly submitted (the "Sewer System Cleaning and Closure Activities Verification Notification") ((i)–(iii) shall collectively be referred to as the

“Sewer System Cleaning and Closure Activities Verification Procedures”).

Equistar shall provide Ascend and Solutia with at least five (5) days advance notice of its intent to conduct Sewer System Cleaning and Closure Activities Verification Testing. Ascend and Solutia have the right but not the obligation, at as applicable, Ascend’s or Solutia’s expense, to observe the performance of such Sewer System Cleaning and Closure Activities Verification Testing and to perform independent tests to confirm the Sewer System Cleaning and Closure Activities have been completed and satisfy the terms and requirements of this Settlement Agreement. In the event that Ascend or Solutia disputes that the Sewer System Cleaning and Closure Activities have been completed and satisfy the terms and requirements of this Settlement Agreement, Ascend or Solutia shall so notify Equistar within five (5) Business Days after receipt of the Sewer System Cleaning and Closure Activities Verification Notification, and the Parties shall thereafter cooperate and work together in good faith to resolve the dispute.

- 6.3. Closure Verification. To verify that the Solid Waste Management Units, Wastewater Pre-Treatment System and TPDES Permit closure requirements have been satisfied, Equistar shall: (i) file all documents and reports required under applicable environmental laws, regulations and permits (including 30 TAC 335.8 and the TPDES Permit) to be filed with governmental authorities with jurisdiction over the subject matter thereof; (ii) promptly provide Ascend and Solutia with copies thereof;

(iii) promptly provide a copy to Ascend and Solutia of all written correspondence and documentation received from TCEQ related to Equistar's compliance with the closure obligations under applicable environmental laws and regulations with respect to the Solid Waste Management Units, Wastewater Pre-Treatment System and any other closure requirements under the TPDES Permit; and (iv) provide Ascend and Solutia with Equistar's written certification (including backup documentation) that all requirements under applicable environmental laws, regulations and permits (including the TPDES Permit) have been completed ((i)-(iv) shall collectively be referred to as the "Closure Verification Procedures"). At least ten (10) calendar days prior to Equistar's submission of the closure documents and reports to governmental authorities referenced in Section 6.3(i), Equistar shall provide a draft copy of all closure documents and reports and related documentation to Ascend and Solutia and provide Ascend and Solutia a reasonable opportunity to: (i) review and comment on such closure documents and reports and related documentation (which comments shall be provided by Ascend and Solutia within five (5) calendar days of receipt of the drafts and shall be duly considered by Equistar but may be rejected by Equistar in Equistar's sole discretion); (ii) inspect any or all of the Solid Waste Management Units, the Wastewater Pre-Treatment System and other areas subject to the TPDES Permit closure requirements; and (iii) subject to Schedule 9, perform independent tests to confirm the

required closure activities have been completed and satisfy the terms and requirements of this Settlement Agreement. In the event that Ascend or Solutia disputes that the closure activities have been completed and satisfy the terms and requirements of this Settlement Agreement, Ascend or Solutia shall so notify Equistar within five (5) Business Days after receipt of the draft closure documents and reports, and the Parties shall thereafter cooperate and work together in good faith to resolve the dispute. Equistar shall retain responsibility for continuing compliance with closure requirements for the Solid Waste Management Units, Wastewater Pre-Treatment System and TPDES Permit under applicable laws and regulations following completion of the Closure Verification Procedures until Equistar vacates the Chocolate Bayou Plant pursuant to the terms of this Settlement Agreement. Notwithstanding the foregoing, to the extent that TCEQ advises Equistar, Ascend or Solutia in writing or verbally that such closure requirements have not been satisfied, Equistar will take necessary actions at Equistar's sole cost and expense to promptly comply with such closure requirements after completion of the Project unless such costs and expense is due to actions taken by Ascend or Solutia. Any work by Equistar to comply with closure requirements after completion of the Project shall not be deemed to be an extension of the Project and shall not subject Equistar or Ascend to obligations under Sections 10 and 11 of this Settlement Agreement following completion of the Project.

7. Buildings Remaining and Requested Documentation. Following completion of the Project, the administrative buildings, the HSE building and the research center will remain standing. Equistar shall remove substantially all personal property therefrom, other than the HVAC system and other fixtures which will remain intact and will not be removed. These buildings along with all remaining Equistar personal property whether on the Equistar or Ascend side of the fence will become the property of Ascend when Equistar vacates the Chocolate Bayou Plant. Title shall transfer via quitclaim deed.
8. Huntsman Tanks. Equistar will maintain the Huntsman Tanks in as is condition for the period of time mutually agreed by Huntsman and Equistar. During that time, Ascend will coordinate with Huntsman with respect to Huntsman's continued use of the Huntsman Tanks, or with respect to the transfer of ownership of the Huntsman Tanks to Huntsman. Equistar agrees to cooperate with Ascend and Huntsman with respect thereto (including transferring associated permits to Huntsman or Ascend, as appropriate, to the extent requested by Huntsman or Ascend). In the event that Huntsman elects to purchase the Huntsman Tanks, Equistar will transfer title to the tank to Huntsman provided that Huntsman has paid fair market value or such other price as may be agreed to by Huntsman and Equistar. In the event Huntsman declines to purchase the Huntsman Tanks, Equistar shall Decontaminate the Huntsman Tanks consistent with the requirements hereunder for other Distribution Tanks. Notwithstanding anything to the contrary in this Settlement Agreement, this Section 8 shall become null and void when and if the sale of the Huntsman Tanks to Huntsman pursuant to that

certain Sales Agreement dated April 6, 2010 between Equistar and Huntsman with respect to the Huntsman Tanks becomes final and effective.

9. Site Security and Access. Equistar and Ascend will reasonably cooperate to provide efficient, cost-effective access for third party contractors for the purpose of executing the Project pursuant to the terms of this Settlement Agreement (including Schedules 9 and 10). The Parties agree to comply with the terms and conditions set forth in Schedule 9. Site security for the Equistar Side of the Fence shall be provided by Equistar at Equistar's sole expense. Equistar and Ascend will use commercially reasonable efforts to collaborate to determine efficiencies in scheduling work to reduce delays and costs for Equistar and Ascend. Ascend shall provide reasonable access to Equistar and its third-party contractors for the purpose of completing the Project until the Project is completed pursuant to the terms of this Settlement Agreement provided Equistar complies with the terms of this Settlement Agreement in all material respects, including the requirements set forth in Schedule 9.
10. Provision of Utilities and Services. Ascend shall provide utilities and services to Equistar as specified and pursuant to the terms and conditions specified in this Section 10 and Schedule 10 of the Settlement Agreement (the "Utilities and Services") and Equistar will compensate Ascend for the provision of such Utilities and Services as specified in this Section 10 and Schedule 10. Solutia shall have no obligation to provide Utilities and Services after the Effective Date. Except as set forth in this Section 10 or Schedule 10 to the contrary, the services provided by Ascend to Equistar pursuant to this Section 10 and Schedule 10 shall

be of substantially the same type and level of quality previously provided by Solutia to Equistar under the Utilities and Services Agreement. The level of services required to be provided by Ascend will be reduced consistent with Equistar's reduced requirements over time. The Parties will use commercially reasonable efforts to work cooperatively to gain efficiencies in Project execution and minimize operational costs. Notwithstanding anything to the contrary in this Settlement Agreement, Ascend's obligation to provide services and Equistar's obligation to pay for such services pursuant to this Section 10 and Schedule 10 shall terminate upon completion of the Project.

10.1. Utilities. For the period commencing on January 1, 2010 until such time that Equistar does not require any utility usage, Ascend shall invoice Equistar and Equistar shall pay Ascend for direct usage of the following utilities based upon the pricing methodology, metered usage and payment terms set forth in the Utilities and Services Agreement for the following components: Nitrogen, Compressed Air, Filtered Water, Clarified Water, Potable Water and Gas. Equistar shall remit payment to Ascend no later than fifteen (15) calendar days after receipt of an invoice from Ascend in accordance with wire transfer instructions to be provided by Ascend.

10.2. Distribution Area Fixed Cost Allocation. Subject to Section 10.3, Ascend shall provide Equistar with the following services: (i) use of the BIOX; (ii) wastewater tanks and strippers operation; (iii) barge loading support; and (iv) operational and maintenance support for the services represented by such Distribution Area Fixed Cost Allocation Services of the type

previously provided by Solutia to Equistar under the Utilities and Services Agreement ((i)–(iv) collectively shall be referred to as the “Distribution Area Fixed Cost Allocation Services”), until the date which is the earlier to occur of (i) receipt by Ascend of written notification from Equistar that a particular Distribution Area Fixed Cost Allocation Service is no longer required; and (ii) completion of the Project; provided, however, that in the event that Ascend is required to provide services relating to barge loading and unloading operations (including, without limitation, the use of the barge arm loading equipment) in excess of the sixty (60) day period referenced in Section 4.4 in accordance with the terms of Section 4.4, Equistar shall pay Ascend for such use, access and services as provided in Section 4.4. Starting on the Project Commencement Date, Equistar shall pay Ascend the following amounts for Distribution Area Fixed Cost Allocation Services (including payment on the Project Commencement Date of amounts due for Distribution Area Fixed Cost Allocation Services provided from January 1, 2010 through the Project Commencement Date):

- (i) \$670,000 each month from January 2010 through June 2010;
- (ii) \$520,000 each month from July 2010 through December 2010; and
- (iii) \$150,000 each month after December 2010 until satisfactory completion of the Project; provided, however, that Equistar’s payment obligations under this Section 10.2 shall terminate as of the month in which the Project is satisfactorily completed. Equistar shall remit payment to Ascend no later than fifteen (15) calendar days after receipt of

an invoice from Ascend in accordance with wire transfer instructions to be provided by Ascend.

- 10.3. Charges Based on Actual Time/Usage for Third Party Services. Should Equistar request that Ascend perform maintenance, inspection or repair activity for which it is necessary, consistent with past practice, for Ascend to retain a third party contractor to perform ("Third Party Services"), Ascend will inform Equistar of the approximate cost to perform such Third Party Services and Equistar shall, at its sole option, accept or reject Ascend's offer to perform such Third Party Services on a direct charge basis. For any Third Party Services that Equistar requests that Ascend perform, Equistar shall pay Ascend (upon payment terms consistent with the payment terms set forth in the Utilities and Services Agreement) for the direct charges for the Third Party Services as invoiced by Ascend (any such direct charges will be included in the monthly invoice for Utilities and Services provided pursuant to Sections 10.1 and 10.2), provided, however, Equistar shall not be required to pay for any such direct charges for Third Party Services relating to Distribution Area services that do not exceed five hundred thousand (\$500,000) in the aggregate. Equistar shall remit payment to Ascend no later than fifteen (15) calendar days after receipt of an invoice from Ascend in accordance with wire transfer instructions to be provided by Ascend.

- 10.4. Charges Based on Actual Time/Usage for Non-Routine Services. Should Equistar request that Ascend provide contract or other services to support the Project which are atypical of the services typically provided as compared to the historical operational and maintenance services provided under the Utilities and Services Agreement (“Non-Routine Services”), Ascend will provide a cost estimate to perform such Non-Routine Services and Equistar shall, at its sole option, accept or reject Ascend’s offer to perform such Non-Routine Services on a direct charge basis. For any Non-Routine Services that Equistar requests that Ascend perform, Equistar shall pay Ascend (upon payment terms consistent with the payment terms set forth in the Utilities and Services Agreement) for the direct charges for the Non-Routine Services as invoiced by Ascend (any such direct charges will be included in the monthly invoice for Utilities and Services provided pursuant to Sections 10.1 and 10.2). Equistar shall remit payment to Ascend no later than fifteen (15) calendar days after receipt of an invoice from Ascend in accordance with wire transfer instructions to be provided by Ascend. If Equistar rejects Ascend’s offer to perform Non-Routine Services, Equistar may retain a third party contractor to provide such services at Equistar’s sole cost and expense, subject to the terms of this Settlement Agreement, including Section 9 and Schedule 9.
- 10.5. Boilers or Alternate Control Device. Equistar shall operate the Boilers or an alternate control device, at Equistar’s sole cost and expense, to the extent necessary to destroy or otherwise manage off-gas from the strippers

associated with benzene impacted wastewater and stormwater to ensure that no wastewater or stormwater that contains benzene in concentrations of 0.5 parts per million (“ppm”) or greater is discharged to Ascend’s wastewater treatment plant until such time that Equistar has completed Decontamination (and such Decontamination has been verified pursuant to the procedures set forth herein) of all Distribution Tanks, Piping, the Olefins Unit, the Hydrocarbons Unit and any other vessels, equipment, tanks, units, the Concrete Pads or any other materials and completed any other activities, in each case, that could result in benzene being discharged to Ascend’s wastewater treatment system (“Benzene Generation Termination Date”). Equistar shall notify Ascend of the Benzene Generation Termination Date. Equistar shall continue to operate the Boiler or such alternative control device after the Benzene Generation Termination Date until such time that Equistar demonstrates that benzene levels in the wastewater and stormwater discharged to Ascend’s wastewater treatment plant without treatment by the Wastewater Pretreatment System are less than 0.5 ppm for a period of at least thirty (30) consecutive days.

- 10.6. Sludge Ponds. Equistar will promptly after the Effective Date remove sludge from the Sludge Ponds sufficient to permit Ascend’s continued deposition of sludge to the Sludge Ponds during the period that the Boilers are required to continue to operate pursuant to Section 10.5. At such time as Ascend and Equistar are not required to continue to operate pursuant to

Section 10.5 to destroy or otherwise manage off-gas from the strippers associated with benzene impacted wastewater or stormwater, (i) Equistar shall empty the Sludge Ponds and be responsible for the proper disposition of the sludge and other contents; and (ii) Ascend and Equistar shall coordinate to transfer the registration of the Sludge Ponds from Equistar's to Ascend's Notice of Registration.

11. Lease Agreements. The terms of the Lease Agreements, as amended by this Section 11 and Section 9 and Schedule 9, shall govern the terms of Equistar's continued occupancy of the land that is the subject of the Lease Agreements commencing on the Effective Date of this Settlement Agreement until the Project is completed. Notwithstanding anything to the contrary in the Lease Agreements, Equistar shall pay: (a) Solutia \$1,000 per month rent for land lease for the period January 1, 2010 through December 31, 2010, with payment to due Solutia commencing on the Project Commencement Date for the amounts due for rent from January 1, 2010 through the Project Commencement Date; and (b) pay Ascend \$1,000 per month rent for land lease commencing on January 1, 2011 through the date the Project is completed. Solutia and Ascend, as applicable, shall invoice Equistar for such rent payments and Equistar shall remit payment to Solutia or Ascend, as applicable, no later than fifteen (15) calendar days after receipt of an invoice in accordance with wire transfer instructions to be provided by Ascend and Solutia, as applicable.
12. Pipeline Easements and Pipeline Access.

12.1. Subject to the provisions of this Section 12.1, Ascend and Equistar shall enter into an agreement or agreements (in the form substantially the same as the agreement set forth in Exhibit 12) that would grant Equistar thirty (30)-year easement(s) for: (i) the existing Equistar pipelines identified on Schedule 12.1 that cross Ascend's property and for which no current easement agreement exists; and (ii) associated ancillary equipment (including metering stations) identified on Schedule 12.1 (the "Easement Agreements"). Within five (5) days after the Effective Date, Equistar shall provide Ascend with a copy of the existing surveys in Equistar's possession for such pipelines and ancillary equipment ("Existing Surveys"). If the Existing Surveys are acceptable to both Ascend and Equistar, then Equistar shall pay Ascend \$325 per rod for the pipeline easements and \$25,000 per acre for the metering station easements based on the Existing Surveys. If the Existing Surveys are not acceptable to Equistar and Ascend, (i) Equistar and Ascend shall jointly retain (and share the costs equally) a mutually acceptable independent surveyor to prepare new surveys to determine the metes and bounds of the proposed easements ("New Surveys"); and (ii) Equistar shall pay Ascend \$325 per rod for the pipeline easements and \$25,000 per acre for the metering station easements based on the New Surveys. Equistar shall: (i) record the easements within five (5) days after execution of the Easement Agreements; and (ii) remit payment to Ascend within thirty (30) days of recording the easements in the amount specified in this Section 12.1.

Equistar and Ascend shall cooperate to develop maintenance, labeling and coordinate systems to be implemented by Equistar in accordance with customary industry and Chocolate Bayou Plant procedures and the Easement Agreements.

12.2. At Ascend's sole option, at any time before June 30, 2010, Ascend may request and Equistar shall provide to Ascend (no later than ninety (90) days after receipt of such request), access to one or both of the two (2) propylene pipelines identified on Schedule 12.2 on competitive terms, but in no event less favorable than the terms set forth on Schedule 12.2.

13. Propylene Claim. In settlement and full satisfaction of all claims with respect to any and all costs associated with Equistar's rejection of the Propylene Contract, Solutia shall have an allowed general unsecured claim against Equistar for \$6 million.

14. Groundwater Monitoring at Equistar Facility. Equistar shall maintain the current status with respect to the groundwater monitoring at the Chocolate Bayou Plant (including the Equistar Facility and Equistar's Side of the Fence) unless and until such time that Equistar negotiates a monetization or assignment of the DuPont indemnity to inure to the benefit of Ascend reasonably acceptable to Ascend, or effectuates an alternative resolution reasonably acceptable to Ascend. Equistar shall use commercially reasonable efforts to: (i) negotiate a monetization or assignment of the DuPont indemnity to inure to the benefit of Ascend reasonably acceptable to Ascend; or (ii) effectuate an alternative resolution reasonably acceptable to Ascend with respect thereto. Solutia agrees to: (i) assign to Ascend,

any and all rights it may have against DuPont with respect to groundwater monitoring or groundwater remediation or any other below-grade matters with respect to the Chocolate Bayou Plant; and (ii) cooperate with Ascend with respect thereto.

15. Regulatory Matters.

15.1. Resolution of the NOE. Equistar shall make good faith efforts to resolve the issues underlying the NOE and EDPRP and have the NOE and EDPRP withdrawn. In connection with such efforts, for the time period covering such efforts, and subject to the last sentence of this Section 15.1: (i) Ascend and Solutia shall provide reasonable support to Equistar in resolution of the NOE and EDPRP, including taking the position to TCEQ and other relevant governmental authorities that the NOE and EDPRP should be withdrawn; and (ii) each Party agrees not to take the position with TCEQ or other relevant government authorities that enforcement proceedings should commence or continue against any other Party in addition to or in lieu of Equistar. Equistar will take the lead in attempting to resolve the subject matter of the NOE and EDPRP but shall afford Ascend and Solutia the opportunity to participate in all meetings and other material communications with TCEQ or other agency representatives in connection with the NOE and EDPRP and shall reasonably consult with Ascend and Solutia in connection with resolution of the NOE and EDPRP. Each Party further agrees that it will: (i) keep the other Parties reasonably apprised of communications (oral or written) with TCEQ or other relevant

governmental authorities with respect to the NOE, the subject matter of the NOE, EDPRP or this Settlement Agreement; and (ii) promptly provide copies of any written communications to or from TCEQ or other relevant governmental authorities with respect to the NOE, EDPRP, the subject matter of the NOE or the subject matter of this Settlement Agreement. The affirmative obligations of the Parties under this Section 15.1 shall terminate in the event that, after the Effective Date, TCEQ takes further formal enforcement proceedings against Equistar with respect to the NOE or EDPRP and Equistar so notifies Ascend and Solutia thereof in writing.

15.2. Resolution of the Consent Decree. Ascend shall provide reasonable support to Equistar in its effort to terminate the Consent Decree with respect to any and all obligations the Consent Decree imposed on Equistar at the Chocolate Bayou Plant. Solutia will not oppose efforts by Equistar and Ascend to terminate the Consent Decree.

16. Permits. Ascend shall consent to Equistar's removal as co-permittee on the TPDES Permit upon satisfactory completion of the Project, including full compliance by Equistar with the applicable closure requirements under the TPDES Permit and applicable environmental laws and regulations, including 30 TAC Chapter 335.8, with respect to the Wastewater Treatment System and Solid Waste Management Units (including TPDES-covered units) and completion of the relevant closure verification procedures specified in Section 6.3. Unless Ascend notifies Equistar in writing to the contrary, Equistar shall: (i) not cancel any permits held by Equistar for the Water Treatment Plant and ancillary

equipment, Boilers and ancillary equipment, Chocolate Bayou Required Assets, the Propylene Bullets or the Distribution Area Assets; (ii) cooperate with Ascend and use commercially reasonable efforts to transfer to Ascend any and all such permits at such time that Ascend notifies Equistar; and (iii) allow Ascend to operate under Equistar's permits until such time that the transfers are complete subject to the indemnifications in Schedule 9. Equistar shall cancel all other permits held by Equistar with respect to the Chocolate Bayou Plant (including the Equistar Facility) at the earliest possible opportunity.

17. Regulatory Compliance of Settlement Terms. The actions contemplated in this Settlement Agreement shall be performed in compliance with all applicable environmental laws, regulations and permits and any final orders, decrees or other agreements with or issued by TCEQ or other relevant governmental authorities; provided, however, that nothing in this Section 17 shall affect the Parties' rights and obligations under Section 15.1.
18. Solutia Financial Obligation. No later than fifteen (15) calendar days after the Effective Date: (i) Solutia shall make a cash payment to Equistar of \$10 million via wire transfer in accordance with wire transfer instructions to be provided by Equistar to Solutia; and (ii) Solutia shall place \$7 million in escrow with instructions to transfer that sum to Equistar after the later to occur of (a) twelve (12) months after the Effective Date, or (b) the completion of Decontamination of thirty (30) Distribution Tanks. Equistar and Solutia shall cooperate in the creation of an escrow account and drafting the agreement relating thereto.

19. Releases of Liability.

19.1. Upon the Effective Date of this Settlement, Equistar and MPI, each on behalf of itself and its present and former affiliates, parents, subsidiaries, agents, predecessors, heirs, executors, administrators, personal representatives, estates, successors and assigns, and any persons they represent, shall be deemed to have released and forever waived, and shall forever be enjoined from asserting or prosecuting, any claim or cause of action with respect to liability or claims or costs or damages arising from claims related to the Equistar Facility, the Chocolate Bayou Plant, or the subject matters underlying the Bankruptcy Matters listed below in Section 21, against Solutia and Solutia Europe each with respect to itself and its present and former affiliates, parents, subsidiaries, agents, predecessors, heirs, executors, administrators, personal representatives, estates, successors and assigns, and any persons they represent, whether jointly, severally or jointly and severally subject to the terms of this Settlement Agreement.

19.2. Upon the Effective Date of this Settlement, Solutia and Solutia Europe, each on behalf of itself and its present and former affiliates, parents, subsidiaries, agents, predecessors, heirs, executors, administrators, personal representatives, estates, successors and assigns, and any persons they represent, shall be deemed to have released and forever waived, and shall forever be enjoined from asserting or prosecuting, any claim or cause of action with respect to liability or claims or costs or damages arising

from claims related to the Equistar Facility, the Chocolate Bayou Plant, or the subject matters underlying the Bankruptcy Matters listed below in Section 21, against Equistar and MPI, each with respect to itself and its present and former affiliates, parents, subsidiaries, agents, predecessors, heirs, executors, administrators, personal representatives, estates, successors and assigns, and any persons they represent, whether jointly, severally or jointly and severally, subject to the terms of this Settlement Agreement.

- 19.3. Upon the Effective Date of this Settlement, Equistar and MPI, each on behalf of itself and its present and former affiliates, parents, subsidiaries, agents, predecessors, heirs, executors, administrators, personal representatives, estates, successors and assigns, and any persons they represent, shall be deemed to have released and forever waived, and shall forever be enjoined from asserting or prosecuting, any claim or cause of action with respect to liability or claims or costs or damages arising from claims related to the subject matters underlying the Bankruptcy Matters listed below in Section 21, against Ascend, with respect to itself and its present and former affiliates, parents, subsidiaries, agents, predecessors, heirs, executors, administrators, personal representatives, estates, successors and assigns, and any persons they represent, whether jointly, severally or jointly and severally, subject to the terms of this Settlement Agreement.

- 19.4. Upon the Effective Date of this Settlement, Ascend, on behalf of itself and its present and former affiliates, parents, subsidiaries, agents, predecessors, heirs, executors, administrators, personal representatives, estates, successors and assigns, and any persons they represent, shall be deemed to have released and forever waived, and shall forever be enjoined from asserting or prosecuting, any claim or cause of action with respect to liability or claims or costs or damages arising from claims related to the subject matters underlying the Bankruptcy Matters listed below in Section 21, against Equistar and MPI, each with respect to itself and its present and former affiliates, parents, subsidiaries, agents, predecessors, heirs, executors, administrators, personal representatives, estates, successors and assigns, and any persons they represent, whether jointly, severally or jointly and severally, subject to the terms of this Settlement Agreement.
20. Disturbance of Soil. Equistar shall not disturb (and shall not allow any contractor or any other third party under Equistar's control to disturb) any soil at or under the Chocolate Bayou Plant (including without limitation in connection with demolition activities) other than as may be necessary in connection with any investigation, remediation, Decontamination or closure activities conducted in connection with the Project or otherwise, in each case, which shall be conducted in compliance with all applicable environmental laws and regulations. In the event Equistar, any contractor or any other third party under Equistar's control disturbs any soil at or under the Chocolate Bayou Plant in contravention of the

forgoing, Equistar shall be responsible for complying with all requirements under applicable environmental laws and regulations and any other damages associated with or arising from such action.

21. Bankruptcy Matters.

21.1. Dismissal of Adversary Proceedings. No later than five (5) Business Days after the Effective Date, Equistar and MPI will file a notice of withdrawal with the Bankruptcy Court to dismiss with prejudice the Equistar Adversary Proceeding and the MPI Adversary Proceeding.

21.2. Withdrawal of Abandonment Motion. No later than five (5) Business Days after the Effective Date, Debtors will file a notice of withdrawal with the Bankruptcy Court to withdraw with prejudice the Abandonment Motion.

21.3. Withdrawal of Claims. Except to the extent provided in Section 13, no later than five (5) Business Days after the Effective Date, Solutia and Ascend will withdraw with prejudice all administrative and unsecured claims filed against Debtors, including Proofs of Claim Nos. 12501 (Solutia) and 4668 (Ascend).

21.4. Withdrawal of Administrative Expense Motion. No later than five (5) Business Days after the Effective Date, Solutia and Ascend will file a notice of withdrawal with the Bankruptcy Court to withdraw with prejudice the Administrative Expense Motion.

21.5. Disclosure Statement and Plan of Reorganization. At the confirmation hearing (and provided that language acceptable to Solutia and Ascend is

contained in the confirmation order preserving their respective rights in the event the Debtors' currently proposed plan of reorganization substantially in the form as filed with the Bankruptcy Court as of the date hereof (the "Plan") does not become effective), Solutia and Ascend will withdraw their existing joint objection to Debtors' Disclosure Statement [Case No. 09-10023; Docket No. 3135] and the Limited Plan Objection. Solutia and Ascend agree that they and will not object to Debtors' Disclosure Statement or the Plan unless they are inconsistent with the terms of this Settlement Agreement.

- 21.6. Approval of Settlement Agreement. Equistar will seek Bankruptcy Court approval of this Settlement Agreement as promptly as reasonably possible after the Parties have executed this Settlement Agreement. All papers filed by Equistar in connection with seeking court approval of this Settlement Agreement shall be reasonably satisfactory to Solutia and Ascend. In the event this Settlement Agreement is not approved by the Bankruptcy Court, each Party reserves all rights, defenses and causes of action with respect to the matters addressed in this Settlement Agreement and nothing set forth herein or associated with the Settlement Agreement shall be used to prejudice any other Party nor shall anything contained herein (or in settlement discussions among the Parties or with TCEQ or other governmental authorities) be deemed an admission of any liability or waiver of any rights, defenses or claims of any Party.

22. Representation. Equistar represents that all assets and property (including, equipment, tanks, Distribution Tanks, vessels, pipe, piping, process units, Boilers, Piping, cooling towers, water treatment systems, Wastewater Pre-treatment System and chemicals) operated by Equistar at the Chocolate Bayou Plant are owned by Equistar.
23. Rules of Interpretation. In the event and to the extent there is a conflict between any of the terms or conditions of this Settlement Agreement (including any of the Schedules to this Settlement Agreement) and the Lease Agreements and/or the Utilities and Services Agreement, the terms of this Settlement Agreement (including any of the Schedules to this Settlement Agreement) shall control.
24. Knowing Agreement. The Parties hereto acknowledge that they have each (a) had an equal role in drafting this Settlement Agreement; (b) read each of the provisions of this Settlement Agreement, and understand the same; and (c) signed this Settlement Agreement of their own volition based upon the explicit advice of their respective counsel.
25. Entire Agreement. This Settlement Agreement shall constitute the sole and entire agreement between the Parties with respect to the settlement of disputes and release of claims provided for herein. Any and all prior or contemporaneous agreements and negotiations, whether oral or written, with respect to the subject matter of this Settlement Agreement, are hereby superseded. No employee or agent of any Party has authority to orally modify any term or condition of this Settlement Agreement, or to make any representation or agreement other than as contained in this Settlement Agreement.

26. Binding on Successors. This Settlement Agreement shall be binding upon the successors, parents, subsidiaries, affiliates, agents and assigns of the Parties.
27. Amendment of Agreement. No modification of, deletion from, or addition to this Settlement Agreement shall be effective unless made in writing and executed by all Parties hereto.
28. Notices. All notices and other communications given to or made upon any Party hereto in connection with this Settlement Agreement shall, except as otherwise expressly provided herein, be in writing (including telecopy, but in such case, a confirming copy will be sent by another permitted means) and mailed via certified mail, telecopied or delivered by guaranteed overnight parcel express service or courier to the respective Parties, as follows:

to Equistar and MPI:

Steven D. Cook, Esq.
Senior Corporate Counsel
LyondellBasell Industries
One Houston Center, Suite 700
1221 McKinney Street
Houston, TX 77010

to Solutia and Solutia Europe:

Paul J. Berra III, Esq.
Senior Vice President, General Counsel
and Chief Administrative Officer
Solutia Inc.
575 Maryville Centre Drive
St. Louis, MO 63141-5813

to Ascend:

J. Timothy Strehl
President
Ascend Performance Materials LLC
600 Travis, Suite 300
Houston, TX 77002

with a copy to:

General Counsel
Ascend Performance Materials LLC
600 Travis, Suite 300
Houston, TX 77002

29. Headings. The headings used herein are for convenience only and shall not affect the interpretation of this Settlement Agreement.
30. Counterparts. This Settlement Agreement may be executed in counterparts, and facsimile or scanned signatures shall be acceptable under this Settlement Agreement.
31. Governing Law. This Settlement Agreement shall be governed by and construed in accordance with the laws of New York. The Bankruptcy Court shall have jurisdiction over any dispute that the Parties cannot resolve by mutual agreement concerning the interpretation, breach or enforcement of the Settlement Agreement.
32. Authorization of Signatories. Debtors represent that the signatory below is properly authorized to execute this Agreement on behalf of the Debtors, Equistar and MPI. Solutia and Solutia Europe represent that the signatory below is properly authorized to execute this Agreement on behalf of Solutia and Solutia Europe. Ascend represents that the signatory below is properly authorized to execute this Agreement on behalf of Ascend.

33. The effectiveness of this Settlement Agreement is expressly conditioned upon: (i) confirmation of the Plan; (ii) such Plan becoming effective; and (iii) approval of this Settlement Agreement by the Bankruptcy Court.
34. Solutia's Obligations to Ascend. Solutia shall have no liability or obligations to Ascend, including without limitation under the June 1, 2009 Closing Letter Agreement, with respect to: (i) any equipment, tanks (including Distribution Tanks and the Py-Tar Tanks), Distribution Area Assets, Chocolate Bayou Plant Required Equipment, Propylene Bullets, Propylene Bullets Ancillary Equipment, vessels, units, Piping, or materials, if any, with respect to which Ascend waives in writing Equistar's Decontamination obligations or the Decontamination Verification Procedures hereunder, now or in the future; (ii) the Huntsman Tanks provided the sale of the Huntsman Tanks becomes final and effective; and (iii) the Boilers, the Water Treatment Plant or any ancillary equipment transferred to Ascend pursuant to Section 5.2 of this Settlement Agreement. Equistar and Ascend shall provide Solutia with written notice pursuant to Section 28 of this Settlement Agreement with respect to any waiver of Equistar's Decontamination obligations or the Decontamination Verification Procedures hereunder.
35. Subject to Section 33, this Agreement, and the obligations of the Parties hereunder, shall be in full force and effect upon approval by the Bankruptcy Court.

[Signature Page Follows]