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Clifford A. Chanler, State Bar No. 135534
Eric S. Somers, State Bar No. 139050
CHANLER & SOMERS
Suite 110
1700 Montgomery Street
San Francisco, CA 94111
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FILED
Superior Court
May 2 1999
ALAN M. CARLSON, Clerk
Deputy Clerk

Attorneys for Plaintiff
AS YOU SOW

SUPERIOR COURT OF CALIFORNIA
IN AND FOR THE COUNTY OF SAN FRANCISCO

AS YOU SOW, a non-profit corporation,
Plaintiff
v.
FORREST PAINT COMPANY., a corporation, and DOES 1 through 1000,
Defendants.

Case No. 970616
STIPULATION FOR ENTRY OF JUDGMENT AND JUDGMENT ON STIPULATION

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IT IS HEREBY STIPULATED, by and between plaintiff As
You Sow and defendant Forrest Paint Company, through their
respective representatives, that judgment in the above-
entitled action be entered in accordance with the terms of the
settlement agreement between the parties, which is attached
hereto as Exhibit A.

Dated: November 27, 1995 by: Eric Somers
Eric S. Somers
Attorneys for Plaintiff
AS YOU SOW

Dated: November 17, 1995 by: James Mattesich
James Mattesich
Attorneys for Defendant
Forrest Paint Company

IT IS HEREBY ORDERED that judgment be entered in
accordance with the terms of the stipulation between the
parties.

Dated: November 1/22/96, 1995
[Signature]
Judge of the Superior Court
STUART P. [unclear]
PRESIDENT

Exhibit A

SETTLEMENT AGREEMENT

On November 17, 1995 in San Francisco, California, **As You Sow ("AYS")** and **FORREST PAINT COMPANY ("FORREST PAINT")** agreed to the following terms and conditions:

WHEREAS:

AYS is a not-for-profit public interest foundation dedicated to promoting consumer and employee awareness, protecting the environment and improving human health; and

FORREST PAINT is a corporation headquartered in Oregon that manufactures and/or distributes various stove paints, aerosol spray paints, barbecue paints, ceramic coatings, primers, finishers, cleaners, enamels, conditioners and fire starters in the State of California that contain crystalline silica, a chemical known to cause cancer pursuant to Proposition 65 ("Listed Chemicals") and toluene, a reproductive toxin listed pursuant to Proposition 65 ("Listed Chemicals"); and

A list of the products that contain crystalline silica and/or toluene and which are covered by this Agreement is provided in Exhibit A (the "Products"); and

The Products have been distributed and sold by FORREST PAINT for use in California since April 1, 1991; and

On October 28, 1994, AYS first served FORREST PAINT and the appropriate public enforcement agencies with a document entitled "60-Day Notice" which provided FORREST PAINT with notice that it was allegedly in violation of Health & Safety Code §25249.6 for failing to warn purchasers that certain products it sells in California expose users to toluene and crystalline silica; and

On June 23, 1995, AYS filed a Complaint entitled As You Sow v. Forrest Paint Company; et al. (No. 970616) in San Francisco Superior Court, alleging violations of Business & Professions Code §17200 and Health & Safety Code §25249.6 on behalf of individuals in California who allegedly are exposed to toluene and/or crystalline silica in certain FORREST PAINT products.

NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:

1. **Labeling.** Beginning immediately, FORREST PAINT shall initiate revisions to its current labels for the Products. FORREST PAINT shall use its best efforts to ensure that all Products are relabeled as soon as possible, however, FORREST

agrees that as of March 1, 1996 it shall not produce (or cause to be produced) any of the Products bearing paper labels, and as of April 1, 1996 it shall not produce (or cause to be produced) any of the Products bearing lithograph labels, for sale or use in the State of California unless each such Product contains the following appropriate warning statement on its label.

For products containing a Proposition 65 chemical listed by the State of California as known to cause birth defects or other reproductive harm:

"WARNING: This product contains a chemical known to the State of California to cause birth defects or other reproductive harm."

For products containing two or more Proposition 65 chemicals listed by the State of California as known to cause birth defects or other reproductive harm:

"WARNING: This product contains chemicals known to the State of California to cause birth defects or other reproductive harm."

For products containing a Proposition 65 chemical listed by the State of California as known to cause cancer:

"WARNING: This product contains a chemical known to the State of California to cause cancer."

For products containing two or more Proposition 65 chemicals listed by the State of California as known to cause cancer:

"WARNING: This product contains chemicals known to the State of California to cause cancer."

For products containing both a Proposition 65 chemical listed by the State of California as known to cause cancer and a Proposition 65 chemical listed by the State of California as known to cause birth defects or other reproductive harm:

"WARNING: This product contains chemicals known to the State of California to cause cancer and birth defects or other reproductive harm."

This warning statement shall have a line border around it and be prominent and displayed with such conspicuousness, as compared

with other words, statements, or designs as to render it likely to be read and understood by an ordinary individual. The parties agree that the sample label attached hereto as Exhibit B satisfies this requirement.

2. **Restitution.** FORREST PAINT agrees to pay \$3,000 to AYS upon execution of this Agreement. This payment, which is made pursuant to Business & Professions Code §17203, shall be forwarded by AYS to the Sierra Club Legal Defense Fund ("SCLDF"). SCLDF is a litigation group that specializes in enforcement of environmental laws.

3. **Penalty.** Pursuant to Health & Safety Code §25249.7(b), FORREST PAINT shall pay a civil penalty of \$10,000 on or before December 31, 1996. This penalty shall be waived upon written certification on or before December 31, 1996 that FORREST PAINT has expended \$72,000 on a research and development project aimed at eliminating toluene and volatile organic compounds from its products and creating environmentally safe alternatives for its entire product line.

4. **Reimbursement of Fees and Costs.** FORREST PAINT agrees to reimburse AYS for its investigation fees and costs, expert fees, reasonable attorneys' fees, and any other costs incurred as a result of investigating, bringing this matter to FORREST PAINT's attention, litigating and negotiating a settlement in the public interest. Upon execution of this Agreement, FORREST PAINT shall pay \$11,000 as reimbursement of fees and costs.

5. **AYS Release.** AYS, by this Agreement, waives all rights to institute action against FORREST PAINT, its successors, assigns, distributors or customers, whether under Proposition 65, Business & Profession Code §§17200 et seq., or any other statute or common law claim based on FORREST PAINT's failure to warn about exposure to Proposition 65 listed chemicals contained in any of the Products manufactured on or prior to the date of this Agreement. AYS acknowledges that compliance with the terms of this Agreement with respect to the Products shall constitute compliance with Proposition 65 by FORREST PAINT.

6. **FORREST PAINT Release.** FORREST PAINT, by this Agreement, waives all rights to institute any form of legal action against AYS, its members, officers, directors, attorneys and representatives (the "AYS Releasees") based on any statute or provision of common law and for all actions or statements made by the AYS Releasees in the course of seeking enforcement of Proposition 65 or Business & Profession Code §§17200 et seq. against FORREST PAINT with respect to the Products.

7. **MSDS Revisions.** FORREST PAINT shall ensure that the Material Safety Data Sheets ("MSDS") for each of the Products

contains a warning that will be substantially consistent in wording with the on-label warning language required by Section 1 hereof. Final MSDSs incorporating the revised warning language will begin to be distributed in the normal course of business on or before March 1, 1996.

8. Supplier Information. FORREST PAINT agrees to provide AYS with all MSDSs and labels (or copies of labels) which FORREST PAINT has received from its suppliers of crystalline silica and/or toluene over the last three years and an affidavit from an employee of FORREST PAINT having the requisite knowledge and authority to state that the MSDSs and labels were in fact received from each such supplier of crystalline silica and/or toluene.

9. Severability. In the event that any of the provisions of this Agreement are held by a court to be unenforceable, the validity of the enforceable provisions shall not be adversely affected.

10. Attorneys' Fees. In the event that a dispute arises with respect to any provision(s) of this Agreement, the prevailing party shall be entitled to recover costs and reasonable attorneys' fees.

11. Governing Law. The terms of this Agreement shall be governed by the laws of the State of California.

12. Notices. All correspondence to AYS shall be mailed to:

Eric S. Somers, Esq.
Chanler & Somers
1700 Montgomery Street
Suite 110
San Francisco, CA 94111

All correspondence to FORREST PAINT shall be mailed to:

James Mattesich, Esq.
Livingston & Mattesich
1201 K Street
Suite 1100
Sacramento, CA 95814

13. No Admissions. Nothing in this Agreement shall be construed as an admission by FORREST PAINT of any fact, finding, issue of law, or violation of law, nor shall compliance with this Agreement constitute or be construed as an admission by FORREST PAINT of any fact, finding, conclusion, issue of law, or violation of law. However, this Section shall not diminish or

otherwise affect the obligation, responsibilities, and duties of FORREST PAINT under this Agreement.

14. Authorization. The undersigned are authorized to execute this Agreement on behalf of their respective parties and have read, understood and agree to all of the terms and conditions of this Agreement.

15. Stipulated Judgment. The parties shall file a stipulated judgment to be approved pursuant to CCP §664.6 by the San Francisco Superior Court in accordance with the terms of this Agreement.

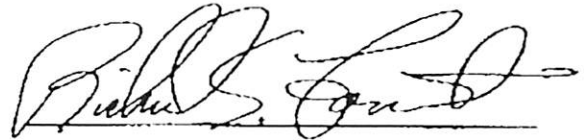
AGREED TO:

AGREED TO:

AS YOU SOW

FORREST PAINT COMPANY





LISA S. WIGGINS
Printed Name

RICHARD S. FORREST
Printed Name

GENERAL COUNSEL
Title

PRESIDENT
Title

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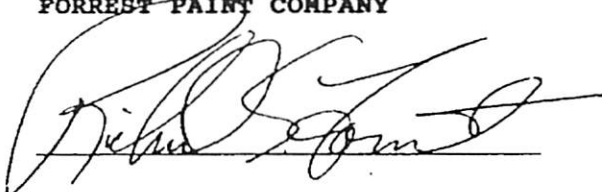
AS YOU SOW

Printed Name

Title

AGREED TO:

FORREST PAINT COMPANY



Printed Name

PRESIDENT

Title

EXHIBIT A
[Product List]

StoveBright Products:

Product #03M, 51H, 52H, 53H, 54H, 60H, 62H, 62M, 64E

Firm Foot Products:

Product # 29E, 96M

Porcelain Life Products:

Product #57F, 30L, 28F, 30F

Primers (Shopcoat Primers)

Product #14P, 16P, 31P, 216P

Enamels (Quixenamel)

Product # 14E, 28E, 31E, 64E, 214E, 35U, 40U

EXHIBIT B
[Exemplary Label]

USE ONLY WATER OR PNEUMATIC AIR

Contains Acetone (67.84%), Propene (74.88%), Toluene (108.86%), Xylene (1320.207), Butane (106.978), Toluene (75.285), n-Butyl alcohol (71.363), May also contain Aluminum (2429.805), Solvent naphtha (64742.898) or (64741.657), Aromatic Petroleum Distillates (64742.895), Stoddard solvent (8052.413), Iron oxide (1209.371), Manganese (7439.865), Ethyl acetate (8004.573), Propanone (67.839), Chromium (III) compound (12091.262), Titanium dioxide (12483.672), Clay (1932.562), Amorphous fumed silica (12845.525), Chromium (VI) oxide (1209.378), Copper hexamine (8000.542), Zinc stearate (12400.480), Vanadium pentoxide (598.545), Copper hexamine, MAY BE CONTAINED IN ANOTHER DIRECTION. THE ABOVE LISTING IS NOT MEANT TO INDICATE THAT ALL INGREDIENTS ARE PRESENT IN EVERY CAN. SOME INGREDIENTS MAY BE PRESENT IN SOME CANS AND NOT IN OTHERS. INGREDIENTS MAY BE PRESENT IN SOME CANS AND NOT IN OTHERS. INGREDIENTS MAY BE PRESENT IN SOME CANS AND NOT IN OTHERS. INGREDIENTS MAY BE PRESENT IN SOME CANS AND NOT IN OTHERS.

WARNING: This product contains chemicals known to the State of California to cause cancer and birth defects or other reproductive harm.

KEEP OUT OF REACH OF CHILDREN

WELLS FARGO BANK, N.A. Member FDIC

1680511001 • PO BOX 2710 • LUNEN, OH 43045 • (614) 342-0071



STOVE BRIGHT

HIGH TEMPERATURE PAINT

EXTREMELY FLAMMABLE LIQUID AND VAPOR
VAPORS MAY CAUSE EYE AND SKIN IRRITATION
(CONTENTS UNDER PRESSURE)

See Other Cautions On Back Panel

Net Wt. 12 oz (340gm)