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8 Attorneys for Plaintiff
9 AS YOU SOW

10 SUPERIOR COURT OF THE STATE OF CALIFORNIA
11 IN AND FOR THE CITY AND COUNTY OF ALAMEDA

12 AS YOU SOW, a non-profit
13 corporation,

14 Plaintiff,

15 v.

16 HEXCEL CORPORATION, and DOES 1
17 through 500,

18 Defendants.

No. 748827-2

STIPULATION FOR
ENTRY OF JUDGMENT

19 IT IS HEREBY STIPULATED, by and between plaintiff AS
20 YOU SOW and defendant HEXCEL CORPORATION, through their
21 respective representatives, that judgment in the above-
22 entitled action be entered in accordance with the terms of the
23 settlement agreement between the parties, which is attached
24 hereto.

25 DATED: July 19, 1995 by:

Clifford A. Chanler
Clifford A. Chanler
Attorney for Plaintiff
AS YOU SOW

26 DATED: July 19, 1995 by:

Peter S. Veregge
Peter S. Veregge
Attorney For Defendant
HEXCEL CORPORATION

SETTLEMENT AGREEMENT

On July 21, 1995 in San Francisco, California, As You Sow ("AYS") and Hexcel Corporation ("Hexcel"), agreed to the following terms and conditions: WHEREAS:

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

Hexcel is a company that currently manufactures, distributes or sells composites, honeycombs, reinforced fabrics, resins, mold preparation agents, mold release agents and other special-purpose products, which contain the Proposition 65-listed chemicals antimony oxide, cadmium and cadmium compounds, chromium, crystalline silica, epichlorohydrin, formaldehyde, glasswool fibers, lead and lead compounds, mercury compounds, 4,4'-methylenedianiline, 4,4'-methylene bis(2-chloroaniline), nickel and certain nickel compounds, toluene, toluene diisocyanate, and 4-vinyl-1-cyclohexene diepoxide (vinyl cyclohexene dioxide); a list of the products and categories of products which are covered by this Agreement is provided in Exhibit A (the "Products").

On August 25, 1994, AYS served Hexcel and the appropriate enforcement agencies with a document entitled 60-Day Notice, which provided Hexcel and those agencies with notice that Hexcel was allegedly in violation of Health & Safety Code § 25249.6 for failing to warn individuals that certain products it manufactures, distributes or sells in California expose users to certain listed carcinogens and to toluene, which is listed pursuant to Health & Safety Code § 25249.8 as a reproductive toxin. "Appropriate enforcement agencies" refers to those agencies described in Health & Safety Code § 25249.7(d); and

On April 13, 1995, AYS served Hexcel, the appropriate enforcement agencies, and at least one Hexcel distributor, with supplemental documents each entitled 60-Day Notice, which provided Hexcel, those agencies, and Hexcel's distributor with additional notice that Hexcel and the distributor were allegedly in

violation of Health & Safety Code § 25249.6 for failing to warn individuals that certain products it manufactures, distributes or sells in California expose users to benzene, toluene, crystalline silica, which are listed pursuant to Health & Safety Code § 25249.8; and

On May 18, 1995, AYS served Hexcel and the appropriate enforcement agencies with a supplemental document entitled 60-Day Notice, which provided Hexcel and those agencies with additional notice that Hexcel was allegedly in violation of Health & Safety Code § 25249.6 for failing to warn individuals that certain products it manufactures, distributes or sells in California expose users to antimony oxide, cadmium and cadmium compounds, chromium, crystalline silica, epichlorohydrin, formaldehyde, glasswool fibers, lead and lead compounds, mercury compounds, 4,4'-methylenedianiline, 4,4'-methylene bis(2-chloroaniline), nickel and certain nickel compounds, toluene, toluene diisocyanate, and 4-vinyl-1-cyclohexene diepoxide (vinyl cyclohexene dioxide), which are listed pursuant to Health & Safety Code § 25249.8; and

Hexcel filed a petition for bankruptcy under Chapter 11 in December 1993. On January 12, 1995, the United States Bankruptcy Court for the Northern District of California, entered the Confirmation Order for Hexcel's bankruptcy, which discharged all claims arising from any act, omission, transaction or other activity that occurred before the date of entry of the Confirmation Order; and

Hexcel commenced a declaratory relief action against AYS in Los Angeles Superior Court on March 1, 1995, Case No. BC 122975, and AYS commenced its own action against Hexcel in Alameda County Superior Court on March 10, 1995, Case No. 748827-2 (collectively "the Actions"); and
In order to avoid costly and time-consuming litigation, AYS and Hexcel have agreed to settle all claims that have been brought or that could have been brought against Hexcel for exposures arising from Hexcel's manufacturing, distribution or sale of the Products listed in Exhibit A.

NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:

1. As of November 1, 1995, Hexcel agrees that it shall not ship (or cause to be shipped) for sale or use in the State of California, any of the Products, unless such Products contain one of the following warning statements on its label:

- (a) 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."

- (b) 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."

- (c) 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."

- (d) 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."

- (e) 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 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 under customary conditions of purchase or use. Where label space is limited, the word "Caution" may be used in lieu of the word "Warning," so long as the label contains the remaining language described above.

2. MSDS Revisions. Hexcel agrees to initiate revisions to the Products' Material Safety Data Sheets ("MSDS") to add warnings consistent with the warnings outlined in ¶ 1(a) - (e) of this Agreement. These revisions shall be completed by Hexcel by November 1, 1995.

3. Restitution and Costs. Hexcel agrees to pay a maximum of \$4,500 to AYS. These payments shall not constitute a fine or penalty, and shall be considered a stipulated judgment in the Actions. The \$4,500 shall be paid to AYS in accordance with the following terms and schedule:

- a. \$4,500 to be paid within ten (10) days of the entry of final judgment pursuant to paragraph 14.
 - (i) The restitutionary component of this payment, which is made pursuant to Business & Professions Code § 17203, shall be remitted to Citizens for a Better Environment, a non-profit organization working towards pollution prevention and the promotion of sustainable urban communities, and to the AYS Investigation Fund.
 - (ii) The cost component of this payment will be used by AYS to help defray its investigation fees and costs, expert fees, reasonable attorneys' fees, and any other costs incurred as a result of investigating, bringing this matter to Hexcel's attention, and negotiating a settlement in the public interest. This component shall constitute full and complete payment of costs and attorney fees under CCP § 1021.5 or other applicable statutes or legal theories.
 - (iii) The above components constitute a full and complete monetary settlement of the Actions, and shall total no more than \$4,500, combined. Neither AYS or Hexcel shall attempt to collect costs, fees, or other monies in excess of the sums described above.

4. Hexcel Release. AYS, by this Agreement, waives all rights to institute any form of legal action against Hexcel, its officers, directors, employees, attorneys, agents, representatives, subsidiaries, and affiliates, as well as Hexcel's distributors (including, but not limited to, Diversified Materials), or its customers, (collectively the "Hexcel Releasees") whether under Proposition 65, Business & Profession Code §§ 17200 et seq., or any other statute or common law claim based on the Hexcel Releasees failure to warn individuals about exposure to Proposition 65 chemicals from any of the Products identified in Exhibit A to this Agreement.

5. AYS Release. Hexcel, 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 against Hexcel with respect to any of the Products listed on Exhibit A to this Agreement.

6. Disputes Under This Agreement. 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.

7. Governing Law. The terms of this Agreement shall be governed by the laws of the State of California. To the extent that any new or revised law, regulation, or final court decision limits or otherwise renders inapplicable the warning provisions of Proposition 65 to the Products listed in Exhibit A, the warning provisions of this agreement described in paragraphs 1 and 2 shall be limited or inapplicable within the parameters of that law, regulation or final court decision. In such a case, Hexcel shall provide AYS with 30 days notice of its intent to so limit the warnings provisions under paragraphs 1 and 2 of this Agreement, and shall provide AYS with an explanation of the basis for its contention that such new or revised law, rule, regulation, or final court decision limits or otherwise renders inapplicable the warning provisions of Proposition 65 to the Products listed on Attachment A to this Agreement. Nothing in this paragraph shall affect the amounts to be paid under paragraph 3.

In the event that Hexcel obtains analytical, risk assessment, or other data that shows that an exposure to any or all Products listed in Exhibit A poses no significant risk and/or will have no observable effect as defined under Health & Safety Code § 25249.10(c), Hexcel shall no longer be required to provide warnings described in paragraphs 1 and 2 of this Agreement for those Products. If the data shows that an exposure to only some of the Proposition 65 chemicals contained in a Product poses no significant risk and/or will have no observable effect, Hexcel shall no longer be required to provide warnings described in paragraphs 1 and 2 of this Agreement only as to those chemicals contained in those Products. In either case, Hexcel shall provide AYS with 30 days notice of its intent to limit or eliminate the warning provisions under paragraphs 1 and 2, and shall provide AYS with the supporting data.

In the event that AYS desires to formally challenge the supporting data described in the above paragraph, AYS and Hexcel agree to submit to binding arbitration for such a challenge, with an arbitrator acceptable to both parties, and the prevailing party shall be entitled to reasonable attorney's fees and costs associated with that arbitration. AYS shall be the prevailing party if the arbitrator rules that the warning is required, and Hexcel shall be the prevailing party if the arbitrator rules that no warning is required, for each individual chemical in question. Prior to any such challenge by AYS, AYS shall provide Hexcel with 60 days written notice of its desire to challenge the data, and AYS and Hexcel shall negotiate in good faith to attempt to reach a settlement prior to any formal challenge, and if such a settlement is reached prior to the mutual selection of the arbitrator, each side shall bear its own costs.

8. Unenforceability. 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.

9. Counterparts. This document may be executed in counterparts with each copy considered an original.

10. All correspondence to AYS shall be mailed to:

Clifford A. Chanler, Esq.
Chanler & Associates
1700 Montgomery Street, Suite 110
San Francisco, CA 94111

11. All correspondence to Hexcel shall be mailed to:

Peter S. Veregge, Esq.
Howrey & Simon
550 S. Hope Street
Los Angeles, CA 90071

cc: Hexcel Corporation
Attention: Legal Department
5794 West Las Positas Blvd.
P.O. Box 8181
Pleasanton, CA 94588-8781

12. Non-Admission. Nothing in this Settlement Agreement or the Stipulated Judgment described in paragraph 14 shall be construed as an admission by Hexcel 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 Hexcel of any fact, finding, conclusion, issue of law, or violation of law. However, this paragraph shall not diminish or otherwise affect the obligation, responsibilities, and duties of Hexcel under this Settlement Agreement.

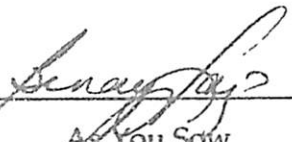
13. Dismissal of Action. Hexcel shall file for dismissal with prejudice of its action in Los Angeles Superior Court, Case No. BC 122975 within three days of the receipt of adequate notice that the Superior Court in Alameda County has entered final judgment pursuant to paragraph 14. "Adequate notice" shall consist of a copy of an order signed by the court entering final judgment in accordance with the terms set forth in this Agreement. Hexcel shall provide AYS with written confirmation that Hexcel has requested dismissal of its action with prejudice within five days of filing its request for dismissal. Hexcel will also provide AYS with a signed copy of the Notice of Dismissal within five days of receipt of that Notice from the court.

14. Stipulated Judgment. Hexcel and AYS shall file a stipulated judgment in the case of As You Sow v. Hexcel, Alameda County Superior Court, Case No. 748827-2, to be entered pursuant to CCP § 664.6 in accordance with the terms set forth in this Agreement. AYS shall take the lead in filing the stipulated judgment, and shall take all reasonable steps to insure final entry of judgment.

15. Authority to Execute. 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.

AGREED TO:

AGREED TO:

By: 
As You Sow

By: S. C. A. MONT
Hexcel Corporation

Dated: 7/21/95

Dated: July 18, 1995

EXHIBIT A

Page 1 of 2

PRODUCT CATEGORY: COMPOSITES

- PROPOSITION 65 CHEMICALS:
1. antimony oxide,
 2. cadmium and cadmium compounds,
 3. chromium (hexavalent compounds)
 4. epichlorohydrin,
 5. formaldehyde,
 6. lead and lead compounds
 7. nickel and certain nickel compounds.

HEXCEL PRODUCTS CONTAINING ONE OR MORE OF THE CHEMICALS

Phenolics

F-120 F-128

Polyester

F-141

Epoxy

F-154	F-155	F-161	F-164	F-185	F-263	F-511
F-515	F-522	F-526	F-561	F-584	F-593	F-903

Hexply's

101 102 110 120 130 140 150 160 170

Other

- Products run on ceramic or Cycom fabric/yarn
- Lancaster products containing metal-based pigments

PRODUCT CATEGORY: HONEYCOMB

- PROPOSITION 65 CHEMICALS:
1. formaldehyde,
 2. 4,4'-methylenedianiline
 3. hexavalent chromium
 4. glasswool fibers (airborne, respirable)

HEXCEL PRODUCTS CONTAINING ONE OR MORE OF THE CHEMICALS

Phenolics

CFC-20	HFT	HFT-G	HRH-10/Flex-Core
HRH-60	HRH-90	HRH-78	HRP/Flex-core
HRP	Korex	WR II	

EXHIBIT A

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Polyimide
HRH-327

Aluminum
CR III Core
CR V Core

Other
Products containing Acousti-Core material

PRODUCT CATEGORY: REINFORCED FABRICS

PROPOSITION 65 CHEMICALS: 1. formaldehyde,
2. epichlorohydrin.

HEXCEL PRODUCTS CONTAINING ONE OR MORE OF THE
CHEMICALS

Phenolics
F-6

Epoxy
F-301 F-303

PRODUCT CATEGORY: RESINS

PROPOSITION 65 CHEMICALS: 1. crystalline silica,
2. epichlorohydrin,
3. formaldehyde,
4. lead compounds
5. mercury compounds,
6. 4,4'-methylenedianiline
7. 4,4'-methylene bis(2-chloroaniline)
8. toluene
9. toluene diisocyanate
10. 4-vinyl-1-cyclohexene diepoxide (vinyl
cyclohexene dioxide)

HEXCEL PRODUCTS CONTAINING ONE OR MORE OF THE
CHEMICALS

Epolite and Uralite Resin Systems (ever-changing product numbers)
Medithane products
Paraplast products
8430 metal primer
Mold Release Agents: Partingkote 8300 and 8302