

SETTLEMENT AGREEMENT

This Settlement Agreement ("Agreement") is entered into by and between Michael DiPirro, a California citizen, and Stant Corporation, a Colorado corporation ("Stant"), as of November 12, 1999 (the "Effective Date"). The parties agree to the following terms and conditions:

WHEREAS:

A. Michael DiPirro is an individual residing in San Francisco who seeks to promote awareness of exposures to toxic chemicals and improve human health by reducing or eliminating hazardous substances contained in (or produced by) consumer and industrial products;

B. Stant is a company that manufactures, packages or otherwise sells adhesives and other bonding compounds (such as tire repair cement) containing toluene, a substance known to the State of California to cause reproductive toxicity;

C. A list of the products which contain toluene and which are covered by this Agreement is provided in Exhibit A (the "Products"). The Products have been sold by Stant for use in California since at least October 15, 1994; and

D. On October 15, 1998, Michael DiPirro first served Stant and all of the requisite public enforcement agencies with a document entitled "60-Day Notice" which provided Stant and such public enforcers with notice that Stant 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 Proposition 65-listed chemicals; and

E. On November 10, 1999, Michael DiPirro filed a complaint entitled Michael DiPirro v. Plews/Edelman, a subsidiary of Stant Corporation, et al. (Case no. 307817) in the San Francisco Superior Court, naming Stant as a defendant and alleging violations of Business & Professions Code §17200 and Health & Safety Code §25249.6 on behalf of individuals in California who allegedly have been exposed to chemicals listed pursuant to Proposition 65 contained in certain Stant products.

F. This agreement constitutes a compromise settlement of a disputed claim for the purpose of avoiding protracted litigation. Stant at all times denied and denies the material factual and legal allegations contained in the 60-Day Notice and the Complaint. Nothing in this Agreement shall be construed as

an admission by Stant of any fact, finding, issue of law, or violation of Proposition 65, nor shall compliance with this Agreement constitute or be construed as an admission by Stant of any fact, finding, conclusion, issue of law, or violation of law, or that Proposition 65, Business & Professions Code §§17200, 17500, or any other law requires any of the acts imposed by this Agreement. Nothing in this Agreement shall prejudice, waive, or impair any right, remedy, or defense Stant may have in this or any other or future legal proceedings. However, this paragraph shall not diminish or otherwise affect the obligations, responsibilities, and duties of Stant under this Agreement.

NOW THEREFORE, MICHAEL DiPIRRO AND STANT AGREE AS FOLLOWS:

1. Product Warnings. Stant shall begin to initiate revisions to its health hazard warnings for its Products to provide the language set forth in the section 1.1 below. Beginning on December 15, 1999, Stant agrees that it will not knowingly ship (or cause to be shipped) any of the Products for sale in the State of California unless such Products comply with section 1.1 below:

1.1 For all products containing toluene, such products shall bear the following warning statement on the product label:

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

or

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

or

"WARNING: This product will expose you to toluene, a chemical known to the State of California to cause birth defects or other reproductive harm."

The warning statement shall be prominent and displayed at the point of sale 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.

2. Warning Labels for Products "In Commerce". The parties agree and acknowledge that an unknown volume of Products

were introduced into the "stream of commerce" before the Effective Date of this Agreement. In an effort to reasonably ensure that persons who might use or be exposed to the toluene in or from these "in commerce" Products, Stant shall, within thirty (30) days from the Effective Date, provide Interim Warning Materials to its customers whom Stant knows or has reason to believe currently distribute or sell Products in California. Such "Interim Warning Materials" shall include the following: (a) a reasonably sufficient number of warning stickers (considering the potential volume of Products that the recipient distributes or sells in California); (b) a letter of instruction for the application of such warning stickers; and (c) a Notice and Acknowledgement form to be signed by the customer and returned to Stant. If Stant certifies to DiPirro that it has been complying with paragraph 1 above prior to the Effective Date, then Stant shall have no obligation to provide interim warnings as set forth in this paragraph.

3. Payment Pursuant To Health & Safety Code

§25249.7(b). Pursuant to Health & Safety Code §25249.7(b), Stant shall pay a civil penalty of \$10,000 in three installments. The first payment of \$1,000 is due within five (5) days of the Effective Date of the Agreement. The second payment of \$6,000 is due on October 1, 2000. The second payment, however, shall be waived if Stant undertakes good faith efforts over the next 10 months to reformulate the Products so as to eliminate the presence of toluene. In order to obtain the waiver, Stant shall provide a written description of such efforts on or before August 15, 2000. The third payment of \$3,000 is due on January 15, 2001. This payment, however, shall be waived, if such Products are reformulated on or before December 30, 2000 so that no shipments of the toluene-containing products are made in California after January 1, 2001. Payment of the penalties shall be made payable to the "Chanler Law Group In Trust For Michael DiPirro". Penalty monies shall be apportioned by DiPirro in accordance with Health & Safety Code §25192, with 75% of these funds remitted to the State of California's Department of Toxic Substances Control.

4. Reimbursement Of Fees And Costs.

Stant shall reimburse DiPirro for his fees and costs, incurred as a result of investigating, bringing this matter to Stant's attention, litigating and negotiating a settlement in the public interest. Stant shall pay: \$9,000 for pre-notice investigation fees; \$775 for expert, investigation and litigation costs; and \$600 in attorneys' and post-notice investigation fees. Stant agrees to pay \$5,875 within five (5) days of the Effective Date of the Agreement. The second payment of \$4,500 is due on January 15, 2001. This payment, however, shall be waived, if Stant undertakes good faith efforts over the next 10 months to reformulate the Products so as to eliminate the presence of toluene. In order to obtain the waiver, Stant shall provide a

written description of such efforts on or before August 15, 2000. Payment should be made payable to the "Chanler Law Group".

5. DiPirro's Release Of Stant. DiPirro, by this Agreement, on behalf of himself and in his representative capacity on behalf of the citizens of the State of California, his agents, and/or assignees, waives all rights to institute any form of legal action (and releases all claims) against Stant its past, present or future assigns, predecessors, successors, affiliates, subsidiaries, parents, agents, employees, shareholders, representatives, officers, directors, attorneys, distributors and retailers ("Releasees") whether under Proposition 65, Business & Profession Code §§17200, 17500, or any other claim (excluding any personal injury claims) which he could have asserted related to Releasees alleged failure to warn about exposure to toluene contained in any of the Products.

6. Stant's Release Of Michael DiPirro. Stant, by this Agreement, waives all rights to institute any form of legal action against DiPirro and his attorneys or representatives, for all actions or statements made by Michael DiPirro, and his attorneys or representatives, in the course of seeking enforcement of Proposition 65 or Business & Profession Code §§1720 against Stant.

7. Civil Code §1542. The parties acknowledge that Civil Code §1542 provides:

"A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor."

The parties expressly waive the application and benefits of Civil Code §1542. However, Michael DiPirro only waives the application and benefits of Civil Code §1542 on behalf of himself (and not in his representative capacity on behalf of the People of the State of California).

8. Stipulated Judgment. Concurrently with the execution of this Agreement, DiPirro and Stant shall execute and 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. For purposes of this Agreement only, the parties stipulate that the San Francisco Superior Court has jurisdiction over the alleged violations in the complaint and personal jurisdiction over the defendant as to the acts alleged in the 60-Day Notice and complaint, and that venue is proper in San Francisco County and that the court has jurisdiction to enter a stipulation for entry of consent judgment. If, for any reason, the stipulated judgment is not approved by the Court, this

Agreement shall be deemed null and void and any settlement proceeds shall be returned to Stant within 5 days of the court's rejection of the proposed judgment. If the stipulated judgment is not entered by the court, the execution of this stipulation for entry of consent judgment by defendant shall not be admissible in any proceeding pursuant to *Evidence Code* §1152-54.

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. Modification. This agreement may be modified from time to time by express written agreement of the parties with the approval of the court, or by an order of this court after motion by a party hereto.

11. Attorneys' Fees In The Event Of A Dispute. 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.

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

13. Notices. All correspondence to DiPirro shall be mailed to:

Clifford A. Chanler
Chanler Law Group
Magnolia Lane
(off Huckleberry Hill)
New Canaan, CT 06840-3801

All correspondence to Stant shall be mailed to:

Thomas C. Reeve, Esq.
Corporate Counsel
Stant Corporation
P.O. Box 5887
Denver, CO 80217

14. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, and all of which, when taken together, shall constitute one and the same document.

15. 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.

AGREED TO:

AGREED TO:

DATE: _____

DATE: 11/12/99 _____

Michael DiPirro
PLAINTIFF



stant Corporation
DEFENDANT

AGREED TO:

AGREED TO:

DATE: 11/15/99

DATE: _____

Michael DiPirro

Michael DiPirro
PLAINTIFF

Stant Corporation
DEFENDANT

Exhibit A

EXHIBIT A

46-001	Rubber Cement
46-003	Patch Kit
46-005	On-The-Wheel Tire Repair Kit
46-007	Feather-Edge Bicycle Tire Patch Kit
46-017	Radial Patch Kit
46-019	Feather-Edge Vulcanizing Patch Kit