

SETTLEMENT AGREEMENT

1. INTRODUCTION

1.1 Parties

This Settlement Agreement is entered into by and between Paul Wozniak (“Wozniak”) and NMTC, Inc. (“NMTC”), with Wozniak and NMTC collectively referred to as the “Parties” and individually as a “Party.” Wozniak is an individual residing in the State of California who seeks to promote awareness of exposures to toxic chemicals and improve human health by reducing or eliminating hazardous substances contained in consumer products. NMTC employs ten or more persons and is a person in the course of doing business for purposes of the Safe Drinking Water and Toxic Enforcement Act of 1986, California Health & Safety Code § 25249.6 *et seq.* (“Proposition 65”).

1.2 General Allegations

Wozniak alleges that NMTC manufactures, distributes, sells, and/or offers for sale vinyl/PVC automobile seat covers containing di(2-ethylhexyl)phthalate (“DEHP”) in the State of California without the requisite Proposition 65 health hazard warning. DEHP is listed pursuant to Proposition 65 as a chemical known to the State of California to cause birth defects and other reproductive harm.

1.3 Product Description

The products that are covered by this Settlement Agreement are defined as vinyl/PVC automobile seat covers containing DEHP including, but not limited to, the *Matco Black Seat Cover Part No: SC102G, UPC #0 02945 85427 4*, which were manufactured, distributed, and/or sold in the State of California by NMTC, hereinafter referred to as the “Products.”

1.4 Notice of Violation

On or about March 26, 2014, Wozniak served NMTC and various public enforcement agencies with a document entitled “60-Day Notice of Violation” (“Notice”), alleging that NMTC was in violation of Proposition 65 for failing to warn its customers and consumers in the State of California that the Products exposed users to DEHP. To the best of the Parties’ knowledge, no

public enforcer has commenced and is diligently prosecuting the allegations set forth in the Notice.

1.5 No Admission

NMTC denies the material, factual, and legal allegations contained in the Notice and maintains that all of the products it has manufactured, imported, distributed, sold and/or offered for sale in the State of California, including the Products, have been, and are, in compliance with all laws. Nothing in this Settlement Agreement shall be construed as an admission by NMTC of any fact, finding, conclusion of law, issue of law, or violation of law; nor shall compliance with this Settlement Agreement constitute or be construed as an admission by NMTC of any fact, finding, conclusion of law, issue of law, or violation of law, such being specifically denied by NMTC. This Section shall not, however, diminish or otherwise affect NMTC's obligations, responsibilities, and duties under this Settlement Agreement.

1.6 Effective Date

For purposes of this Settlement Agreement, the term "Effective Date" shall mean January 1, 2015.

2. INJUNCTIVE RELIEF: REFORMULATION

2.1 Reformulation Commitment

As of the Effective Date, any Products that NMTC distributes and/or sells in the State of California, or manufactures for sale in the State of California, shall be Reformulated Products. For purposes of this Settlement Agreement, "Reformulated Products" shall mean Products containing less than or equal to 1,000 parts per million (0.1%) DEHP in each Accessible Component when analyzed pursuant to EPA testing methodologies 3580A and 8270C. For purposes of this Settlement Agreement, "Accessible Component" shall mean a component of a Product that can be touched by a person during normal, intended and foreseeable use of the Product.

3. PENALTIES PURSUANT TO HEALTH & SAFETY CODE § 25249.7(b)

In settlement of all the claims referred to in this Settlement Agreement, NMTC shall pay a total of \$4,500 in civil penalties in accordance with this Section. Each penalty payment will be allocated in accordance with California Health & Safety Code §§ 25249.12(c)(1) & (d), with 75% of the funds remitted to the California Office of Environmental Health Hazard Assessment (“OEHHA”) and the remaining 25% of the penalty remitted to Wozniak, as follows:

3.1 Initial Civil Penalty

NMTC shall pay an initial civil penalty in the amount of \$1,500 on or before the Effective Date. NMTC shall issue two separate checks to: (a) “OEHHA” in the amount of \$1,125; and (b) “Paul Wozniak, Client Trust Account” in the amount of \$375. All penalty payments shall be delivered to the addresses listed in Section 3.3 below.

3.2 Final Civil Penalty

NMTC shall pay a final civil penalty of \$3,000 on or before May 15, 2015; the final civil penalty shall be waived in its entirety, however, if, no later than May 1, 2015, an officer of NMTC provides Wozniak with written certification that, as of the date of such certification and continuing into the future, NMTC has met the requirements of Section 2.1. The certification in lieu of a final civil penalty payment provided by this Section is a material term, and time is of the essence. NMTC shall issue two separate checks for its final civil penalty payments to: (a) “OEHHA” in the amount of \$2,250; and (b) “Paul Wozniak, Client Trust Account” in the amount of \$750.

3.3 Payment Procedures

3.3.1 Issuance of Payments. Payments shall be delivered as follows:

(a) All payments owed to Wozniak, pursuant to Sections 3.1 and 3.2, shall be delivered to the following payment address:

The Chanler Group
Attn: Proposition 65 Controller
2560 Ninth Street
Parker Plaza, Suite 214
Berkeley, CA 94710

(b) All payments owed to OEHHA, pursuant to Sections 3.1 and 3.2, shall be delivered directly to OEHHA (Memo line “Prop 65 Penalties”) at the following addresses:

For United States Postal Service Delivery:

Mike Gyurics
Fiscal Operations Branch Chief
Office of Environmental Health Hazard Assessment
P.O. Box 4010
Sacramento, CA 95812-4010

For Non-United States Postal Service Delivery:

Mike Gyurics
Fiscal Operations Branch Chief
Office of Environmental Health Hazard Assessment
1001 I Street
Sacramento, CA 95814

With a copy of the checks payable to OEHHA mailed to The Chanler Group at the address set forth above in 3.3.1(a), as proof of payment to OEHHA.

4. REIMBURSEMENT OF FEES AND COSTS

The Parties acknowledge that Wozniak and his counsel offered to resolve this dispute without reaching terms on the amount of fees and costs to be reimbursed to them, thereby leaving this fee issue to be resolved after the material terms of the agreement had been settled. NMTC then expressed a desire to resolve the fee and cost issue shortly after the other settlement terms had been finalized. The Parties then attempted to (and did) reach an accord on the compensation due to Wozniak and his counsel under general contract principles and the private attorney general doctrine codified at California Code of Civil Procedure § 1021.5, for all work performed through the mutual execution of this agreement. NMTC shall pay \$11,000 for fees and costs incurred as a result of investigating, bringing this matter to NMTC’s attention, and negotiating a settlement in the public interest. NMTC shall issue a check payable to “The Chanler Group” and shall deliver payment on or before the Effective Date to the address listed in Section 3.3.1(a) above.

5. RELEASES

5.1 Wozniak's Release of NMTC

This Settlement Agreement is a full, final and binding resolution between Wozniak, in his individual capacity and not on behalf of the public, and NMTC, of any violation of Proposition 65 that was or could have been asserted by Wozniak on behalf of himself, his past and current agents, representatives, attorneys, successors, and/or assignees, against NMTC, its parents, including Danaher Corp., subsidiaries, affiliated entities under common ownership, directors, officers, employees, attorneys, and each entity to whom NMTC directly or indirectly distributes or sells Products, including, but not limited, to downstream distributors, wholesalers, customers, retailers, franchisees, cooperative members, and licensees (collectively, the "Releasees"), based on their failure to warn about alleged exposures to DEHP contained in the Products that were manufactured, distributed, sold, and/or offered for sale by NMTC in the State of California before the Effective Date.

In further consideration of the promises and agreements herein contained, Wozniak, in his individual capacity only, on behalf of himself, his past and current agents, representatives, attorneys, successors, and/or assignees, hereby waives all his rights to institute or participate in, directly or indirectly, any form of legal action and releases all claims that he may have, including, without limitation, all actions, and causes of action, in law or in equity, suits, liabilities, demands, obligations, damages, costs, fines, penalties, losses, or expenses -- including, but not limited to, investigation fees, expert fees, and attorneys' fees, but exclusive of fees and costs on appeal -- limited to and arising under Proposition 65 with respect to DEHP in the Products manufactured, distributed, sold and/or offered for sale by NMTC before the Effective Date, against NMTC and Releasees. NMTC and Wozniak, in his individual capacity only, agree that compliance by NMTC with the terms of this Settlement Agreement shall constitute compliance with Proposition 65 with respect to DEHP in the Products.

5.2 NMTC's Release of Wozniak

NMTC, on behalf of itself, its past and current agents, representatives, attorneys, successors, and/or assignees, hereby waives any and all claims against Wozniak and his attorneys and other representatives, for any and all actions taken or statements made (or those that could have been taken or made) by Wozniak and his attorneys and other representatives, whether in the course of investigating claims, otherwise seeking to enforce Proposition 65 against it in this matter, or with respect to the Products.

6. SEVERABILITY

If, subsequent to the execution of this Settlement Agreement, any provision is held by a court to be unenforceable, the validity of the enforceable provisions remaining shall not be adversely affected.

7. GOVERNING LAW

The terms of this Settlement Agreement shall be governed by the laws of the State of California and apply within the State of California.

8. NOTICES

Unless specified herein, all correspondence and notices required to be provided pursuant to this Settlement Agreement shall be sent by: (i) personal delivery; (ii) first-class, registered or certified mail, return receipt requested; or (iii) overnight courier on any Party by the other Party at the following addresses:

To NMTC:

Frank DiCuado
Legal Department
NMTC, Inc.
4403 Allen Road
Stow, OH 44224

To Wozniak:

Proposition 65 Coordinator
The Chanler Group
2560 Ninth Street
Parker Plaza, Suite 214
Berkeley, CA 94710-2565

With copy to:

Sarah Esmaili, Esq.
Arnold & Porter LLP
Three Embarcadero Center, 10th Floor
San Francisco, CA 94111

Any Party may, from time to time, specify in writing to the other Party a change of address to which all notices and other communications shall be sent.

9. COUNTERPARTS; FACSIMILE SIGNATURES

This Settlement Agreement may be executed in counterparts and by facsimile or portable document format (".pdf") signature, each of which shall be deemed an original, and all of which, when taken together, shall constitute one and the same document.

10. POST-EXECUTION ACTIVITIES

Wozniak agrees to comply with the reporting form requirements referenced in Health & Safety Code § 25249.7, subdivision (f).

11. MODIFICATION

This Settlement Agreement may be modified only by a written agreement of the Parties.

12. AUTHORIZATION

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

AGREED TO:

AGREED TO:

Date: December 17, 2014

Date: _____

By:  _____

By: _____

Paul Wozniak

Timothy Gilmore, President
NMTC, Inc.

With copy to:

Sarah Esmaili, Esq.
Arnold & Porter LLP
Three Embarcadero Center, 10th Floor
San Francisco, CA 94111

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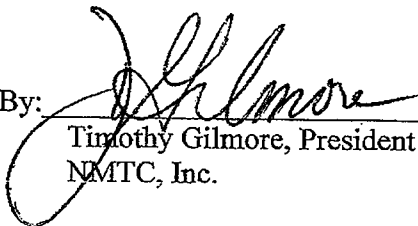
AGREED TO:

AGREED TO:

Date: _____

Date: 12/17/14

By: _____
Paul Wozniak

By: 
Timothy Gilmore, President
NMTC, Inc.