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REC'D JUL 07 2009

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17 Attorneys for Plaintiff
18 CONSUMER ADVOCACY GROUP, INC.

19 SUPERIOR COURT OF THE STATE OF CALIFORNIA

20 COUNTY OF SAN FRANCISCO

21 ENVIRONMENTAL WORLD WATCH, INC.,

22 Plaintiff,

23 v.

24 AEROFLOT, et al.,

25 Defendants.

26 AND CONSOLIDATED ACTIONS.

IMAGED

JUL 23 2009

FILED
San Francisco County Superior Court

JUL 21 2009

GORDON PARK-LI, Clerk

BY: *Margaret L. Mizelle*
Deputy Clerk

LEE LAW GROUP
Robert Y. Lee (SBN 213848)
3699 Wilshire Boulevard, Suite 1100
Los Angeles, CA 90010
Telephone: (213) 383-5400
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Case No.: 06-455658 (Consolidated with
Case Nos. 05-439749, 05-447903, 06-
452413, 07-462716)

**[PROPOSED] ORDER PURSUANT
TO TERMS OF STIPULATION AND
ORDER RE: CONSENT JUDGMENT
(AIR CARRIERS)**

Date: January 27, 2009
Time: 10:00 a.m.
Department: 220
Judge: Hon. A. James Robertson

A/73057087.2/3002922-0000312672

[PROPOSED] ORDER PURSUANT TO TERMS OF STIPULATION
AND ORDER RE: CONSENT JUDGMENT (AIR CARRIERS)

1 In the above-entitled action, Plaintiff ENVIRONMENTAL WORLD WATCH,
2 INC., Plaintiff CONSUMER ADVOCACY GROUP, INC. and Defendants ASTAR AIR
3 CARGO, INC., BAX GLOBAL, INC., EVERGREEN INTERNATIONAL AIRLINES, INC.,
4 FEDERAL EXPRESS CORPORATION, POLAR AIR CARGO WORLDWIDE, INC.,
5 UNITED PARCEL SERVICE CO., CARGOLUX AIRLINES INTERNATIONAL, S.A.,
6 DPWN HOLDINGS (USA), INC., originally sued as DHL HOLDINGS (USA), INC. and
7 AMERIJET INTERNATIONAL, INC. (collectively, "Parties"), having agreed through their
8 respective counsel that judgment be entered pursuant to the terms of the Stipulation and
9 [Proposed] Order Re: Consent Judgment entered into by the Parties, and after consideration of
10 the papers submitted and the arguments presented, the Court finds that the settlement agreements
11 set out in the attached Consent Judgment meet the criteria established by Senate Bill 471, in that:

- 12 1. The health hazard warning that is required by the Stipulation and
13 [Proposed] Order Re: Consent Judgment complies with Health & Safety Code section 25249.7;
- 14 2. The reimbursement of fees and costs to be paid pursuant to the Parties'
15 Consent Judgment is reasonable under California law; and
- 16 3. The payment pursuant to Health & Safety Code section 25249.7(b) is
17 reasonable.

18 IT IS HEREBY ORDERED that judgment be entered in this case, in accordance
19 with the terms of the attached Stipulation and [Proposed] Order Re: Consent Judgment as
20 modified by the attached STIPULATED JUDGMENT PURSUANT TO AMENDED TERMS
21 OF STIPULATION AND ORDER RE: CONSENT JUDGMENT (AIR CARRIERS).

22 IT IS SO ORDERED.

23 Dated: *July 21, 2009*
24 JUL 21 2009

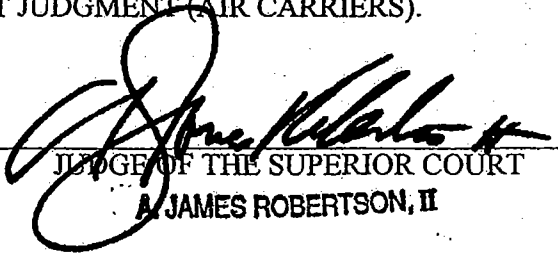

JUDGE OF THE SUPERIOR COURT
A. JAMES ROBERTSON, II

EXHIBIT 1

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18 CONSUMER ADVOCACY GROUP, INC.

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Telephone: (213) 383-5400
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12 SUPERIOR COURT OF THE STATE OF CALIFORNIA
13 COUNTY OF SAN FRANCISCO

14 ENVIRONMENTAL WORLD WATCH, INC.,

15 Plaintiff,

16 v.

17 AEROFLOT, et al.,

18 Defendants.

19 AND CONSOLIDATED ACTIONS.

Case No.: 06-455658 (consolidated with
case nos. 05-439749, 05-447903, 06-
452413, 07-462756)

**STIPULATION AND PROPOSED
ORDER RE: CONSENT JUDGMENT
(AIR CARRIERS)**

Date: January 27, 2009

Time: 10:00 a.m.

Department: 220

Judge: Hon. A. James Robertson

1 **1. INTRODUCTION**

2 1.1 **Plaintiffs and Defendants.** This Stipulation and Proposed Order Re: Consent
3 Judgment (“Consent Judgment”) is entered into by and among Plaintiff Environmental World
4 Watch, Inc. (“EWW”), Plaintiff Consumer Advocacy Group (“CAG”), Yeroushalmi &
5 Associates (former counsel of record for EWW), and Defendants Astar Air Cargo, Inc., BAX
6 Global, Inc., Evergreen International Airlines, Inc., Federal Express Corporation, Polar Air
7 Cargo Worldwide, Inc., United Parcel Service Co., Cargolux Airlines International, S.A.,
8 DPWN Holdings (USA), Inc., originally sued as DHL Holdings (USA), Inc., and Amerijet
9 International, Inc. (“Defendants”) (collectively with plaintiffs, referred to as the “Parties”). The
10 Parties, by and through their counsel of record, stipulate to entry of this Consent Judgment.

11 1.2 **Plaintiffs.** EWW and CAG are corporations that seek to promote awareness of
12 exposures to toxic chemicals and to improve human health by reducing or eliminating hazardous
13 substances contained in consumer and industrial products.

14 1.3 **Defendants.** Defendants are air carrier companies alleged to have operated
15 aircraft at one or more airports in California.

16 1.4 **General Allegations.** Plaintiffs allege that Defendants have exposed employees,
17 passengers, and individuals to chemicals listed under Cal. Health & Safety Code section 25249.6
18 (“Proposition 65”) such as Benz[a]anthracene, Chrysene, Benzo[a]pyrene, Indeno[1,2,3-
19 cd]pyrene, Formaldehyde (gas), Acetaldehyde, Napthalene, Benzene; Ethylbenzene,
20 Benzo[b]fluroanthene, Benzo[k]fluoranthene, Dibenz[a,h]anthracene, Toluene, and Carbon
21 Monoxide, without first providing Proposition 65 warnings of these alleged exposures.

22 **2. CONSENT TO JURISDICTION.**

23 For purposes of this Consent Judgment only, the Parties stipulate that this Court
24 has jurisdiction over the Parties and concerning the alleged violations at issue and personal
25 jurisdiction over Defendants as to the acts alleged, that venue is proper in the County of San
26

1 Francisco, and that this Court has jurisdiction to enter this Consent Judgment and to enforce the
2 provisions thereof.

3 **3. INCORPORATION OF SETTLEMENT AGREEMENTS.**

4 The Parties agree that judgment in the above-entitled action, including all
5 consolidated actions, shall be entered, subject to Court approval, in accordance with the terms of
6 the Settlement Agreements by and among the Parties ("Settlement Agreements"), which are
7 attached hereto as Exhibit 1 and Exhibit 2, and the terms of which are incorporated by reference
8 into this Consent Judgment and made a part hereof.

9 **4. COUNTERPARTS**

10 This Agreement may be executed in counterparts and by facsimile or e-mail, each
11 of which shall be deemed an original, and all of which, when taken together, shall constitute one
12 and the same document.

13 **5. AUTHORIZATION**

14 The undersigned are authorized to stipulate to entry of this Consent Judgment on
15 behalf of their respective Parties and have read, understood and agree to all of the terms and
16 conditions of this Consent Judgment.

17
18 DATED: December 12, 2008 GRAHAM & MARTIN

19 By: Anthony Graham ^{by [initials]}
20 Anthony Graham
21 Attorneys for Plaintiff
ENVIRONMENTAL WORLD WATCH, INC.

22 DATED: December __, 2008 LAW FIRM OF ROY PENUELA

23
24 By: _____
25 Roy Penuela
26 Attorneys for Plaintiff
CONSUMER ADVOCACY GROUP, INC.

1 DATED: December __, 2008 LEE LAW FIRM

2
3

By: _____
Adam Gafni
Attorneys for Plaintiff
CONSUMER ADVOCACY GROUP, INC.

6 DATED: December 12, 2008 BINGHAM MCCUTCHEN LLP

7
8

By: Rich Rothman, DE
R Raymond Rothman
Attorneys for Defendants
ASTAR AIR CARGO, INC., EVERGREEN
INTERNATIONAL AIRLINES, INC., FEDERAL EXPRESS
CORPORATION, POLAR AIR CARGO WORLDWIDE,
INC., UNITED PARCEL SERVICE CO.

12 DATED: December __, 2008 CONDON & FORSYTH LLP

13
14

By: _____
Rod D. Margo
Attorneys for Defendants
CARGOLUX AIRLINES INTERNATIONAL, S.A.

17 DATED: December __, 2008 KENNEY & MARKOWITZ L.L.P

18
19

By: _____
Harvey T. Elam
Attorneys for Defendants
AMERIJET INTERNATIONAL, INC., and DPWN
HOLDINGS (USA), INC., originally sued as DHL
HOLDINGS (USA), INC.

22 DATED: December __, 2008 MORRISON & FOERSTER LLP

23
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By: _____
Peter Hsiao
Attorneys for Defendant
BAX GLOBAL, INC.

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DATED: December __, 2008 YEROUSHALMI & ASSOCIATES

By: _____
Reuben Yeroushalmi
YEROUSHALMI & ASSOCIATES

IT IS SO ORDERED.

Dated:

JUDGE OF THE SUPERIOR COURT

1 Francisco, and that this Court has jurisdiction to enter this Consent Judgment and to enforce the
2 provisions thereof.

3 **3. INCORPORATION OF SETTLEMENT AGREEMENTS.**

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5 consolidated actions, shall be entered, subject to Court approval, in accordance with the terms of
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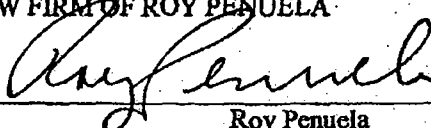
13 **5. AUTHORIZATION**

14 The undersigned are authorized to stipulate to entry of this Consent Judgment on
15 behalf of their respective Parties and have read, understood and agree to all of the terms and
16 conditions of this Consent Judgment.

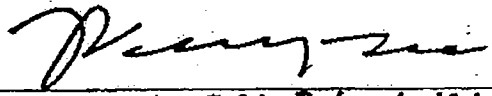
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18 DATED: December __, 2008 GRAHAM & MARTIN

19 By: _____
20 Anthony Graham
21 Attorneys for Plaintiff
ENVIRONMENTAL WORLD WATCH, INC.

22 DATED: December 7, 2008 LAW FIRM OF ROY PENUELA

23 By:  _____
24 Roy Penuela
25 Attorneys for Plaintiff
26 CONSUMER ADVOCACY GROUP, INC.

1 DATED: December 9, 2008 LEE LAW FIRM

2
3 By: 
4 Adam Gafni Robert F. Lee
5 Attorneys for Plaintiff
6 CONSUMER ADVOCACY GROUP, INC.

6 DATED: December __, 2008 BINGHAM MCCUTCHEN LLP

7
8 By: _____
9 R Raymond Rothman
10 Attorneys for Defendants
11 ASTAR AIR CARGO, INC., EVERGREEN
12 INTERNATIONAL AIRLINES, INC., FEDERAL EXPRESS
13 CORPORATION, POLAR AIR CARGO WORLDWIDE,
14 INC., UNITED PARCEL SERVICE CO.

12 DATED: December __, 2008 CONDON & FORSYTH LLP

13
14 By: _____
15 Rod D. Margo
16 Attorneys for Defendants
17 CARGOLUX AIRLINES INTERNATIONAL, S.A.

17 DATED: December __, 2008 KENNEY & MARKOWITZ L.L.P

18
19 By: _____
20 Harvey T. Elam
21 Attorneys for Defendants
22 AMERIJET INTERNATIONAL, INC., and DPWN
23 HOLDINGS (USA), INC., originally sued as DHL
24 HOLDINGS (USA), INC.

22 DATED: December __, 2008 MORRISON & FOERSTER LLP

23
24 By: _____
25 Peter Hsiao
26 Attorneys for Defendant
BAX GLOBAL, INC.

1 DATED: December __, 2008 LEE LAW FIRM

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By: _____

Adam Gafni
Attorneys for Plaintiff
CONSUMER ADVOCACY GROUP, INC.

4

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6

7 DATED: December __, 2008 BINGHAM MCCUTCHEN LLP

8

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By: _____

R Raymond Rothman
Attorneys for Defendants
ASTAR AIR CARGO, INC., EVERGREEN
INTERNATIONAL AIRLINES, INC., FEDERAL EXPRESS
CORPORATION, POLAR AIR CARGO WORLDWIDE,
INC., UNITED PARCEL SERVICE CO.

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13 DATED: December 9, 2008 CONDON & FORSYTH LLP

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15

By: Rod D. Margo

Rod D. Margo
Attorneys for Defendants
CARGOLUX AIRLINES INTERNATIONAL, S.A.

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17

18 DATED: December __, 2008 KENNEY & MARKOWITZ L.L.P

19

20

By: _____

Harvey T. Elam
Attorneys for Defendants
AMERIJET INTERNATIONAL, INC., and DPWN
HOLDINGS (USA), INC., originally sued as DHL
HOLDINGS (USA), INC.

21

22

23 DATED: December __, 2008 MORRISON & FOERSTER LLP

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25

By: _____

Peter Hsiao
Attorneys for Defendant
BAX GLOBAL, INC.

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1 DATED: December __, 2008. LEE LAW FIRM

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By: _____

Adam Gafni
Attorneys for Plaintiff
CONSUMER ADVOCACY GROUP, INC.

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7 DATED: December __, 2008 BINGHAM MCCUTCHEN LLP

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By: _____

R. Raymond Rothman
Attorneys for Defendants
ASTAR AIR CARGO, INC., EVERGREEN
INTERNATIONAL AIRLINES, INC., FEDERAL EXPRESS
CORPORATION, POLAR AIR CARGO WORLDWIDE,
INC., UNITED PARCEL SERVICE CO.

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13 DATED: December __, 2008 CONDON & FORSYTH LLP

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By: _____

Rod D. Margo
Attorneys for Defendants
CARGOLUX AIRLINES INTERNATIONAL, S.A.

16

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18 DATED: December 11, 2008 KENNEY & MARKOWITZ L.L.P

19

By: _____

Harvey T. Elam
Harvey T. Elam
Attorneys for Defendants
AMERIJET INTERNATIONAL, INC., and DPWN
HOLDINGS (USA), INC., originally sued as DHL
HOLDINGS (USA), INC.

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23 DATED: December __, 2008 MORRISON & FOERSTER LLP

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By: _____

Peter Hsiao
Attorneys for Defendant
BAX GLOBAL, INC.

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1 DATED: December __, 2008 LEE LAW FIRM

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By: _____

Adam Gafni
Attorneys for Plaintiff
CONSUMER ADVOCACY GROUP, INC.

4

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7 DATED: December __, 2008 BINGHAM MCCUTCHEN LLP

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By: _____

R Raymond Rothman
Attorneys for Defendants
ASTAR AIR CARGO, INC., EVERGREEN
INTERNATIONAL AIRLINES, INC., FEDERAL EXPRESS
CORPORATION, POLAR AIR CARGO WORLDWIDE,
INC., UNITED PARCEL SERVICE CO.

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13 DATED: December __, 2008 CONDON & FORSYTH LLP

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By: _____

Rod D. Margo
Attorneys for Defendants
CARGOLUX AIRLINES INTERNATIONAL, S.A.

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18 DATED: December __, 2008 KENNEY & MARKOWITZ L.L.P

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By: _____

Harvey T. Blam
Attorneys for Defendants
AMERIJET INTERNATIONAL, INC., and DPWN
HOLDINGS (USA), INC., originally sued as DHL
HOLDINGS (USA), INC.

21

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23 DATED: December 10, 2008 MORRISON & FOERSTER LLP

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By: _____

Andrea Jones for
Peter Hsiao
Attorneys for Defendant
BAX GLOBAL, INC.

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DATED: December 9, 2008

YERUSHALMI & ASSOCIATES

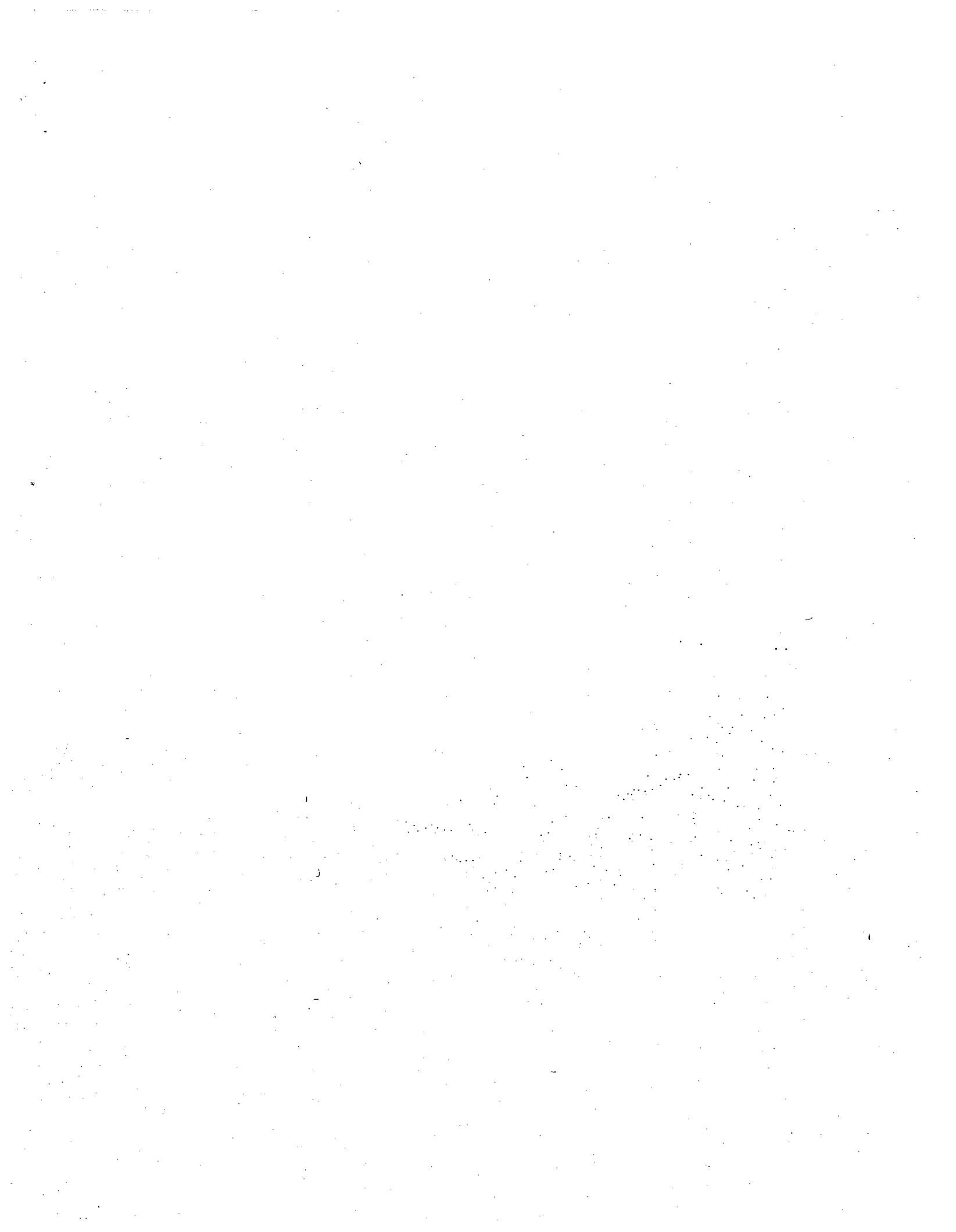
By: 

Reuben Yerushalmi
YERUSHALMI & ASSOCIATES

IT IS SO ORDERED.

Dated:

JUDGE OF THE SUPERIOR COURT



SETTLEMENT AGREEMENT AND RELEASE

Plaintiffs Environmental World Watch, Inc. ("EWW") and Consumer Advocacy Group, Inc. ("CAG"), each on its own behalf and in the interest of the public, Yeroushalmi & Associates, and the undersigned air carriers ("Defendants") (collectively, "Parties" and, individually, a "Party") enter into this Settlement Agreement and Release ("Agreement") concerning the settlement of all pending actions, claims and potential claims among the Parties. Following the execution of this Agreement, the Parties will execute a proposed stipulation and consent judgment to which the Agreement shall be attached as an exhibit ("Proposed Consent Judgment"). The "Effective Date" is the date on which the Court approves and enters the Proposed Consent Judgment.

RECITALS

A. WHEREAS, EWW and CAG are corporations registered with the State of California, formed for furthering environmental causes;

B. WHEREAS, Defendants have employees working at airports in California and plaintiffs allege Defendants have operated cargo aircraft at airports in California. Any airports in California where Defendants operate or have operated one or more cargo aircraft are "Covered Facilities;"

C. WHEREAS, Cal. Health and Safety Code sections 25249.5 *et seq.* (hereafter "Proposition 65") prohibits, among other things, a company of ten or more employees from knowingly and intentionally exposing an individual to chemicals known to the State of California to cause cancer, birth defects and other reproductive harm without first providing a clear and reasonable warning to such individuals;

D. WHEREAS, the State of California has officially listed various chemicals pursuant to Cal. Health and Safety Code section 25249.8 as chemicals known to the State to cause cancer and/or reproductive toxicity;

E. WHEREAS, EWW and CAG allege that Defendants have exposed individuals to chemicals in jet engine exhaust that are listed as known to cause cancer and/or

reproductive toxicity under Proposition 65. EWW and CAG allege that Defendants have caused these exposures without providing required Proposition 65 warnings;

F. WHEREAS, EWW and CAG, respectively, served Defendants and various public enforcement agencies with documents entitled "60-Day Notice of Intent to Sue Under Health & Safety Code section 25249.6" (collectively, the "Notices"). The Notices claim that Defendants violated Cal. Health & Safety Code section 25249.6 by failing to warn employees and individuals of exposures to chemicals listed under Proposition 65 as causing cancer and/or reproductive toxicity, which are allegedly present in jet engine exhaust from aircraft. While the Notices generally allege that Defendants have caused exposures to all Proposition 65-listed chemicals in jet engine exhaust, the Notices also more specifically identify Benz[a]anthracene, Chrysene, Benzo[a]pyrene, Indeno[1,2,3-cd]pyrene, Formaldehyde (gas), Acetaldehyde, Napthalene, Benzene; Ethylbenzene, Benzo[b]fluroanthene, Benzo[k]fluoranthene, Dibenz[a,h]anthracene, Toluene, and Carbon Monoxide (collectively, "Covered Exposures");

G. WHEREAS, EWW filed complaints in the public interest (the "EWW Actions") in the Superior Court for the County of San Francisco against Defendants and other airline carriers. CAG also filed a complaint in the public interest (the "CAG Action") in the Superior Court for the County of San Francisco against Defendants and other airline carriers. The Complaints in the EWW and CAG Actions allege that Defendants violated Cal. Health & Safety Code section 25249.6 by failing to provide Proposition 65 warnings to employees and other individuals regarding alleged Covered Exposures;

H. WHEREAS, Defendants denied the allegations in the EWW and CAG Actions and, furthermore, alleged that the CAG Action was duplicative of the EWW Action and not justiciable, which CAG disputes;

I. WHEREAS, Yeroushalmi & Associates was formerly counsel of record for EWW in the EWW Actions, and incurred unreimbursed fees and costs in connection with the EWW and CAG Actions;

J. WHEREAS, on February 22, 2008 the Parties participated in a mediation before Mr. Lester Levy at JAMS offices in Los Angeles, CA;

K. WHEREAS, in order to avoid continued and protracted litigation, the Parties desire to enter into a full settlement of all claims that were or could have been raised in the EWW Actions, CAG Action, or any consolidated action of the EWW and CAG Actions (collectively referred to herein as the "Actions") based upon the facts alleged therein and to resolve those actions with finality; and

NOW THEREFORE, in consideration of the foregoing and the covenants and agreements set forth below, the Parties agree as follows:

AGREEMENT

1. NO ADMISSION OF LIABILITY

1.1 No Admission. For the purpose of avoiding prolonged litigation, the Parties enter into this Agreement as a full settlement of all claims that were or could have been raised in the Actions based upon the facts alleged therein. By execution of this Agreement and the Proposed Consent Judgment, Defendants do not admit any violation of Proposition 65 or any other law, and Defendants specifically deny that they have committed any such violations. EWW and CAG dispute Defendants' denial. Nothing in this Agreement, as incorporated in the Proposed Consent Judgment, shall be construed as an admission of any fact, issue of law or violation of law, nor shall compliance with this Agreement constitute or be construed as an admission of any fact, issue of law, or violation of law. Based on the foregoing, no one shall construe anything contained in this Agreement as an admission by anyone that any alleged action or failure to act by Defendants violated Proposition 65 or any other statute, regulation, or principle of common law.

2. INJUNCTIVE RELIEF/CLEAR AND REASONABLE WARNINGS

2.1 Work Area Warning Signage. Defendants shall provide warning signage at each Covered Facility in the manner set forth herein no later than thirty (30) business days (meaning excluding weekends and court holidays) after the Effective Date.

2.1.1 For each Covered Facility, Defendants shall ensure posting of a warning sign proximate to the primary entrance[s] to the Defendants' Work Areas where jet engines are operating. "Work Areas" means areas on the ramp, tarmac, or maintenance facility where employees routinely and in the ordinary scope of their employment come within 200 feet from operating jet engine of an aircraft. Defendants shall place prominently all signs posted under this section with such conspicuousness as to render it likely that employees will see and read the same. A warning sign under this subsection shall state:

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

2.1.2 **Non-Exclusive Control.** If Defendants do not have exclusive control over the area proximate to the primary entrance to a Work Area where a warning is required under Section 2, Defendants shall make reasonable and good faith efforts to obtain permission to post a warning sign at or near such an entrance. If, despite reasonable and good faith efforts, Defendants cannot obtain permission to post the required warning required at or near that entrance, Defendants shall have no obligation to provide such a warning at such entrance, so long as Defendants contacted EWW and CAG, through counsel, and discussed with EWW's and CAG's counsel the good faith efforts undertaken to address the issue.

2.2 **Proposition 65 Information Statements.** For each Covered Facility, Defendants will ensure a Proposition 65 Information Statement is posted, within thirty (30) business days of the Effective Date, in each breakroom used by its employees who work in Work Areas. The provision regarding "Non-Exclusive Control" in Section 2.1.2 applies to this requirement as well. The Proposition 65 Information Statement is attached as Exhibit A hereto.

2.3 **Duration of Warning Obligations.** Defendants' responsibilities to provide the warnings in this section shall continue for such period as Proposition 65 remains in full force and effect, except as provided below.

2.3.1 Defendants have no obligation to provide warnings as to a Covered Facility if it ceases to operate aircraft at that Covered Facility.

2.3.2 If the Office of Environmental Health Hazard Assessment ("OEHHA") issues a "Safe Use Determination" (22 Cal. Code Regs., § 12204) or otherwise determines that any Covered Exposures do not require Proposition 65 warnings, Defendants shall have no further obligation to provide the warnings described in this Agreement for such exposures.

2.3.3 If a Defendant performs a quantitative risk assessment in accordance with 22 Cal. Code Regs., § 12703 that results in a determination that any Covered Exposures do not require a warning under Cal. Health & Safety Code section 25249.5, Defendant may seek a Court Order that Defendant will have no further obligation to provide the warnings for such exposures described in this Agreement.

3. RELEASE AND CLAIMS COVERED

3.1 Release of Defendants. This Agreement is a final and binding resolution and release between Defendants and their past, present and future officers, directors, trustees, agents, employees, contractors, attorneys, parents, subsidiaries, or affiliates that operate at the Covered Facilities, divisions, successors and assigns, and its independent contractors who manufacture, repair or sell aircraft jet engines, fuel or otherwise service an aircraft for Defendants (collectively, "Releasees"), on the one hand, and EWW and CAG on behalf of themselves and their respective past, present, and future attorneys, officers, employees, directors, members, representatives, agents and assigns, on the other hand, of all claims for violation of Proposition 65, the provisions of Proposition 65 incorporated in California's Hazard Communication provisions (8 Cal. Code of Regs. § 5194(b)), and any other statutory or common law claim that EWW and CAG could have asserted against any Releasee regarding alleged exposures to Proposition 65-listed chemicals at the Covered Facilities, including, but not limited to, the failure by any Releasee to provide clear and reasonable warnings of exposures to Proposition 65-listed chemicals in jet engine exhaust (collectively, "Released Claims"). Yeroushalmi & Associates on behalf of itself and its past, present, and future attorneys (including but not limited to Reuben Yeroushalmi), officers, employees, directors, members, partners, shareholders, contractors, representatives, agents and assigns, hereby releases and waives all claims against any Releasee

for expenses (including but not limited to attorneys' fees, investigative fees, consultant or expert fees), costs, liabilities, damages, injunctive relief, and relief of any other kind arising out of or related to Actions in any way (such claims are included within the term "Released Claims," as used in this Agreement). A Defendant's compliance with the terms of this Agreement resolves all issues of liability regarding the Released Claims, now and in the future, as to all Releasees.

EWW, CAG, and Yeroushalmi & Associates, on behalf of themselves and their respective past, present, and future attorneys, officers, employees, directors, members, partners, representatives, shareholders, contractors, agents and assigns, covenant not to sue nor to institute or participate in, directly or indirectly, arising out of any claims in the EWW and CAG Actions, any form of legal action against any Releasees and releases all Released Claims against any Releasees. Except however, EWW, CAG, and Yeroushalmi & Associates shall remain free to institute any form of legal action to enforce the provisions of this Agreement.

3.2 Defendant's Release. Defendant waives all rights to institute any form of legal action against EWW, CAG, and Yeroushalmi & Associates, and each of their respective attorneys or representatives, for all actions and statements that EWW, CAG, and Yeroushalmi & Associates and each of their respective past and present attorneys or representatives, have taken or made in the course of investigating and/or seeking enforcement of Proposition 65 against it in the Actions. Provided however, the Defendant retains the right to institute any form of legal action to enforce the provisions of this Agreement.

3.3 Waiver of California Civil Code Section 1542. The Parties waive all rights and benefits that they now have, or in the future may have, conferred upon it by virtue of the provisions of Section 1542 of the California Civil Code, which provides as follows:

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.

EWW, CAG, and Yeroushalmi & Associates understand and acknowledge, in particular, that the significance and consequence of its waiver of California Civil Code Section 1542 is that even if EWW, CAG, Yeroushalmi & Associates, with respect to the matters alleged in the Actions, any person or entity on whose behalf EWW, CAG, or Yeroushalmi & Associates purports to act, suffers future damages or harm arising out of or resulting from the Released Claims, EWW, CAG, Yeroushalmi & Associates, and anyone on whose behalf each purports to act, will not be able to make any claim for relief against any Defendant; provided however, CAG, EWW, and Yeroushalmi & Associates cannot and expressly do not release any claims for personal injury that could be brought by any other individual or organization.

EWW, CAG, and Yeroushalmi & Associates acknowledge that they intend these consequences for any relief, which may exist as of the date of this release but which they do not know exist, and which, if known, would materially affect EWW's, CAG's, or Yeroushalmi & Associates' decision to enter into the Agreement, regardless of whether its lack of knowledge is the result of ignorance, oversight, error, negligence, or any other cause, no matter how justifiable such cause may be.

3.4 **Court Approval.** Neither this Agreement nor the Proposed Consent Judgment is effective until the Effective Date. This Agreement shall be null and void if, for any reason, the Court does not enter an appropriate form of the Proposed Consent Judgment approving all aspects of this Agreement within one year after the Proposed Consent Judgment has been lodged with the Court.

4. **SETTLEMENT PAYMENTS**

4.1 Each Defendant shall pay a total settlement amount of Thirty Thousand Dollars (\$30,000) in full and final settlement of all claims that EWW and CAG (including but not limited to each of their current and former attorneys) brought or could have brought in connection with the Actions, including all costs and attorneys' fees incurred by EWW and CAG, and in lieu of any civil penalties that allegedly were claimed or could have been recovered in the Actions, as

set forth below. Subject to Court approval of the Agreement and entry of the Proposed Consent Judgment, payment shall be made as follows:

4.1.1 Payment to EWW

4.1.1.1 From the total settlement payment set out in Section 4.1, Defendant shall pay Ten Thousand Dollars (\$10,000) to EWW (an organization dedicated to furthering Proposition 65 compliance) for projects and purposes related to environmental protection, worker health and safety, or reduction of human exposure to hazardous substances, as EWW may choose. EWW, including its attorneys, agents, representatives, members, officers, employees, or investigators, may not use any part of this payment to finance any future Proposition 65 litigation or investigative activities regarding potential Proposition 65 issues, compliance, or litigation arising out of or against Defendant or the airline industry. Defendant shall make payment payable to EWW within 30 days after the Effective Date to "Graham & Martin LLP Trust Account", at the following address: Graham & Martin LLP, 950 South Coast Drive, Suite 220, Costa Mesa, CA 92626.

4.1.2 EWW and Defendants shall each be responsible for and shall bear their own attorneys' fees and costs. EWW, for itself and its past, present, and future attorneys, officers, employees, directors, members, representatives, agents and assigns hereby waives all rights to institute or participate in, directly or indirectly, any form of legal action, and releases any and all claims of any nature whatsoever, against Defendants and their past, present and future officers, directors, trustees, agents, employees, contractors, attorneys, parents, subsidiaries or affiliates, for reimbursement or payment of any and all of EWW's fees and costs. Defendants shall have no obligation to EWW to reimburse EWW or EWW's past, present, and future attorneys (including but not limited to Yeroushalmi & Associates), officers, employees, directors, members, shareholders, representatives, contractors, agents and assigns, for any fees and costs associated with the Actions.

4.1.3 Payment to CAG.

4.1.3.1 From the total settlement payment set out in Section 4.1, Defendant shall pay CAG a total of two thousand Dollars (\$2000), which represents a payment in lieu of civil penalties. The payment in lieu of a civil penalty shall be used for projects and purposes related to environmental protection, worker health and safety, or reduction of human exposure to hazardous substances, as CAG may choose. CAG, including its attorneys, agents, representatives, members, officers, employees, or investigators, may not use any part of this payment to finance any future Proposition 65 litigation or investigative activities regarding potential Proposition 65 issues, compliance, or litigation arising out of or against Settling Defendants. Defendant shall make payment within 30 days after the Effective Date payable to "Consumer Advocacy Group, Inc.", at the following address: c/o Law Firm of Roy Penuela, 4555 Ellenboro Way, Woodland Hills, CA 91364-5666.

4.1.3.2 From the total settlement payment set out in Section 4.1, Defendant shall pay attorneys fees and costs to the Law Firm of Roy Penuela a total of two thousand Dollars (\$2000), pursuant to application to the Court as part of the Proposed Consent Judgment, which represents reimbursement of past, present, and future attorneys' fees and costs relating to or arising out of any of the Actions. Defendant shall make payment within 30 days after the Effective Date payable to "Law Firm of Roy Penuela", at the following address: c/o Law Firm of Roy Penuela, 4555 Ellenboro Way, Woodland Hills, CA 91364-5666.

4.1.3.3 From the total settlement payment set out in Section 4.1, Defendant shall pay attorneys fees and costs to the Lee Law Firm a total of one thousand Dollars (\$1000), pursuant to application to the Court as part of the Proposed Consent Judgment, which represents reimbursement of past, present, and future attorneys' fees and costs relating to or arising out of any of the Actions. Defendant shall make payment within 30 days after the Effective Date payable to "Lee Law Firm", at the following

address: c/o Lee Law Firm, 3700 Wilshire Blvd, Suite 920 Los Angeles, CA 90010-3005.

4.1.3.4 From the total settlement payment set out in Section 4.1, Defendant shall pay attorneys fees and costs to Yeroushalmi & Associates a total of fifteen thousand Dollars (\$15,000), pursuant to application to the Court as part of the Proposed Consent Judgment, which represents reimbursement of past, present, and future attorneys' fees and costs relating to or arising out of any of the Actions. Defendant shall make payment within 30 days after the Effective Date payable to "Yeroushalmi & Associates", at the following address: 3700 Wilshire Blvd, Suite 480, Los Angeles, CA 90010.

4.1.3.5 Defendant shall have no further obligation to reimburse CAG or CAG's past, present, and future attorneys (including but not limited to Yeroushalmi & Associates), officers, employees, directors, members, shareholders, representatives, contractors, agents and assigns, for any fees and costs associated with the Actions.

4.1.3.6 Upon request by the Court or the California AG's Office, EWW and CAG shall provide an accounting of all disbursements of funds allocated as "in lieu of penalties" to ensure compliance with California regulations.

4.1.3.7 EWW and CAG, and their respective past and current attorneys, agree that they will not seek payment of attorneys fees from each other or its lawyers.

5. RETENTION OF JURISDICTION

This Court shall retain jurisdiction of the EWW and/or CAG Action to enforce this Agreement.

6. DISPUTES UNDER THE AGREEMENT

Any Party to this Agreement may, by motion or order to show cause before the court, seek to enforce the terms and conditions contained in the Agreement upon a breach of any term

or condition by another Party, but in no event will any Party seek to set aside any terms or conditions in this Agreement once the court has approved the Agreement and entered the Proposed Consent Judgment. In any such enforcement proceeding, the Parties may seek whatever equitable or legal remedies to which they are entitled for failure to comply with this Agreement, including their attorneys' fees and costs.

6. SUBSEQUENT SETTLEMENTS

If another party enters into a settlement agreement with EWW or CAG with respect to any allegations that such party caused exposures to Proposition 65-listed chemicals in jet engine exhaust without a Proposition 65 warning, the settling EWW or the settling CAG shall use good-faith efforts to ensure that no terms, conditions, or monetary payments of that settlement agreement are more favorable to such other party than those under this Agreement.

7. NOTICES

All correspondence or notices required to be provided pursuant to this Agreement shall be in writing and personally delivered or sent by: (1) first-class, registered, certified mail, return receipt requested, or (2) overnight courier to the following addresses: (A Party, from time to time, may, pursuant to the methods prescribed above, specify a change of address to which all future notices and other communications shall be sent.)

To Defendants:

Counsel of Record for Each Defendant.
As provided on the signature pages.

To EWW:

Anthony G. Graham
Graham & Martin LLP
950 South Coast Drive, Suite 220
Costa Mesa, CA 92626

To CAG:

Roy Penuela
Law Firm of Roy Penuela
4555 Ellenboro Way
Woodland Hills, CA 91364-5666

To EWW's Former Counsel (Yeroushalmi & Associates):

Reuben Yeroushalmi
Yeroushalmi & Associates
3700 Wilshire Blvd.
Suite 480
Los Angeles, CA 90010

8. INTEGRATION

This Agreement constitutes the final and complete agreement of the Parties, as incorporated in the Proposed Consent Judgment, with respect to the subject matter hereof and supersedes all prior or contemporaneous negotiations, promises, covenants, agreements or representations concerning any matters directly, indirectly or collaterally related to the subject matter of this Agreement. The Parties have included, expressly and intentionally, in this Agreement all collateral or additional agreements that may, in any manner, touch or relate to any of the subject matter of this Agreement and, therefore, all promises, covenants and agreements, collateral or otherwise, are included herein and therein. The Parties intend that this Agreement shall constitute an integration of all their agreements, and each understands that in the event of any subsequent litigation, controversy or dispute concerning any of its terms, conditions or provisions, no party hereto shall be permitted to offer or introduce any oral or extrinsic evidence concerning any other collateral or oral agreement between the Parties not included herein.

9. TIMING

Time of Essence. Time is of the essence in the performance of the terms hereof.

10. COMPLIANCE WITH REPORTING REQUIREMENTS

Reporting Forms; Presentation to Attorney General. EWW and CAG shall comply with the reporting form requirements referenced in Cal. Health and Safety Code section 25249.7(f).

11. COUNTERPARTS

Counterparts. This Agreement may be signed in counterparts and shall be binding upon the Parties as if all Parties executed the original hereof.

12. WAIVER

No Waiver. No waiver by any Party of any provision hereof shall be deemed to be a waiver of any other provision hereof or of any subsequent breach of the same or any other provision hereof.

13. POST EXECUTION ACTIVITIES

13.1 Within fifteen (15) days following execution by the Parties of the Agreement, the Parties shall seek consolidation of the EWW Action and CAG Action (if such actions have not already been consolidated), and shall use good faith efforts to obtain an order from the Court consolidating the actions.

13.2 The Parties shall submit a Proposed Consent Judgment to the Superior Court, County of San Francisco for approval on noticed motion pursuant to Cal. Health and Safety Code section 25249.7(f) no later than sixty (60) days following execution of the Agreement by the Parties. All Parties shall cooperate in good faith in the submission of the Proposed Consent Judgment to the Court.

13.3 All Parties agree to cooperate in good faith in implementing the terms of this Agreement and in seeking judicial approval of the Proposed Consent Judgment and all terms of this Agreement.

14. AMENDMENT

In Writing. No Party may amend or modify this Agreement except by a writing executed by the Parties that expresses, by its terms, an intention to modify this Agreement.

15. SUCCESSORS

Binding Upon Successors. This Agreement shall be binding upon and inure to the benefit of, and be enforceable by, the Parties and their respective administrators, trustees, executors, personal representatives, successors and permitted assigns.

16. CHOICE OF LAWS

California Law Applies. Any dispute regarding the interpretation of this Agreement, the performance of the Parties pursuant to the terms of this Agreement, or the damages accruing to a

Party because of any breach of this Agreement shall be determined under the laws of the State of California, without reference to principles of choice of laws.

17. NO ADMISSIONS

The Parties have reached this Agreement to avoid the costs of prolonged litigation. By entering into this Agreement, the Parties do not admit any issue of law, including any violation of Proposition 65. No one shall deem this Agreement to be an admission or concession of liability or culpability by any Party, at any time, for any purpose. EWW and CAG do not foreclose any right to demand warnings from other airline entities that are more expansive and/or comprehensive than those described herein. No one shall construe this Agreement, any document referred to herein, or any action taken to carry out this Agreement, as giving rise to any presumption or inference of admission or concession by Defendants as to any fault, wrongdoing, or liability.

18. REPRESENTATION

Construction of Agreement. The Parties each acknowledge and warrant that independent counsel of its own selection represented it in connection with the prosecution and defense of the Actions, the negotiations leading to this Agreement and the drafting of this Agreement; and that in interpreting this Agreement, the terms of this Agreement will not be construed either in favor of or against any Party.

19. ADDITIONAL POST EXECUTION ACTIVITIES

The Parties agree to mutually employ their best efforts to support the entry of this Agreement and obtain approval of the Proposed Consent Judgment by the Court in a timely manner. The Parties acknowledge that, pursuant to California Health & Safety Code §25249.7, a noticed motion is required to obtain judicial approval of this Consent Judgment. Accordingly, the Parties agree to file a Motion to Approve the Agreement ("Motion"). Defendants shall have no additional responsibility to counsel for EWW or CAG or to Yeroushalmi & Associates pursuant to Code of Civil Procedure §1021.5 or otherwise with regard to reimbursement of any fees and costs incurred with respect to the

preparation and filing of the Motion or with regard to counsel appearing for a hearing thereon.

20. COUNTERPARTS

This Agreement may be executed in counterparts and by facsimile or e-mail, each of which shall be deemed an original, and all of which, when taken together, shall constitute one and the same document.

21. AUTHORIZATION

Authority to Enter Agreement. Each of the signatories hereto certifies that he or she is authorized by the party he or she represents to enter into this Agreement, to stipulate to the Agreement, and to execute and approve the Agreement on behalf of the party represented.

THE SPACE BELOW IS INTENTIONALLY LEFT BLANK:

Exhibit A

PROPOSITION 65

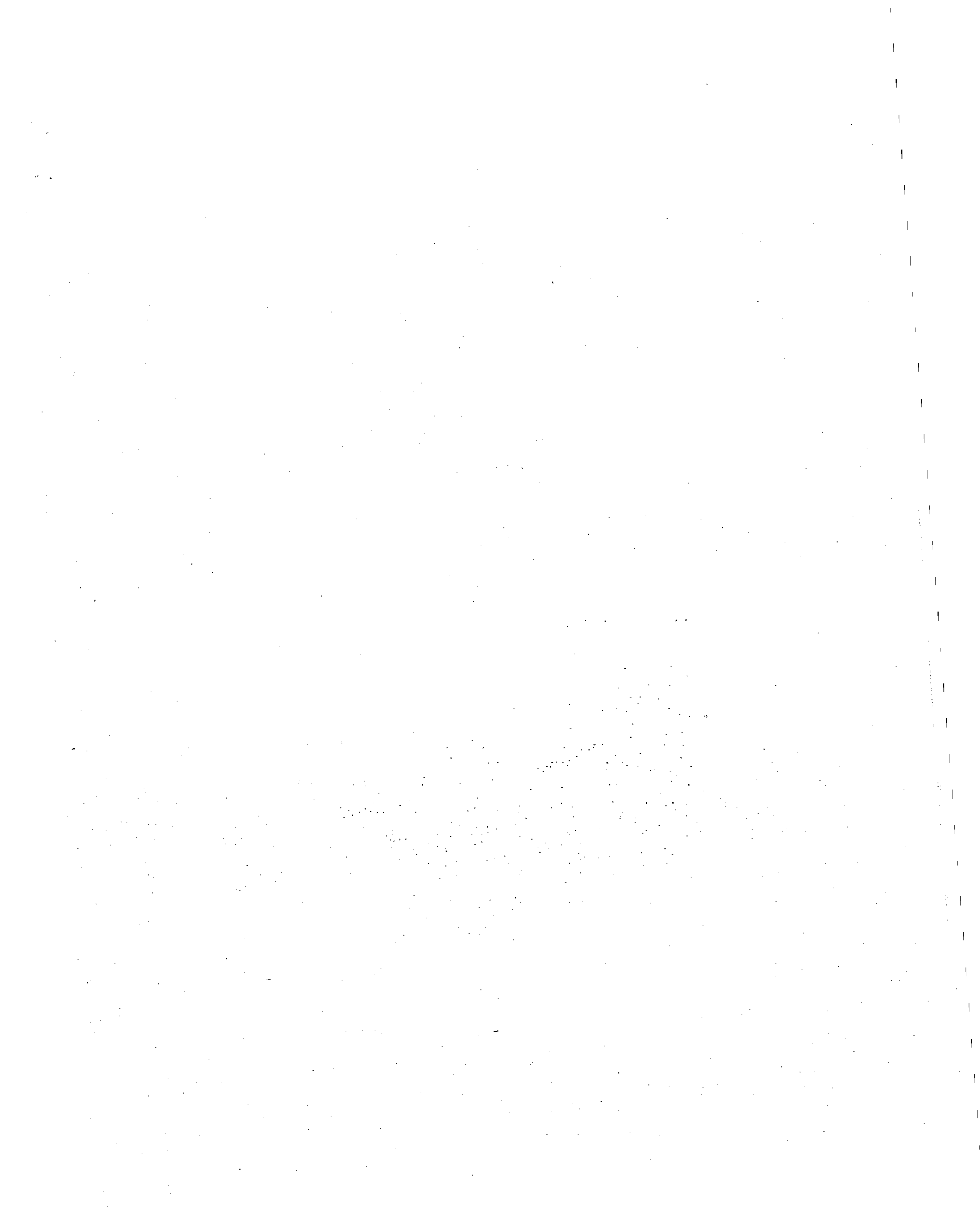
The California Safe Drinking Water and Toxic Enforcement Act of 1986, also known as Proposition 65, requires that businesses provide warnings about exposures to chemicals known to the State of California to cause cancer, birth defects or other reproductive harm. A list of chemicals that are known to the State to cause cancer, birth defects or other reproductive harm is published by the Governor. The list can be found at

http://www.oehha.ca.gov/prop65/prop65_list/Newlist.html

Materials at or around [Airline] facilities, such as jet engine exhaust, contain chemicals that are on the State's Proposition 65 list. Additional information regarding chemicals at this facility can be found in the Material Safety Data Sheets.

Warning signs are posted in certain areas pursuant to Proposition 65. These warnings state:

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



SETTLEMENT AGREEMENT AND RELEASE

Plaintiffs Environmental World Watch, Inc. ("EWW") and Consumer Advocacy Group, Inc. ("CAG"), each on its own behalf and in the interest of the public, Yeroushalmi & Associates, and the undersigned air carriers ("Defendants") (collectively, "Parties" and, individually, a "Party") enter into this Settlement Agreement and Release ("Agreement") concerning the settlement of all pending actions, claims and potential claims among the Parties. Following the execution of this Agreement, the Parties will execute a proposed stipulation and consent judgment to which the Agreement shall be attached as an exhibit ("Proposed Consent Judgment"). The "Effective Date" is the date on which the Court approves and enters the Proposed Consent Judgment.

RECITALS

- A. WHEREAS, EWW and CAG are corporations registered with the State of California, formed for furthering environmental causes;
- B. WHEREAS, Defendants have employees working at airports in California and plaintiffs allege Defendants have operated aircraft at airports in California. Any airports in California where Defendants operate or have operated one or more aircraft are "Covered Facilities;"
- C. WHEREAS, Cal. Health and Safety Code sections 25249.5 *et seq.* (hereafter "Proposition 65") prohibits, among other things, a company often or more employees from knowingly and intentionally exposing an individual to chemicals known to the State of California to cause cancer, birth defects and other reproductive harm without first providing a clear and reasonable warning to such individuals;

D. WHEREAS, the State of California has officially listed various chemicals pursuant to Cal. Health and Safety Code section 25249.8 as chemicals known to the State to cause cancer and/or reproductive toxicity;

E. WHEREAS, EWW and CAG allege that Defendants have exposed individuals to chemicals in jet engine exhaust that are listed as known to cause cancer and/or reproductive toxicity under Proposition 65. EWW and CAG allege that Defendants have caused these exposures without providing required Proposition 65 warnings;

F. WHEREAS, EWW and CAG, respectively, served Defendants and various public enforcement agencies with documents entitled "60-Day Notice of Intent to Sue Under Health & Safety Code section 25249.6" (collectively, the "Notices"). The Notices claim that Defendants violated Cal. Health & Safety Code section 25249.6 by failing to warn employees and individuals of exposures to chemicals listed under Proposition 65 as causing cancer and/or reproductive toxicity, which are allegedly present in jet engine exhaust from aircraft. While the Notices generally allege that Defendants have caused exposures to all Proposition 65-listed chemicals in jet engine exhaust, the Notices also more specifically identify Benz[a]anthracene, Chrysene, Benzo[a]pyrene, Indeno[1,2,3-cd]pyrene, Formaldehyde (gas), Acetaldehyde, Napthalene, Benzene; Ethylbenzene, Benzo[b]fluoranthene, Benzo[k]fluoranthene, Dibenz[a,h]anthracene, Toluene, and Carbon Monoxide (collectively, "Covered Exposures");

G. WHEREAS, EWW filed a complaint in the public interest (the "EWW Action") in the Superior Court for the County of San Francisco against Defendants and other airline carriers. CAG also filed a complaint in the public interest (the "CAG Action") in the Superior Court for the County of San Francisco against Defendants and other airline carriers. The Complaints in the EWW and CAG Actions allege that Defendants violated Cal. Health & Safety Code section 25249.6 by failing to provide Proposition 65 warnings to employees and other individuals regarding alleged Covered Exposures;

H. WHEREAS, Defendants denied the allegations in the EWW and CAG Actions and, furthermore, alleged that the CAG Action was duplicative of the EWW Action and not justiciable, which CAG disputes;

I. WHEREAS, Yeroushalmi & Associates was formerly counsel of record for EWW in the EWW Action, and incurred unreimbursed fees and costs in connection with the EWW and CAG Actions;

J. WHEREAS, in order to avoid continued and protracted litigation, the Parties desire to enter into a full settlement of all claims that were or could have been raised in the EWW Action, CAG Action, or any consolidated action of the EWW and CAG Actions (collectively referred to herein as the "Actions") based upon the facts alleged therein and to resolve those actions with finality; and

NOW THEREFORE, in consideration of the foregoing and the covenants and agreements set forth below, the Parties agree as follows:

AGREEMENT

1. NO ADMISSION OF LIABILITY

1.1 No Admission. For the purpose of avoiding prolonged litigation, the Parties enter into this Agreement as a full settlement of all claims that were or could have been raised in the Actions based upon the facts alleged therein. By execution of this Agreement and the Proposed Consent Judgment, Defendants do not admit any violation of Proposition 65 or any other law, and Defendants specifically deny that they have committed any such violations. EWW and CAG dispute Defendants' denial. Nothing in this Agreement, as incorporated in the Proposed Consent Judgment, shall be construed as an admission of any fact, issue of law or violation of law, nor shall compliance with this Agreement constitute or be construed as an admission of any fact, issue of law, or violation of law. Based on the foregoing, no one shall construe anything contained in this Agreement as an admission by anyone that any alleged action or failure to act

by Defendants violated Proposition 65 or any other statute, regulation, or principle of common law.

2. INJUNCTIVE RELIEF/CLEAR AND REASONABLE WARNINGS

2.1 Work Area Warning Signage. Defendants shall provide warning signage at each Covered Facility in the manner set forth herein no later than thirty (30) business days (meaning excluding weekends and court holidays) after the Effective Date.

2.1.1 For each Covered Facility, Defendants shall ensure posting of a warning sign proximate to the primary entrance[s] to the Defendants' Work Areas where jet engines are operating. "Work Areas" means areas on the ramp, tarmac, or maintenance facility where employees routinely and in the ordinary scope of their employment come within 200 feet from operating jet engine of an aircraft. Defendants shall place prominently all signs posted under this section with such conspicuousness as to render it likely that employees will see and read the same. A warning sign under this subsection shall state:

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

2.1.2 Non-Exclusive Control. If Defendants do not have exclusive control over the area proximate to the primary entrance to a Work Area where a warning is required under Section 2, Defendants shall make reasonable and good faith efforts to obtain permission to post a warning sign at or near such an entrance. If, despite reasonable and good faith efforts, Defendants cannot obtain permission to post the required warning required at or near that entrance, Defendants shall have no obligation to provide such a warning at such entrance, so long as Defendants contacted EWW and CAG, through counsel, and discussed with EWW's and CAG's counsel the good faith efforts undertaken to address the issue.

2.2 Proposition 65 Information Statements. For each Covered Facility, Defendants will ensure a Proposition 65 Information Statement is posted, within thirty (30) business days of the Effective Date, in each breakroom used by its employees who work in Work Areas. The

provision regarding "Non-Exclusive Control" in Section 2.1.2 applies to this requirement as well. The Proposition 65 Information Statement is attached as Exhibit A hereto.

2.3 Duration of Warning Obligations. Defendants' responsibilities to provide the warnings in this section shall continue for such period as Proposition 65 remains in full force and effect, except as provided below. The provision regarding "Non-Exclusive Control" in Section 2.1.2 applies to this requirement as well.

2.3.1 Defendants have no obligation to provide warnings as to a Covered Facility if it ceases to operate aircraft at that Covered Facility.

2.3.2 If the Office of Environmental Health Hazard Assessment ("OEHHA") issues a "Safe Use Determination" (22 Cal. Code Regs., § 12204) or otherwise determines that any Covered Exposures do not require Proposition 65 warnings, Defendants shall have no further obligation to provide the warnings described in this Agreement for such exposures.

2.3.3 If a Defendant performs a quantitative risk assessment in accordance with 22 Cal. Code Regs., § 12703 that results in a determination that any Covered Exposures do not require a warning under Cal. Health & Safety Code section 25249.5, Defendant may seek a Court Order that Defendant will have no further obligation to provide the warnings for such exposures described in this Agreement.

3. RELEASE AND CLAIMS COVERED

3.1 Release of Defendants. This Agreement is a final and binding resolution and release between Defendants and their past, present and future officers, directors, trustees, agents, employees, contractors, attorneys, parents, subsidiaries, or affiliates that operate at the Covered Facilities, divisions, successors and assigns, and its independent contractors who manufacture, repair or sell aircraft jet engines, fuel or otherwise service an aircraft for Defendants, specifically including Capital Cargo International Airlines, Air Transport International Limited Liability Company, Cargo Holdings International, Inc. and their respective parents, affiliates, and subsidiaries only to the extent their services relate to BAX Global (collectively, "Releasees"), on

the one hand, and EWW and CAG on behalf of themselves and their respective past, present, and future attorneys, officers, employees, directors, members, representatives, agents and assigns, on the other hand, of all claims for violation of Proposition 65, the provisions of Proposition 65 incorporated in California's Hazard Communication provisions (8 Cal. Code of Regs. § 5194(b)), and any other statutory or common law claim that EWW and CAG could have asserted against any Releasee or its insurers regarding alleged exposures to Proposition 65-listed chemicals at the Covered Facilities, including, but not limited to, the failure by any Releasee to provide clear and reasonable warnings of exposures to Proposition 65-listed chemicals in jet engine exhaust (collectively, "Released Claims"). Yeroushalmi & Associates on behalf of itself and its past, present, and future attorneys (including but not limited to Reuben Yeroushalmi), officers, employees, directors, members, partners, shareholders, contractors, representatives, agents and assigns, hereby releases and waives all claims against any Releasee or its insurers for expenses (including but not limited to attorneys' fees, investigative fees, consultant or expert fees), costs, liabilities, damages, injunctive relief, and relief of any other kind arising out of or related to Actions in any way (such claims are included within the term "Released Claims," as used in this Agreement). A Defendant's compliance with the terms of this Agreement resolves all issues of liability regarding the Released Claims, now and in the future, as to all Releasees.

EWW, CAG, and Yeroushalmi & Associates, on behalf of themselves and their respective past, present, and future attorneys, officers, employees, directors, members, partners, representatives, shareholders, contractors, agents and assigns, covenant not to sue nor to institute or participate in, directly or indirectly, any claims in the EWW and CAG Actions, any form of legal action against any Releasees or their insurers and releases all Released Claims against any Releasees or their insurers. Except however, EWW, CAG, and Yeroushalmi & Associates shall remain free to institute any form of legal action to enforce the provisions of this Agreement.

3.2 **Defendant's Release.** Defendant waives all rights to institute any form of legal action against EWW, CAG, and Yeroushalmi & Associates, and each of their respective attorneys or representatives, for all actions and statements that EWW, CAG, and Yeroushalmi &

Associates and each of their respective past and present attorneys or representatives, have taken or made in the course of investigating and/or seeking enforcement of Proposition 65 against it in the Actions. Provided however, the Defendant retains the right to institute any form of legal action to enforce the provisions of this Agreement.

3.3 Waiver of California Civil Code Section 1542. The Parties waive all rights and benefits that they now have, or in the future may have, conferred upon it by virtue of the provisions of Section 1542 of the California Civil Code, which provides as follows:

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.

EWW, CAG, and Yeroushalmi & Associates understand and acknowledge, in particular, that the significance and consequence of its waiver of California Civil Code Section 1542 is that even if EWW, CAG, Yeroushalmi & Associates, with respect to the matters alleged in the Actions, any person or entity on whose behalf EWW, CAG, or Yeroushalmi & Associates purports to act, suffers future damages or harm arising out of or resulting from the Released Claims, EWW, CAG, Yeroushalmi & Associates, and anyone on whose behalf each purports to act, will not be able to make any claim for relief against any Releasee; provided however, CAG, EWW, and Yeroushalmi & Associates cannot and expressly do not release any claims for personal injury that could be brought by any other individual or organization.

EWW, CAG, and Yeroushalmi & Associates acknowledge that they intend these consequences for any relief, which may exist as of the date of this release but which they do not know exist, and which, if known, would materially affect EWW's, CAG's, or Yeroushalmi & Associates' decision to enter into the Agreement, regardless of whether its lack of knowledge is the result of ignorance, oversight, error, negligence, or any other cause, no matter how justifiable such cause may be.

3.4 **Court Approval.** Neither this Agreement nor the Proposed Consent Judgment is effective until the Effective Date. This Agreement shall be null and void if, for any reason, the Court does not enter an appropriate form of the Proposed Consent Judgment approving all aspects of this Agreement within one year after the Proposed Consent Judgment has been lodged with the Court.

4. **SETTLEMENT PAYMENTS**

4.1 Each Defendant shall pay a total settlement amount of Thirty Thousand Dollars (\$30,000) in full and final settlement of all claims that EWW and CAG (including but not limited to each of their current and former attorneys) brought or could have brought in connection with the Actions, including all costs and attorneys' fees incurred by EWW and CAG, and in lieu of any civil penalties that allegedly were claimed or could have been recovered in the Actions, as set forth below. Subject to Court approval of the Agreement and entry of the Proposed Consent Judgment, payment shall be made as follows:

4.1.1 **Payment to EWW**

4.1.1.1 From the total settlement payment set out in Section 4.1, Defendant shall pay Ten Thousand Dollars (\$10,000) to EWW (an organization dedicated to furthering Proposition 65 compliance) for projects and purposes related to environmental protection, worker health and safety, or reduction of human exposure to hazardous substances, as EWW may choose. EWW, including its attorneys, agents, representatives, members, officers, employees, or investigators, may not use any part of this payment to finance any future Proposition 65 litigation or investigative activities regarding potential Proposition 65 issues, compliance, or litigation arising out of or against Releasees, their insurers or the airline industry. Defendant shall make payment payable to EWW within 30 days after the Effective Date to "Graham & Martin LLP Trust Account", at the following address: Graham & Martin LLP, 950 South Coast Drive, Suite 220, Costa Mesa, CA 92626.

4.1.2 EWW and Defendants shall each be responsible for and shall bear their own attorneys' fees and costs. EWW, for itself and its past, present, and future attorneys, officers, employees, directors, members, representatives, agents and assigns hereby waives all rights to institute or participate in, directly or indirectly, any form of legal action, and releases any and all claims of any nature whatsoever, against Releasees and their past, present and future officers, directors, trustees, agents, insurers, employees, contractors, attorneys, parents, subsidiaries or affiliates, for reimbursement or payment of any and all of EWW's fees and costs. Releasees and their insurers shall have no obligation to EWW to reimburse EWW or EWW's past, present, and future attorneys (including but not limited to Yeroushalmi & Associates), officers, employees, directors, members, shareholders, representatives, contractors, agents and assigns, for any fees and costs associated with the Actions.

4.1.3 Payment to CAG.

4.1.3.1 From the total settlement payment set out in Section 4.1, Defendant shall pay CAG a total of two thousand Dollars (\$2000), which represents a payment in lieu of civil penalties. The payment in lieu of a civil penalty shall be used for projects and purposes related to environmental protection, worker health and safety, or reduction of human exposure to hazardous substances, as CAG may choose. CAG, including its attorneys, agents, representatives, members, officers, employees, or investigators, may not use any part of this payment to finance any future Proposition 65 litigation or investigative activities regarding potential Proposition 65 issues, compliance, or litigation arising out of or against Releasees or their insurers. Defendant shall make payment within 30 days after the Effective Date payable to "Consumer Advocacy Group, Inc.", at the following address: c/o Law Firm of Roy Penuela, 4555 Ellenboro Way, Woodland Hills, CA 91364-5666.

4.1.3.2 From the total settlement payment set out in Section 4.1, Defendant shall pay attorneys fees and costs to the Law Firm of Roy Penuela a total of two thousand

Dollars (\$2000), pursuant to application to the Court as part of the Proposed Consent Judgment, which represents reimbursement of past, present, and future attorneys' fees and costs relating to or arising out of any of the Actions. Defendant shall make payment within 30 days after the Effective Date payable to "Law Firm of Roy Penuela", at the following address: c/o Law Firm of Roy Penuela, 4555 Ellenboro Way, Woodland Hills, CA 91364-5666.

4.1.3.3 From the total settlement payment set out in Section 4.1, Defendant shall pay attorneys fees and costs to the Lee Law Firm a total of one thousand Dollars (\$1000), pursuant to application to the Court as part of the Proposed Consent Judgment, which represents reimbursement of past, present, and future attorneys' fees and costs relating to or arising out of any of the Actions. Defendant shall make payment within 30 days after the Effective Date payable to "Lee Law Firm", at the following address: c/o Lee Law Firm, 3700 Wilshire Blvd, Suite 920 Los Angeles, CA 90010-3005.

4.1.3.4 From the total settlement payment set out in Section 4.1, Defendant shall pay attorneys fees and costs to Yeroushalmi & Associates a total of fifteen thousand Dollars (\$15,000), pursuant to application to the Court as part of the Proposed Consent Judgment, which represents reimbursement of past, present, and future attorneys' fees and costs relating to or arising out of any of the Actions. Defendant shall make payment within 30 days after the Effective Date payable to "Yeroushalmi & Associates", at the following address: 3700 Wilshire Blvd, Suite 480, Los Angeles, CA 90010.

4.1.3.5 Releasees and their insurers shall have no further obligation to reimburse CAG or CAG's past, present, and future attorneys (including but not limited to Yeroushalmi & Associates), officers, employees, directors, members, shareholders, representatives, contractors, agents and assigns, for any fees and costs associated with the Actions.

4.1.3.6 Upon request by the Court or AG's Office, EWW and CAG shall provide an accounting of all disbursements of funds allocated as "in lieu of penalties" to ensure compliance with California regulations.

4.1.3.7 EWW and CAG, and their respective past and current attorneys, agree that they will not seek payment of attorneys fees from each other or its lawyers.

5. **RETENTION OF JURISDICTION**

This Court shall retain jurisdiction of the EWW and/or CAG Action to enforce this Agreement.

6. **DISPUTES UNDER THE AGREEMENT**

Any Party to this Agreement may, by motion or order to show cause before the court, seek to enforce the terms and conditions contained in the Agreement upon a breach of any term or condition by another Party, but in no event will any Party seek to set aside any terms or conditions in this Agreement once the court has approved the Agreement and entered the Proposed Consent judgment. In any such enforcement proceeding, the Parties may seek whatever equitable or legal remedies to which they are entitled for failure to comply with this Agreement, including their attorneys' fees and costs.

7. **SUBSEQUENT SETTLEMENTS**

If another party to the Actions enters into a settlement agreement with EWW or CAG with respect to any allegations that such party caused exposures to Proposition 65-listed chemicals in jet engine exhaust without a Proposition 65 warning, the settling EWW or the settling CAG shall use good-faith efforts to ensure that no terms, conditions, or monetary payments of that settlement agreement are more favorable to such other party than those under this Agreement.

8. **NOTICES**

All correspondence or notices required to be provided pursuant to this Agreement shall be in writing and personally delivered or sent by: (1) first-class, registered, certified mail, return receipt requested, or (2) overnight courier to the following addresses: (A Party, from time to time, may, pursuant to the methods prescribed above, specify a change of address to which all future notices and other communications shall be sent.)

To Defendants:

Counsel of Record for Each Defendant. As provided on the signature pages.

To EWW:

Anthony G Graham
Graham & Martin LLP
950 South Coast Drive, Suite 220
Costa Mesa, CA 92626

To CAG:

Roy Penuela
Law Firm of Roy Penuela
4555 Ellenboro Way
Woodland Hills, CA 91364-5666

To EWW's Former Counsel (Yeroushalmi & Associates):

Reuben Yeroushalmi
Yeroushalmi & Associates
3700 Wilshire Blvd. Suite 480
Los Angeles, CA 90010

9. INTEGRATION

This Agreement constitutes the final and complete agreement of the Parties, as incorporated in the Proposed Consent Judgment, with respect to the subject matter hereof and supersedes all prior or contemporaneous negotiations, promises, covenants, agreements or representations concerning any matters directly, indirectly or collaterally related to the subject matter of this Agreement. The Parties have included, expressly and intentionally, in this Agreement all collateral or additional agreements that may, in any manner, touch or relate to any of the subject matter of this Agreement and, therefore, all promises, covenants and agreements, collateral or otherwise, are included herein and therein. The Parties intend that this Agreement shall constitute an integration of all their agreements, and each understands that in the event of any subsequent litigation, controversy or dispute concerning any of its terms, conditions or

provisions, no party hereto shall be permitted to offer or introduce any oral or extrinsic evidence concerning any other collateral or oral agreement between the Parties not included herein.

10. TIMING

Time of Essence. Time is of the essence in the performance of the terms hereof.

11. COMPLIANCE WITH REPORTING REQUIREMENTS

Reporting Forms; Presentation to Attorney General. EWW and CAG shall comply with the reporting form requirements referenced in Cal. Health and Safety Code section 25249.7(f).

12. COUNTERPARTS

Counterparts. This Agreement may be signed in counterparts and shall be binding upon the Parties as if all Parties executed the original hereof.

13. WAIVER

No Waiver. No waiver by any Party of any provision hereof shall be deemed to be a waiver of any other provision hereof or of any subsequent breach of the same or any other provision hereof.

14. POST EXECUTION ACTIVITIES

14.1 Within fifteen (15) days following execution by the Parties of the Agreement, the Parties shall seek consolidation of the EWW Action and CAG Action (if such actions have not already been consolidated), and shall use good faith efforts to obtain an order from the Court consolidating the actions.

14.2 The Parties shall submit a Proposed Consent Judgment to the Superior Court, County of San Francisco for approval on noticed motion pursuant to Cal. Health and Safety Code section 25249.7(f) no later than sixty (60) days following execution of the Agreement by the Parties. All Parties shall cooperate in good faith in the submission of the Proposed Consent Judgment to the Court.

14.3 All Parties agree to cooperate in good faith in implementing the terms of this Agreement and in seeking judicial approval of the Proposed Consent Judgment and all terms of this Agreement.

15. AMENDMENT

In Writing. No Party may amend or modify this Agreement except by a writing executed by the Parties that expresses, by its terms, an intention to modify this Agreement.

16. SUCCESSORS

Binding Upon Successors. This Agreement shall be binding upon and inure to the benefit of, and be enforceable by, the Parties and their respective administrators, trustees, executors, personal representatives, successors and permitted assigns.

17. CHOICE OF LAWS

California Law Applies. Any dispute regarding the interpretation of this Agreement, the performance of the Parties pursuant to the terms of this Agreement, or the damages accruing to a Party because of any breach of this Agreement shall be determined under the laws of the State of California, without reference to principles of choice of laws.

18. NO ADMISSIONS

The Parties have reached this Agreement to avoid the costs of prolonged litigation. By entering into this Agreement, the Parties do not admit any issue of law, including any violation of Proposition 65. No one shall deem this Agreement to be an admission or concession of liability or culpability by any Party, at any time, for any purpose. EWW and CAG do not foreclose any right to demand warnings from other airline entities that are more expansive and/or comprehensive than those described herein. No one shall construe this Agreement, any document referred to herein, or any action taken to carry out this Agreement, as giving rise to any presumption or inference of admission or concession by Releasees as to any fault, wrongdoing, or liability.

19. REPRESENTATION

Construction of Agreement. The Parties each acknowledge and warrant that independent counsel of its own selection represented it in connection with the prosecution and defense of the Actions, the negotiations leading to this Agreement and the drafting of this Agreement; and that in interpreting this Agreement, the terms of this Agreement will not be construed either in favor of or against any Party.

20. ADDITIONAL POST EXECUTION ACTIVITIES

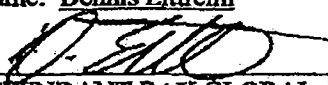
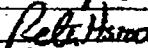

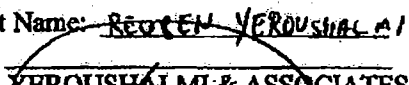
The Parties agree to mutually employ their best efforts to support the entry of this Agreement and obtain approval of the Proposed Consent Judgment by the Court in a timely manner. The Parties acknowledge that, pursuant to California Health & Safety Code §25249.7, a noticed motion is required to obtain judicial approval of this Consent Judgment. Accordingly, the Parties agree to file a Motion to Approve the Agreement ("Motion"). Defendants shall have no additional responsibility to counsel for EWW or CAG or to Yeroushalmi & Associates pursuant to Code of Civil Procedure §1021.5 or otherwise with regard to reimbursement of any fees and costs incurred with respect to the preparation and filing of the Motion or with regard to counsel appearing for a hearing thereon.

21. COUNTERPARTS

This Agreement may be executed in counterparts and by facsimile or e-mail, each of which shall be deemed an original, and all of which, when taken together, shall constitute one and the same document.

22. AUTHORIZATION

Authority to Enter Agreement. Each of the signatories hereto certifies that he or she is authorized by the party he or she represents to enter into this Agreement, to stipulate to the Agreement, and to execute and approve the Agreement on behalf of the party represented.

<p>AGREED TO:</p> <p>Date: <u>September 25, 2008</u></p> <p>Print Name: <u>Dennis Ertreim</u></p> <p>By:  <u>DEFENDANT BAX GLOBAL, INC.</u></p>	<p>APPROVED AS TO FORM</p> <p>Morrison & Foerster LLP</p> <p>Date: <u>September 29, 2008</u></p> <p>By:  <u>Peter Hsiao</u> Attorneys for Defendant BAX GLOBAL, INC.</p>
<p>AGREED TO:</p> <p>Date: _____</p> <p>Print Name: _____</p> <p>By: _____ <u>PLAINTIFF ENVIRONMENTAL WORLD WATCH INC.</u></p>	<p>APPROVED AS TO FORM</p> <p>Date: _____</p> <p>By: _____ <u>Anthony Graham</u> Attorneys for Plaintiff ENVIRONMENTAL WORLD WATCH, INC.</p>
<p>AGREED TO:</p> <p>Date: _____</p> <p>Print Name: _____</p> <p>By: _____ <u>CONSUMER ADVOCACY GROUP.</u></p>	<p>APPROVED AS TO FORM</p> <p>Date: <u>11/6/2008</u></p> <p>By:  <u>Roy Penuela</u> Attorneys for Plaintiff CONSUMER ADVOCACY GROUP, INC.</p>
<p>AGREED TO:</p> <p>Date: _____</p> <p>Print Name: <u>ROOSEN VEROUSHALMI</u></p> <p>By:  <u>VEROUSHALMI & ASSOCIATES</u></p>	<p>APPROVED AS TO FORM</p>

<p>AGREED TO:</p> <p>Date: _____</p> <p>Print Name: _____</p> <p>By: _____</p> <p>DEFENDANT BAX GLOBAL, INC.</p>	<p>APPROVED AS TO FORM</p> <p>Morrison & Foerster LLP</p> <p>Date: _____</p> <p>By: _____</p> <p>Peter Hsiao Attorneys for Defendant BAX GLOBAL, INC.</p>
<p>AGREED TO:</p> <p>Date: <u>September 5, 08</u></p> <p>Print Name: <u>William Dwyer</u></p> <p>By: <u>William Dwyer</u></p> <p>PLAINTIFF ENVIRONMENTAL WORLD WATCH INC.</p>	<p>APPROVED AS TO FORM</p> <p>Date: <u>September 8, 08</u></p> <p>By: <u>Anthony Graham</u></p> <p>Anthony Graham Attorneys for Plaintiff ENVIRONMENTAL WORLD WATCH, INC.</p>
<p>AGREED TO:</p> <p>Date: _____</p> <p>Print Name: <u>Lyn H Marcus</u></p> <p>By: <u>Lyn H Marcus</u></p> <p>CONSUMER ADVOCACY GROUP.</p>	<p>APPROVED AS TO FORM</p> <p>Date: _____</p> <p>By: _____</p> <p>Roy Penuela Attorneys for Plaintiff CONSUMER ADVOCACY GROUP, INC.</p>
<p>AGREED TO:</p> <p>Date: _____</p> <p>Print Name: _____</p> <p>By: _____</p> <p>YERUSHALMI & ASSOCIATES</p>	<p>APPROVED AS TO FORM</p> <p>Date: _____</p> <p>By: _____</p>

EXHIBIT 2

ORIGINAL

RECD JUL 07 2009

1 GRAHAM & MARTIN, LLP
 2 Anthony G. Graham (SBN 148682)
 3 Michael J. Martin (SBN 171757)
 4 950 South Coast Drive, Suite 220
 5 Costa Mesa, CA 92626
 6 Telephone: (714) 850-9390
 7 Facsimile: (714) 850-9392
 8 AnthonyGGraham@msn.com
 9
 10 Attorneys for Plaintiff
 11 ENVIRONMENTAL WORLD WATCH, INC.

12 LAW FIRM OF ROY PENUELA
 13 Roy Penuela (SBN 107267)
 14 3303 Castleman Lane
 15 Burbank Hills, CA 91504-1630
 16 Telephone: (818) 843-8435
 17 lalawyer@lawyer.com

18 Attorneys for Plaintiff
 19 CONSUMER ADVOCACY GROUP, INC.

LEE LAW GROUP
 Robert Y. Lee (SBN 213848)
 3699 Wilshire Boulevard, Suite 1100
 Los Angeles, CA 90010
 Telephone: (213) 383-5400
 admin@lgcounsel.com

SUPERIOR COURT OF THE STATE OF CALIFORNIA
 COUNTY OF SAN FRANCISCO

ENVIRONMENTAL WORLD WATCH, INC.,
 Plaintiff,
 v.
 AEROFLOT, et al.,
 Defendants.

AND CONSOLIDATED ACTIONS.

Case No.: 06-455658 (consolidated with
 case nos. 05-439749, 05-447903, 06-
 452413, 07-462756)

~~PROPOSED~~ STIPULATED
 JUDGMENT PURSUANT TO
 AMENDED TERMS OF
 STIPULATION AND ORDER RE:
 CONSENT JUDGMENT (AIR
 CARRIERS)

Date: January 27, 2009
 Time: 10:00 a.m.
 Department: 220
 Judge: Hon. A. James Robertson

1 In the above-entitled action, Plaintiff Environmental World Watch, Inc.,
2 (“EWW”), Plaintiff Consumer Advocacy Group (“CAG”), Yeroushalmi & Associates (former
3 counsel of record for EWW), and Defendants Astar Air Cargo, Inc., BAX Global, Inc.,
4 Evergreen International Airlines, Inc., Federal Express Corporation, Polar Air Cargo Worldwide,
5 Inc., United Parcel Service Co., Cargolux Airlines International, S.A., DPWN Holdings (USA),
6 Inc., originally sued as DHL Holdings (USA), Inc., and Amerijet International, Inc.
7 (“Defendants”) (collectively with plaintiffs, referred to as “Parties”), having agreed through
8 their respective counsel that judgment be entered pursuant to the terms of the Stipulation and
9 [Proposed] Order Re: Consent Judgment entered into by the Parties and lodged concurrently
10 herewith, and after consideration of the papers submitted and the arguments presented, the Court
11 finds that when modified as set forth herein, the settlement agreement set out in the Consent
12 Judgment meets the criteria established by Senate Bill 471, in that:

- 13 1. The health hazard warning that is required by the Stipulation and
14 [Proposed] Order Re: Consent Judgment complies with Health & Safety Code section 25249.7;
- 15 2. The reimbursement of fees and costs to be paid pursuant to the Parties’
16 Consent Judgment is reasonable under California law; and
- 17 3. The payment pursuant to Health & Safety Code section 25249.7(b) is
18 reasonable.

19 The parties stipulate that the Settlement Agreement and Release from March 2008
20 be modified as follows.

- 21 • A new Section 3.5 is added, which provides as follows:

22 3.5 Additional Releases

23 3.5.1 Covenant Not to Sue and Release of Yeroushalmi & Associates and
24 Reuben Yeroushalmi

25 3.5.1.1 For and in consideration of the terms and conditions stated in the
26 Settlement Agreement and Release, on behalf of themselves and their past, present, and future
27 attorneys (including but not limited to Reuben Yeroushalmi), partners, associates, proprietors,
28 co-venturers, joint venturers, officers, employees, directors, members, shareholders, contractors,

1 representatives, agents and assigns, Yeroushalmi & Associates and Reuben Yeroushami hereby
2 covenant not to sue nor to institute or participate in, directly or indirectly, arising out of or
3 related in any way to the EWW and CAG Actions, any form of legal action against CAG, Roy
4 Penuela and their past, present, and future partners, associates, proprietors, co-venturers, joint
5 venturers, officers, employees, directors, members, shareholders, contractors, representatives,
6 agents and assigns, and hereby release and forever discharge CAG, Roy Penuela and their past,
7 present, and future partners, associates, proprietors, co-venturers, joint venturers, officers,
8 employees, directors, members, shareholders, contractors, representatives, agents and assigns
9 from any and all claims of any nature without limitation, liens, demands, indemnity, damages,
10 actions, causes of action or suits or appeals of any kind or nature whatsoever, both known or
11 unknown, which have resulted in the past or may develop in the future arising out of or related in
12 any way to the EWW and CAG Actions. This Release of all claims is specifically intended to
13 include, but shall not be limited to, any and all claims for expenses (including, but not limited to,
14 attorney's fees, deposition costs, filing fees, law clerk expenses, secretarial expenses, rent
15 expenses, computer expenses, legal research expenses, library expenses, investigative fees,
16 consultant or expert fees, photocopy expenses, telephone expenses, fax expenses, travel
17 expenses, lodging and food expenses, mileage expenses,) costs, indemnity in all its forms,
18 negligence, professional negligence, fraud, damages of any nature, past, present, or future,
19 including contractual, compensatory, general, special, punitive, and injunctive relief, and relief
20 of any other kind arising out of or in any way related to the EWW and CAG Actions.

21 3.5.1.2 Yeroushalmi & Associates and Reuben Yeroushalmi expressly waive and
22 relinquish all rights and benefits which they have, or in the future may have, conferred upon
23 them by virtue of the provisions of Section 1542 of the California Civil Code, which provides as
24 follows:

25
26
27
28

1 A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS
2 WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT
3 TO EXIST IN HIS OR HER FAVOR AT THE TIME OF
4 EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM
5 OR HER MUST HAVE MATERIALLY AFFECTED HIS OR
6 HER SETTLEMENT WITH THE DEBTOR.

7 Yeroushalmi & Associates and Reuben Yeroushalmi understand and
8 acknowledge, in particular, that the significance and consequence of their waiver of California
9 Civil Code Section 1542 is that even if Yeroushalmi & Associates and Reuben Yeroushalmi ,
10 with respect to the matters in the EWW and CAG Actions and to the matters in any way related
11 to the EWW and CAG Actions, any person or entity on whose behalf Yeroushalmi & Associates
12 or Reuben Yeroushalmi purports to act, suffers future damages or harm arising out of or resulting
13 from the Released Claims, Yeroushalmi & Associates, Reuben Yeroushalmi, and anyone on
14 whose behalf each purports to act, will not be able to make any claim for relief against CAG or
15 Roy Penuela or any person or entity benefitting from this Release.

16 **3.5.1.3** Yeroushalmi & Associates and Reuben Yeroushalmi acknowledge that
17 they intend these consequences for any relief, which may exist as of the date of this release but
18 which they do not know to exist, and which, if known would materially affect Yeroushalmi &
19 Associates' or Reuben Yeroushalmi's decision to enter into this Settlement Agreement and
20 Release, regardless of whether their lack of knowledge is the result of ignorance, oversight, error,
21 negligence, or any other cause, no matter how justifiable such cause may be.

22 **3.5.1.4** Yeroushalmi & Associates and Reuben Yeroushalmi further acknowledge
23 that Yeroushalmi & Associates and Reuben Yeroushalmi may later discover facts and law in
24 addition to or different from those facts and law now known or believed to be true, but it is
25 Yeroushalmi & Associates, and Reuben Yeroushalmi's intention to fully and forever release any
26 and all matters, disputes and differences, known and unknown, suspected and unsuspected,
27 which now exist, may later exist, or may previously have existed. This Release shall remain in
28 effect as a full and complete general release notwithstanding the discovery or existence of any
such additional or different facts or law.

3.5.2 Covenant Not to Sue and Release of Roy Penuela

A/73057090.3/3002922-0000312672

1 3.5.2.1 For and in consideration of the terms and conditions stated in the
2 Settlement Agreement and Release, on behalf of himself and his past, present, and future
3 attorneys, partners, associates, proprietors, co-venturers, joint venturers, officers, employees,
4 directors, members, shareholders, contractors, representatives, agents and assigns, Roy Penuela
5 and the Law Firm of Roy Penuela hereby covenant not to sue nor to institute or participate in,
6 directly or indirectly, arising out of or related in any way to the EWW and CAG Actions, any
7 form of legal action against Yeroushalmi & Associates, Reuben Yeroushalmi, and their past,
8 present, and future partners, associates, proprietors, co-venturers, joint venturers, officers,
9 employees, directors, members, shareholders, contractors, representatives, agents and assigns,
10 and hereby releases and forever discharges Yeroushalmi & Associates, Reuben Yeroushalmi,
11 and their past, present, and future partners, associates, proprietors, co-venturers, joint venturers,
12 officers, employees, directors, members, shareholders, contractors, representatives, agents and
13 assigns from any and all claims of any nature without limitation, liens, demands, indemnity,
14 damages, actions, causes of action or suits or appeals of any kind or nature whatsoever, both
15 known or unknown, which have resulted in the past or may develop in the future arising out of or
16 related in any way to the EWW and CAG Actions. This Release of all claims is specifically
17 intended to include, but shall not be limited to, any and all claims for expenses (including, but
18 not limited to, attorney's fees, deposition costs, filing fees, law clerk expenses, secretarial
19 expenses, rent expenses, computer expenses, legal research expenses, library expenses,
20 investigative fees, consultant or expert fees, photocopy expenses, telephone expenses, fax
21 expenses, travel expenses, lodging and food expenses, mileage expenses,) costs, indemnity in all
22 its forms, negligence, professional negligence, fraud, damages of any nature, past, present, or
23 future, including contractual, compensatory, general, special, punitive, and injunctive relief, and
24 relief of any other kind arising out of or in any way related to the EWW and CAG Actions.

25 3.5.2.2 Roy Penuela and the Law Firm of Roy Penuela expressly waive and
26 relinquish all rights and benefits which they have, or in the future may have, conferred upon
27 them by virtue of the provisions of Section 1542 of the California Civil Code, which provides as
28 follows:

1 A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS
2 WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT
3 TO EXIST IN HIS OR HER FAVOR AT THE TIME OF
4 EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM
5 OR HER MUST HAVE MATERIALLY AFFECTED HIS OR
6 HER SETTLEMENT WITH THE DEBTOR.

7 3.5.2.3 Roy Penuela understands and acknowledges, in particular, that the
8 significance and consequence of his waiver of California Civil Code Section 1542 is that even if
9 Roy Penuela and the Law Firm of Roy Penuela, with respect to the matters in the EWW and
10 CAG Actions and to the matters in any way related to the EWW and CAG Actions, any person
11 or entity on whose behalf Roy Penuela purports to act, suffers future damages or harm arising
12 out of or resulting from the Released Claims, Roy Penuela, and anyone on whose behalf each
13 purports to act, will not be able to make any claim for relief against Yeroushalmi & Associates
14 and Reuben Yeroushalmi or any person or entity benefitting from this Release.

15 3.5.2.4 Roy Penuela acknowledges that he intends these consequences for any
16 relief, which may exist as of the date of this release but which they do not know to exist, and
17 which, if known would materially affect Roy Penuela's decision to enter into this Settlement
18 Agreement and Release, regardless of whether his lack of knowledge is the result of ignorance,
19 oversight, error, negligence, or any other cause, no matter how justifiable such cause may be.

20 3.5.2.5 Roy Penuela and the Law Firm of Roy Penuela further acknowledge that
21 Roy Penuela and the Law Firm of Roy Penuela may later discover facts and law in addition to or
22 different from those facts and law now known or believed to be true, but it is Roy Penuela's and
23 the Law Firm of Roy Penuela's intention to fully and forever release any and all matters,
24 disputes and differences, known and unknown, suspected and unsuspected, which now exist,
25 may later exist, or may previously have existed. This Release shall remain in effect as a full and
26 complete general release notwithstanding the discovery or existence of any such additional or
27 different facts or law.

- 28 • **The first sentence of Section 4.1.1.1 is stricken in its entirety, and
replaced with the following:**

From the total settlement payment set out in Section 4.1, each Defendant

1 shall pay Three Thousand Three-Hundred Eight Dollars and 83 Cents
2 (\$3,308.83) to EWW (an organization dedicated to furthering Proposition
3 65 compliance). The funds to be paid to Plaintiff EWW are to be used to
4 reimburse Mr. Dunlap.

- 5 • **Section 4.1.2 is stricken in its entirety, and replaced with the**
6 **following:**

7 From the total settlement payment set out in Section 4.1, each Defendant
8 shall pay Two Thousand Five Hundred Seventy -Three Dollars and Fifty-
9 Three Cents (\$2,573.53) to Graham & Martin LLP: Defendant shall make
10 payment payable to EWW within 30 days after the Effective Date to
11 “Graham & Martin LLP”, at the following address: Graham & Martin
12 LLP, 950 South Coast Drive, Suite 220, Costa Mesa, CA 92626.

13 Defendant shall have no further obligation to reimburse EWW or EWW’s
14 past, present, and future attorneys (including but not limited to
15 Yeroushalmi & Associates), officers, employees, directors, members,
16 shareholders, representatives, contractors, agents and assigns, for any fees
17 and costs associated with the Actions.

- 18 • **The first sentence of section 4.1.3:4 is stricken in its entirety, and**
19 **replaced with the following:**

20 From the total settlement payment set out in Section 4.1, each Defendant
21 shall pay attorneys fees and costs to Yeroushalmi & Associates a total of
22 Thirteen Thousand Five Hundred Twenty-Nine Dollars and Forty-One
23 Cents (\$13,529.41), pursuant to application to the Court as part of the
24 Proposed Consent Judgment, which represents reimbursement of past,
25 present, and future attorneys’ fees and costs relating to or arising out of
26 any of the Actions.

- 27 • **A new section 4.1.4 is added, which provides as follows:**

28 **4.1.4 Payment to Public Health Trust**

1 4.1.4.1 From the total settlement payment set out in Section 4.1, each
2 Defendant shall pay Five Thousand Five Hundred Eighty-Eight Dollars
3 and Twenty-Four Cents (\$5,588.24) to Public Health Trust, which
4 represents a payment in lieu of civil penalties. The payment in lieu of a
5 civil penalty shall be used for projects and purposes related to
6 environmental protection, worker health and safety, or education of human
7 exposure to hazardous substances, as Public Health Trust may choose.
8 Public Health Trust, including its attorneys, agents, representatives,
9 members, officers, employees, or investigators, may not use any part of
10 this payment to finance any future Proposition 65 litigation or
11 investigative activities regarding potential Proposition 65 issues,
12 compliance, or litigation arising out of or against Defendant or the airline
13 industry. Defendant shall make payment payable to Public Health Trust
14 within 30 days after the Effective Date, mailed to Brenda Drake, Director,
15 Public Health Trust, 2201 Broadway, Suite 502, Oakland, CA 94612.

16 IT IS HEREBY ORDERED that judgment be entered in this case, in accordance
17 with the terms of the Stipulation and [Proposed] Order Re: Consent Judgment, lodged
18 concurrently herewith, as modified herein.

19 IT IS SO ORDERED.

20
21 Dated:

2/27/08
JUL 27 2009



JUDGE OF THE SUPERIOR COURT
A. JAMES ROBERTSON, II

1 IT IS SO STIPULATED.

2 DATED: June 29, 2008

GRAHAM & MARTIN

3 By: Anthony Graham
4 Anthony Graham
5 Attorneys for Plaintiff
6 ENVIRONMENTAL WORLD WATCH, INC.

7 DATED: June __, 2008

LAW FIRM OF ROY PENUELA

8 By: _____
9 Roy Penuela
10 Attorneys for Plaintiff
11 CONSUMER ADVOCACY GROUP, INC.

12 DATED: June __, 2008

LEE LAW GROUP

13 By: _____
14 Robert Y. Lee
15 Attorneys for Plaintiff
16 CONSUMER ADVOCACY GROUP, INC.

17 DATED: June __, 2008

BINGHAM MCCUTCHEN LLP

18 By: _____
19 R Raymond Rothman
20 Attorneys for Defendants
21 ASTAR AIR CARGO, INC., EVERGREEN
22 INTERNATIONAL AIRLINES, INC., FEDERAL EXPRESS
23 CORPORATION, POLAR AIR CARGO WORLDWIDE,
24 INC., UNITED PARCEL SERVICE CO.

25 DATED: June __, 2008

CONDON & FORSYTH LLP

26 By: _____
27 Rod D. Margo
28 Attorneys for Defendants
CARGOLUX AIRLINES INTERNATIONAL, S.A.

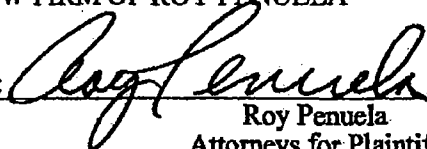
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IT IS SO STIPULATED.


DATED: June __, 2008 GRAHAM & MARTIN

By: _____
Anthony Graham
Attorneys for Plaintiff
ENVIRONMENTAL WORLD WATCH, INC.

DATED: June 27, 2008 LAW FIRM OF ROY PENUELA

By:  _____
Roy Penuela
Attorneys for Plaintiff
CONSUMER ADVOCACY GROUP, INC.

DATED: June 30, 2008 LEE LAW GROUP

By:  _____
Robert Y. Lee
Attorneys for Plaintiff
CONSUMER ADVOCACY GROUP, INC.

DATED: June __, 2008 BINGHAM MCCUTCHEN LLP

By: _____
R Raymond Rothman
Attorneys for Defendants
ASTAR AIR CARGO, INC., EVERGREEN
INTERNATIONAL AIRLINES, INC., FEDERAL EXPRESS
CORPORATION, POLAR AIR CARGO WORLDWIDE,
INC., UNITED PARCEL SERVICE CO.

DATED: June __, 2008 CONDON & FORSYTH LLP

By: _____
Rod D. Margo
Attorneys for Defendants
CARGOLUX AIRLINES INTERNATIONAL, S.A.

1 IT IS SO STIPULATED.

2 DATED: June __, 2008 GRAHAM & MARTIN

3
4 By: _____
5 Anthony Graham
6 Attorneys for Plaintiff
7 ENVIRONMENTAL WORLD WATCH, INC.

8 DATED: June __, 2008 LAW FIRM OF ROY PENUELA

9 By: _____
10 Roy Penuela
11 Attorneys for Plaintiff
12 CONSUMER ADVOCACY GROUP, INC.

13 DATED: June __, 2008 LEE LAW GROUP

14 By: _____
15 Robert Y. Lee
16 Attorneys for Plaintiff
17 CONSUMER ADVOCACY GROUP, INC.

18 DATED: ^{July} ~~June~~ __, 2008⁹ BINGHAM MCCUTCHEM LLP

19 By: Rich Rothman by TSE
20 R Raymond Rothman
21 Attorneys for Defendants
22 ASTAR AIR CARGO, INC., EVERGREEN
23 INTERNATIONAL AIRLINES, INC., FEDERAL EXPRESS
24 CORPORATION, POLAR AIR CARGO WORLDWIDE,
25 INC., UNITED PARCEL SERVICE CO.

26 DATED: June __, 2008 CONDON & FORSYTH LLP

27 By: _____
28 Rod D. Margo
Attorneys for Defendants
CARGOLUX AIRLINES INTERNATIONAL, S.A.

1 IT IS SO STIPULATED.

2 DATED: June __, 2008 GRAHAM & MARTIN

3
4 By: _____

5 Anthony Graham
6 Attorneys for Plaintiff
7 ENVIRONMENTAL WORLD WATCH, INC.

8 DATED: June __, 2008 LAW FIRM OF ROY PENUELA

9 By: _____

10 Roy Penuela
11 Attorneys for Plaintiff
12 CONSUMER ADVOCACY GROUP, INC.

13 DATED: June __, 2008 LEE LAW GROUP

14 By: _____

15 Robert Y. Lee
16 Attorneys for Plaintiff
17 CONSUMER ADVOCACY GROUP, INC.

18 DATED: June __, 2008 BINGHAM MCCUTCHEN LLP

19 By: _____

20 R Raymond Rothman
21 Attorneys for Defendants
22 ASTAR AIR CARGO, INC., EVERGREEN
23 INTERNATIONAL AIRLINES, INC., FEDERAL EXPRESS
24 CORPORATION, POLAR AIR CARGO WORLDWIDE,
25 INC., UNITED PARCEL SERVICE CO.

26 DATED: June 29, 2008 CONDON & FORSYTH LLP

27 By: _____

28 Rod D. Margo
Attorneys for Defendants
CARGOLUX AIRLINES INTERNATIONAL, S.A.

1 DATED: ^{July 6} ~~June~~ __, 2008

KENNEY & MARKOWITZ L.L.P

2
3 By: 

Harvey T. Elam
Attorneys for Defendants
AMERJET INTERNATIONAL, INC., and DPWN
HOLDINGS (USA), INC., originally sued as DHL
HOLDINGS (USA), INC.

6 DATED: June __, 2008

MORRISON & FOERSTER LLP

7
8 By: _____

Peter Hsiao
Attorneys for Defendant
BAX GLOBAL, INC.

10 DATED: June __, 2008

YEROUSHALMI & ASSOCIATES

12 By: _____

Reuben Yeroushalmi
YEROUSHALMI & ASSOCIATES

1 DATED: June __, 2008

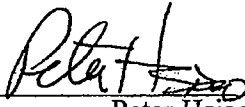
KENNEY & MARKOWITZ L.L.P

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By: _____
Harvey T. Elam
Attorneys for Defendants
AMERIJET INTERNATIONAL, INC., and DPWN
HOLDINGS (USA), INC., originally sued as DHL
HOLDINGS (USA), INC.

DATED: ^{July} June 5, 2008

MORRISON & FOERSTER LLP

By: _____

Peter Hsiao
Attorneys for Defendant
BAX GLOBAL, INC.

DATED: June __, 2008

YEROUSHALMI & ASSOCIATES

By: _____
Reuben Yeroushalmi
YEROUSHALMI & ASSOCIATES

1 DATED: June __, 2008

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By: _____

3

Harvey T. Elam
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AMERIJET INTERNATIONAL, INC., and DPWN
HOLDINGS (USA), INC., originally sued as DHL
HOLDINGS (USA), INC.

4

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6 DATED: June __, 2008

MORRISON & FOERSTER LLP

7

By: _____

8

Peter Hsiao
Attorneys for Defendant
BAX GLOBAL, INC.

9

10

11 DATED: June 25, 2008

YEROUSHALMI & ASSOCIATES

12

By: _____

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Reuben Yeroushalmi
YEROUSHALMI & ASSOCIATES

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