[PROPOSED] CONSENT JUDGMENT

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Health and Safety Code section 25249.5 et seq. (Proposition 65) by failing to give clear and reasonable warnings to those residents of California who handle and use products made of, or incorporate parts made of, leaded brass and/or leaded bronze, that handling and use of these products causes those residents to be exposed to lead and/or lead compounds. Lead is known to the State of California to cause cancer and/or birth defects or other reproductive harm. The Complaint was based upon a 60-Day Notice letter, dated May 24, 2007, sent by MEJF to CAMPBELL HAUSFELD, the California Attorney General, all District Attorneys, and all City Attorneys with populations exceeding 750,000.

1.2. Defendant is a business that employs more than ten persons, and manufactures, distributes, and sells brass products, including but not limited to accessories, such as accessories for use with air compressors. All brass products, brass components and brass accessories manufactured, distributed and/or sold by Defendant and/or Released Entities ("Brass Products") as well as bronze products, bronze components and bronze accessories manufactured, distributed and/or sold by Defendant and/or Released Entities ("Bronze Products") are Covered Products under this Consent Judgment. Many Brass Products and Bronze Products are manufactured from brass or bronze that contains lead and/or lead compounds. Pursuant to Health and Safety Code section 25249.8, lead and lead compounds are chemicals known to the State of California to cause cancer and reproductive toxicity. Plaintiff MEJF alleges that Brass Products and Bronze Products containing lead-containing brass or lead-containing bronze respectively, that are sold by CAMPBELL HAUSFELD for use in California require a warning under Proposition 65, pursuant to Health and Safety Code section 25249.6. CAMPBELL HAUSFELD denies that a warning is required. For purposes of this Consent Judgment, the parties stipulate that this Court has jurisdiction over the allegations of violations contained in the Complaint and personal jurisdiction over CAMPBELL HAUSFELD as to the acts alleged in the Complaint, that venue is proper in the County of San Francisco and that this Court has jurisdiction to enter this Consent Judgment as a full settlement and resolution of the allegations contained in the Complaint and of all claims which were or could have been raised by any person or entity based in whole or in part, directly or indirectly, on the facts alleged therein or arising therefrom or related to.

- 1.3. This Consent Judgment resolves claims that are denied and disputed. The parties enter into this Consent Judgment pursuant to a full and final settlement of any and all claims between the parties for the purpose of avoiding prolonged litigation. This Consent Judgment shall not constitute an admission with respect to any material allegation of the Complaint, each and every allegation of which CAMPBELL HAUSFELD denies, nor may this Consent Judgment or compliance with it be used as evidence of any wrongdoing, misconduct, culpability or liability on the part of CAMPBELL HAUSFELD.
- 1.4. For purposes of this Consent Judgment, the term "Covered Products" means Brass Products and Bronze Products as described in paragraph 1.2
  - 1.5. The term "Effective Date" means 90 days after entry of this Consent Judgment.

#### 2. SETTLEMENT PAYMENT

- 2.1. In settlement of all of the claims that are alleged, or could have been alleged, in the Complaint concerning Covered Products, CAMPBELL HAUSFELD shall pay twenty-five thousand dollars (\$25,000) to the Klamath Environmental Law Center ("KELC") to cover Plaintiff's attorneys' fees. Additionally, CAMPBELL HAUSFELD shall pay ten thousand dollars (\$10,000) in lieu of civil penalties to Californians for Alternatives to Toxics ("CATs"), to be used by CATs to inform Californians about exposures to toxic chemicals or to reduce such exposures. The above described payments shall be forwarded by Defendant so that they are received by KELC at least five (5) days prior to the hearing date scheduled for approval of this Consent Judgment. If the Consent Judgment is not approved within 120 days of the date scheduled for approval, the above described payments shall be returned and the provisions of this Consent judgment shall become null and void.
- 2.2. CAMPBELL HAUSFELD shall not be required to pay a civil penalty pursuant to Health and Safety Code section 25249.7(b).

## 3. ENTRY OF CONSENT JUDGMENT

3.1. The parties hereby request that the Court promptly enter this Consent Judgment.

Upon entry of the Consent Judgment, CAMPBELL HAUSFELD and MEJF waive their respective rights to a hearing or trial on the allegations of the Complaint.

4.1. The parties to this Consent Judgment acknowledge that MELF acts both on its own behalf, as well as on behalf the public interest in entering this Consent Judgment.4.1(a). As to Covered Products, this Consent Judgment is a final and binding resolution

between MEJF (acting on its own behalf) and CAMPBELL HAUSFELD of: (i) any violation of Proposition 65; and (ii) any other statutory and/or common law claim to the fullest extent that any of the foregoing described in (i) and/or (ii) were or could have been asserted by any person and/or entity against CAMPBELL HAUSFELD, its parents, subsidiaries, affiliates, and all of their suppliers, customers, distributors, wholesalers, retailers, any other person in the course of doing business, and the successors and assigns of any of them, who may use, maintain, distribute and/or sell Covered Products ("Released Entities"), based on its and/or their exposure of persons to Proposition 65 chemicals and/or their failure to provide a clear and reasonable warning of exposure to such individuals; and (iii) as to alleged exposures to Proposition 65 chemicals from Covered Products, any other claim based in whole or in part on the facts alleged in the Complaint, whether based on actions committed by the Released Entities or others.

4.1(b). As to Covered Products, this Consent Judgment is a final and binding resolution of the matters raised in the 60-Day Notice Letter, between MEJF (acting on behalf of the general public) and CAMPBELL HAUSFELD of: (i) any violation of Proposition 65 regarding exposure of persons to lead and/or lead compounds from Covered Products (including but not limited to the claims made in the Complaint); and (ii) any other statutory and/or common law claim to the fullest extent that any of the foregoing described in (i) and/or (ii) were or could have been asserted by any person and/or entity against CAMPBELL HAUSFELD, its parents, subsidiaries, affiliates, and all of their suppliers, customers, distributors, wholesalers, retailers, or any other person in the course of doing business, and the successors and assigns of any of them, who may use, maintain, distribute and/or sell Covered Products ("Released Entities"), based on its and/or their exposure of persons to lead and/or lead compounds from Covered Products and/or their failure to provide a clear and reasonable warning of exposure to such individuals; and (iii) as to alleged exposures to lead and/or lead compounds from Covered Products, any other claim based

in whole or in part on the facts alleged in the Complaint, whether based on actions committed by the Released Entities or others. As to alleged exposures to lead and/or lead compounds from Covered Products, compliance with the terms of this Consent Judgment resolves any issue, now and in the future, concerning compliance by CAMPBELL HAUSFELD and the Released Entities, with the requirements of Proposition 65 with respect to Covered Products, and any alleged resulting exposure.

4.2(a) As to alleged exposures to Proposition 65 chemicals from Covered Products, MEJF, by and on behalf of itself and its respective agents, successors and assigns, waives any and all rights to institute any form of legal action, and releases all claims against CAMPBELL HAUSFELD and the Released Entities, and all of their respective parents, subsidiaries or affiliates, and all of their suppliers, customers, distributors, wholesalers, retailers, and/or any other person in the course of doing business, and the successors and assigns of any of them, who may use, maintain, distribute and/or sell the Covered Products, whether, under Proposition 65 or otherwise, arising out of or resulting from, and/or related directly or indirectly to, in whole or in part, the Covered Products, including but not limited to any exposure to, and/or failure to warn with respect to, the Covered Products (referred to collectively in this paragraph as the "Claims"). In furtherance of the foregoing, as to alleged exposures to Covered Products, MEJF hereby waives any and all rights and benefits which it now has, and/or in the future may have, conferred upon it with respect to the Claims 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.

MEJF understands and acknowledges that the significance and consequence of this waiver of California Civil Code section 1542 is that even if MEJF suffers future damages arising out of or resulting from, or related directly or indirectly to, in whole or in part, the Covered Products, including but not limited to any exposure to, or failure to warn with respect to exposure to, Proposition 65 chemicals from Covered Products, MEJF will not be able to make any claim

on its own behalf for those damages against CAMPBELL HAUSFELD or the Released Entities. Furthermore, MEJF acknowledges that it intends these consequences for any such Claims as may exist as of the date of this release but which MEJF does not know exist, and which, if known, would materially affect their decision to enter into this Consent Judgment, regardless of whether their lack of knowledge is the result of ignorance, oversight, error, negligence or any other cause.

## 5. ENFORCEMENT OF JUDGMENT / DISPUTE RESOLUTION

- 5.1 The terms of this Consent Judgment shall be enforced exclusively by the parties hereto. The parties may, by noticed motion or order to show cause before the Superior Court of San Francisco County, giving the notice required by law, enforce the terms and conditions contained herein subject to the limitations of this Section and Section 5.2. A Party may enforce any of the terms and conditions of this Consent Judgment only after that Party first provides thirty (30) days written notice to the Party allegedly failing to comply with the terms and conditions of this Consent Judgment and attempts to resolve such Party's failure to comply in an open and good faith manner as described in Section 5.2. The notice shall describe in detail both the nature of the alleged violation, as well as the specific action the enforcing party is demanding that the alleged violator take to cure the violation.
- alleged failure to comply as required by Section 5.1, and as a condition precedent to the initiation of any enforcement action, dispute resolution, order to show cause or other proceeding before the Court involving a Covered Product, an enforcing party shall be required to meet and confer in good faith with an alleged violator as follows: (1) The enforcing party shall contact counsel for the alleged violator and shall schedule a telephone conference at a time that is mutually convenient to the parties, and which falls no later than thirty (30) days from the date of service of the notice; (2) counsel for both parties shall participate in the scheduled telephone conference in an attempt to resolve the issues presented in the notice at which time counsel for the alleged violator will inform counsel for the enforcing party whether it agrees to take the action demanded in the notice; (3) if the alleged violator declines to take such action, the parties will attempt to negotiate a mutually agreeable resolution, consistent with the terms of this Consent Judgment

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and Proposition 65; and (4) if no mutually agreeable resolution can be reached, a party may seek judicial enforcement of the Consent Judgment upon the expiration of the notice/meet and confer period.

shall be entitled to recovery of any fees and costs associated with the action only if it prevails in the action. The recovery shall be restricted to those actual fees and costs incurred after the meet and confer process has been exhausted. MEJF shall be entitled to no such fees and costs where CAMPBELL HAUSFELD agrees to take the action demanded in MEJF's notice of violation during the meet and confer period and agrees to implement such action within 60 days after the expiration of the meet and confer period, unless a longer period is agreed to by the parties. CAMPBELL HAUSFELD shall be deemed to be in compliance with Proposition 65 for the duration of the meet and confer and the 60-day implementation period. The recovery of actual fees and costs by MEJF shall be the exclusive remedy available in an enforcement action and no other recovery of fines or monetary penalties shall be available to the parties, whether based on Proposition 65, other statute or contract.

# 6. MODIFICATION OF JUDGMENT

- 6.1. This Consent Judgment may be modified only upon written agreement of the parties and upon entry of a modified Consent Judgment by the Court thereon, or upon motion of any party as provided by law and upon entry of a modified Consent Judgment by the Court.
- 6.2. Settling Defendant shall be entitled to seek modification of this Consent Judgment to establish that the warning requirements of Section 7 do not apply, or no longer apply to a Covered Product, based on any of the exemptions stated in Section 7 of this Consent Judgment, or to include additional Covered Products which may be manufactured, distributed, or sold by CAMPBELL HAUSFELD after the effective date of this Consent Judgment, or to modify any other provision contained herein, or to add any provisions hereto.
- 6.3. The procedure for modification shall be governed by Section 5 of this Consent Judgment. In lieu of a Notice of Violation, a party seeking modification of this Consent Judgment shall provide notice to the other party containing the precise language of the proposed

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modification along with an explanation of the basis and effect of the modification sought. The party seeking the modification shall have the obligation of initiating the meet and confer process as provided in Section 5.2, as a condition precedent to seeking judicial modification. If no objection to the proposed modification is made to the notifying party in writing within 30 days of service of the notice of modification, any such objection is deemed to be waived, and the modifying party may seek judicial approval and entry of the amended Consent Judgment through ex parte application. The recovery of fees and costs shall be available only to the extent allowed by Section 5.3.

#### 7. INJUNCTIVE RELIEF

7.1. The warning requirements set forth in paragraph 7.2 below shall come into effect on the Effective Date of this Consent Judgment as defined in paragraph 1.5. As to any Covered Products which are made of brass containing lead (hereinafter "leaded brass"), bronze containing lead (hereinafter "leaded bronze") and/or which contain a component made of leaded brass and/or leaded bronze, for which the Covered Product and/or component must be handled for it to be used in its normally intended manner, a warning as described in paragraph 7.2 below shall be provided on any units of such Covered Products that Defendant CAMPBELL HAUSFELD. and/or any Released Entity under this Consent Judgment markets, sells and/or distributes for sale in the State of California. CAMPBELL HAUSFELD shall not be liable for the failure of any Released Entity to provide warnings as may be required under this Consent Judgment. The warning requirements set forth in paragraph 7.2 below shall not apply to: (a) Covered Products manufactured by and/or for CAMPBELL HAUSFELD before the Effective Date and/or distributed, marketed, sold, shipped for sale and/or use within the State of California; (b) Covered Products in CAMPBELL HAUSFELD'S and/or its customers', distributors', wholesalers', retailers', licensors' and/or trademark holders' inventory as of the Effective Date and/or manufactured, distributed, marketed, sold, shipped for sale and/or use within the State of California; (c) Covered Products manufactured, distributed, marketed, sold, shipped for sale and/or use outside the State of California or intended by CAMPBELL HAUSFELD for sale and/or use outside of the State of California which are subsequently shipped into California by a

third party. To the extent any such third party subsequently ships such products into California, without providing the warnings required pursuant to this Consent Judgment, that third party shall not benefit from any release or other dispute resolution procedure in this Consent Judgment; (d) Covered Products and/or components which need not be handled to be used in their normally intended manner; (e) Covered Products for which CAMPBELL HAUSFELD can demonstrate exposure to lead or lead compounds at or below the safe harbor levels/maximum allowable dose levels and acceptable intake levels of 22 California Code of Regs. § 12805(b) pursuant to Section 7.1(b) herein; and/or (f) Covered Products for which CAMPBELL HAUSFELD can demonstrate contain less than 300 parts per million lead pursuant to Section 7.1(b) herein.

7.1(a) "Normally Intended Use" of a Covered Product means, that use in which a reasonable consumer would engage under normal and reasonable circumstances, and does not include rare, or otherwise infrequent exposure to the Covered Product resulting from, among other things, installation, assembly, repair or replacement of a Covered Product, or maintenance of a Covered Product, through which an otherwise non-exposed leaded brass or leaded bronze component becomes exposed. The use of a product in a manner contrary to that described in its user manual or other product labeling, shall not be "Normally Intended Use." Any disputes arising between the parties regarding the "Normally Intended Use" of a Covered Product shall be resolved pursuant to the procedure stated in Section 5.1-5.3 of this Consent Judgment.

7.1(b) At any time after the effective date of this agreement, for any reason, and with respect to any Covered Product, CAMPBELL HAUSFELD may seek (1) a safe use determination from OEHHA; (2) a written statement from the Office of the Attorney General that no warning is required; (3) a written acknowledgment from Mateel that no warning is required; or (4) upon noticed motion, due notice having been given to Mateel and the Office of the Attorney General, a determination by the Superior Court of the State of California, County of San Francisco that no warning is required. CAMPBELL HAUSFELD is entitled to submit any evidence it deems appropriate in support of a petition made pursuant to this section, including, but not limited to evidence that exposure from a Covered Product falls within the statutory safe-harbor NSRLs and MADLs. CAMPBELL HAUSFELD shall provide written notice to Mateel of

any such petition no later than 21 days before a hearing on the petition is to commence.

CAMPBELL HAUSFELD shall not be required to provide any warning pursuant to this Consent Judgment and/or Proposition 65 with respect to any Covered Product for which its petition made pursuant to this section is granted.

- 7.2. As to any Covered Product for which a warning is required pursuant to Section7.1, a warning that contains one of the following warning statements shall be provided:
- (a) "WARNING: This product contains chemicals, including lead, known to the State of California to cause birth defects and other reproductive harm. Wash hands after handling." Or
- (b) "WARNING: Handling the brass parts of this product will expose you to lead, a chemical known to the State of California to cause birth defects and other reproductive harm. Wash hands after handling."

The word "warning" shall be in bold text, and the phrase "wash hands after handling" shall be in bold italic text. Or

- (c) Any other warning approved as to Covered Products by Mateel, by the Office of the Attorney General of the State of California, or by the Superior Court of California, County of San Francisco; Or
- (d) Any other warning, substantially similar to those in subsections 7.2 (a) or (b), or those statutory safe harbor warnings identified in 22 CCR § 12601, which CAMPBELL HAUSFELD began providing for Covered Products, prior to the effective date of this Consent Judgment, provided that CAMPBELL HAUSFELD shall conform any such warnings to the requirements of Sections 7.2 (a), (b) and (c) upon implementing revisions to its packaging as may occur in the normal course of business and in no event later than one year from the effective date of this Consent Judgment.
- 7.3. The warning statements required in paragraph 7.2 shall be affixed to or printed on the Covered Product itself or to the Covered Product's packaging, labeling, or instruction booklet, if any. The warning shall be prominently affixed to or printed on the Covered Product or packaging, labeling or instruction booklet, and displayed with such conspicuousness, as

compared with other words, statements, designs or devices on the Covered Product, or its packaging, labeling, bulk packaging or instruction booklet, as to render it likely to be read and understood by an ordinary individual under customary conditions of purchase or use. For products packaged for bulk sale (not individually packaged) a warning on the exterior of the bulk packaging of the type and prominence described in this section, shall be deemed to be clear and reasonable. For purposes of this paragraph, a warning may be contained in the same section of the packaging, labeling, or instruction booklet that contains other safety warnings, if any, concerning the use of the Covered Product, or near its displayed price and/or UPC code. The type size of the warning must be legible, but need not be any larger than any other warning provided for the Covered Product, and its relative size may take into account the nature, immediacy, and acuteness of the risks for which other warnings are provided.

- 7.4 If the warning is given in the owners manual pursuant to Section 7.3 above, it shall be located in one of the following places in the manual: the outside of the front cover; the inside of the front cover; the first page other than the cover; the outside of the back cover. The warning shall be printed or stamped in the manual or contained in a durable label or sticker affixed to the manual in a font no smaller than the font used for other safety warnings in the manual. Alternatively, the warning may be included in a safety warning section of the owner's manual.
- 7.5 A warning only in the owner's manual of a Covered Product may be used to satisfy the warning requirements of this Section 7 only under the following circumstances: the Covered Product (i) may cause serious injury or bodily harm (other than by means of fire or electrocution) unless used as directed; and/or (ii) is sophisticated, difficult to understand or install, set-up, or assemble; and/or (iii) has one or more features a consumer must read about in order to know how to program or use the Covered Product. However, a Covered Product may not only utilize an owner's manual warning if it meets the following criteria: (a) the Covered Product is unlikely to cause serious injury or bodily harm other than by means of fire or electrocution; (b) the Covered Product is easily assembled or programmed by an ordinary consumer without need to reference instructions; and (c) fundamental operation of the Covered

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Product is easily understood and commonly performed by an ordinary consumer without training or need to reference operating instructions.

7.6 As to any Covered Products, if Proposition 65 warnings for lead or lead compounds no longer should be required due to delisting of lead as a Proposition 65 chemical, or if warning language different from that set forth in this Consent Judgment is required, because of a change or changes in law, or in the event that Proposition 65 is repealed or otherwise found to be or unenforceable, CAMPBELL HAUSFELD shall have no further warning obligations pursuant to this Consent Judgment. In the event that the statutory MADL's and/or NSRL's are revised or amended, the revised or amended MADL's and NSRL's shall apply to a petition made pursuant to Section 7.1(b). In the event that CAMPBELL HAUSFELD ceases to implement or modifies the warnings required as a result of a change of law as described in this section, under this Consent Judgment, CAMPBELL HAUSFELD shall provide written notice to plaintiff of its intent to do so, and of the basis for its intent, no less than thirty (30) days in advance. Plaintiff shall notify CAMPBELL HAUSFELD in writing of any objection within thirty (30) days of its receipt of such notice, or such objection by the plaintiff shall be deemed waived. Should Plaintiff timely notify CAMPBELL HAUSFELD of its objection, the parties shall attempt to resolve the issue pursuant to the procedure stated in Section 5.1-5.3 of this Consent Judgment, after which, CAMPBELL HAUSFELD may petition the Attorney General of the State of California or the Court for certification that the modification complies with statutory requirements. All recovery of fees and costs for resolution of any such disputes shall be available only to the extent provided for in Sections 5.1-5.3. This section in no way limits CAMPBELL HAUSFELD'S rights to petition for removal or warnings from a Covered Product pursuant to Section 7.1(b) of this Consent Judgment.

# 8. TERMINATION AND RETENTION OF JURISDICTION

8.1. This Court shall retain jurisdiction of this matter to implement and enforce the terms this Consent Judgment.

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### 9. AUTHORITY TO STIPULATE

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9.1. Each signatory to this Consent Judgment certifies that he or she is fully authorized by the party he or she represents to enter into this Consent Judgment and to execute it on behalf of the party represented and legally to bind that party.

### 10. <u>DUTIES LIMITED TO CALIFORNIA</u>

10.1. This Consent Judgment shall have no effect on Covered Products sold by CAMPBELL HAUSFELD outside the State of California.

#### 11. ENTIRE AGREEMENT

11.1. This Consent Judgment contains the sole and entire agreement and understanding of the parties with respect to the entire subject matter hereof and any and all prior discussions, negotiations, commitments and understandings related hereto. No representations, oral or otherwise, express or implied, other than those contained herein have been made by any party hereto. No other agreements not specifically referred to herein, oral or otherwise, shall be deemed to exist or to bind any of the parties.

### 12. **GOVERNING LAW**

12.1. The validity, construction and performance of this Consent Judgment shall be governed by the laws of the State of California, without reference to any conflicts of law provisions of California law.

## 13. EXECUTION AND COUNTERPARTS

13.1. This Consent Judgment may be executed in counterparts and by means of facsimile, which taken together shall be deemed to constitute one document.

#### 14. COURT APPROVAL

If this Consent Judgment, in its entirety, is not approved by the Court, it shall be of no force or effect, and cannot be used in any proceeding for any purpose.

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2	15.1. Any notices under this Consent Judgment shall be by personal delivery of First	
3	Class Mail.	
4 5 6		William Verick, Esq. Klamath Environmental Law Center 424 First Street Eureka, CA 95501
7 8 9 10		FELD: Patricia M. Scanlon Vice President and Secretary The Scott Fetzer Company 28800 Clemens Road Westlake, Ohio 44145
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12 13 14 15		MATEEL ENVIRONMENTAL JUSTICE FOUNDATION
16 17 18	Dated: 12/18/08	William Verick  CAMPBELL HAUSFELD/SCOTT FETZER  COMPANY
20 21 22	St	Its: VP GRoup & Coop Groupout
23 24 25	IT IS SO ORDERED AND DECREED:	CHARLOTTE WALTER WOOLARD
26 27 28		Judge of the Superior Court
SF/1555484 <b>%</b> 1		-14- D] Consent Judgment
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