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14 Attorneys for Plaintiffs

15 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
16 **FOR THE COUNTY OF SAN FRANCISCO**

17 ENVIRONMENTAL LAW FOUNDATION,
OUR CHILDREN'S EARTH FOUNDATION,
18 COMMUNITIES FOR A BETTER
ENVIRONMENT, and DOES 1 through 100,
19 On Behalf of the General Public,

20 Plaintiffs,

21 v.

22 LAIDLAW TRANSIT INC. dba LAIDLAW
EDUCATION SERVICES; LAIDLAW TRANSIT
23 SERVICES, INC.; DURHAM SCHOOL
SERVICES, L.P., and DOES 1 through 100,
24 inclusive,

25 Defendants.
26

27
28 1941-029a

STIPULATED JUDGMENT

ENCLOSED
FILED
San Francisco County Superior Court

AUG 7 - 2007

GORDON PARK-LI, Clerk
BY ELIZABETH ZAIDIVAR
Deputy Clerk

CASE NO. CGC 06-451832

**NOTICE OF UNOPPOSED MOTION
AND MOTION FOR APPROVAL OF
STIPULATED JUDGMENT BETWEEN
ALL PLAINTIFFS AND DEFENDANT
DURHAM SCHOOL SERVICES, L.P.;
AND STIPULATED JUDGMENT;
DECLARATION OF RICHARD
DRURY**

Time: 9:30 a.m.

Date: Oct. 12, 2007

Complaint Filed: May 2, 2006

Trial Date: Jan. 28, 2008

Hon. Ernest H. Goldsmith

Department 613

1 TO ALL PARTIES AND ATTORNEYS OF RECORD IN THIS ACTION:

2 PLEASE TAKE NOTICE THAT at 9:30 a.m. on October 12, 2007 in Department 613
3 before the Honorable Ernest H. Goldsmith, Judge of the Superior Court of the State of California in
4 and for the County of San Francisco, or as soon thereafter as is convenient for the Court, plaintiffs,
5 Environmental Law Foundation, Communities for a Better Environment and Our Children's Earth
6 Foundation, will jointly and severally move the Court to approve the attached Stipulated Judgment
7 Between All Plaintiffs and Defendant Durham School Services, L.P.
8

9 Pursuant to 11 Cal. Code Regs. 3008 (a), and 8 Cal. Code Regs. 338(e) counsel for
10 Plaintiffs, Richard Drury, hereby certifies and declares as follows:

11 1. The attached Stipulated Judgment and Report of Settlement were properly served on
12 the Attorney General at least 45-days prior to the date scheduled for the Motion for Approval of the
13 Stipulated Judgment.
14

15 2. Plaintiffs have presented this motion to counsel for Defendant Durham School
16 Services, L.P., who does not oppose this motion.

17 3. If the Attorney General does not object to the Stipulated Judgment the fact that the
18 Attorney General does not object or otherwise respond to a settlement shall not be construed as
19 endorsement of or concurrence in any settlement.
20

21 4. The Court should not enter the attached Stipulated Judgment until the expiration of
22 the full 45-day Attorney General review period.

23 ///

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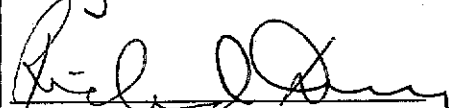
28 MOTION TO APPROVE STIPULATED JUDGMENT

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1 5. Plaintiffs will file with the Court any objection to the Stipulated Judgment filed by
2 the Attorney General.

3 I declare under penalty of perjury under the laws of the State of California that the
4 foregoing is true and correct. Executed at South San Francisco, California, on

5 Aug. 6, 2007.

6 
7
8 Richard Toshuyuki Drury

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24 Attorneys for Plaintiffs

25 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
26 **FOR THE COUNTY OF SAN FRANCISCO**

27 ENVIRONMENTAL LAW FOUNDATION,
28 OUR CHILDREN'S EARTH FOUNDATION,
COMMUNITIES FOR A BETTER
ENVIRONMENT, and DOES 1 through 100,
On Behalf of the General Public,

Plaintiffs,

v.

LIDLAW TRANSIT INC. dba LAIDLAW
EDUCATION SERVICES; LAIDLAW TRANSIT
SERVICES, INC.; DURHAM SCHOOL SERVICES,
L.P., and DOES 1 through 100, inclusive,

Defendants.

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STIPULATED JUDGMENT

**ENDORSED
FILED**
San Francisco County Superior Court

AUG 7 - 2007

GORDON PARK-LI, Clerk
BY ELIZABETH ZALDIVAR
Deputy Clerk

CASE NO. CGC 06-451832

**STIPULATED JUDGMENT BETWEEN
ALL PLAINTIFFS AND DEFENDANT
DURHAM SCHOOL SERVICES, L.P.**

Complaint Filed: May 2, 2006
Trial Date: Nov. 26, 2007
Hon. Ernest H. Goldsmith
Department 613

1 WHEREAS, Durham School Services, L.P. ("Operator") owns and operates school buses
2 throughout the State of California;

3 WHEREAS, plaintiffs Environmental Law Foundation ("ELF"), Our Children's Earth
4 ("OCE"), and Communities for a Better Environment ("CBE") brought this action against Operator
5 seeking preliminary and permanent injunctive relief and penalties under California's Proposition 65,
6 The Safe Drinking Water and Toxic Enforcement Act, California Health and Safety Code § 25249.6,
7 et seq. ("Proposition 65" or "Act"), alleging that Operator had exposed school children to diesel
8 engine exhaust without providing a warning required by the Act;

9 WHEREAS, Operator denies that it has violated Proposition 65 or any other provision of
10 law;

11 WHEREAS, Plaintiffs and Operator (collectively "the Parties") wish to resolve all claims in
12 this action;

13 WHEREAS, the Parties consent to the entry of this Stipulated Judgment to resolve all of the
14 claims in this action concerning all of the vehicles referenced in the complaint; and

15 THEREFORE, THE PARTIES HEREBY AGREE AND IT IS ADJUDGED AND
16 ORDERED AS FOLLOWS:

17
18 1. Bus Replacement and Retrofit. Operator agrees to replace and/or retrofit its school
19 buses as set forth below.

20 2. Any terms not defined below shall be defined in the manner set forth in Webster's
21 Unabridged Dictionary, most recent edition.

22
23 **3.0 Definitions**

24 3.1 Plaintiffs: Environmental Law Foundation, Our Children's Earth, and Communities
25 for a Better Environment.

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1 3.2 Alternative Fueled Engine or School Bus: Any engine or school bus that uses
2 compressed or liquefied natural gas, propane, methanol, electricity, fuel cells, hybrid
3 technology, or other advanced technologies that do not rely on diesel or gasoline fuels, and
4 has been certified by ARB.

5
6 3.3 Approved Diesel Emission Control Strategy:

- 7 a. an exhaust control device(s) or emission reduction strategy that is level 3
8 verified by the ARB, or
9 b. a combination of:
10
11 i. an exhaust control device(s) or emission reduction strategy that is level
12 2 verified by the ARB, and
13
14 ii. an exhaust control device(s) or emission reduction strategy that is
15 either level 2 or level 1 verified by the ARB.

16 3.4 ARB: California Air Resources Board.

17 3.5 Existing Fleet: The school buses that were owned and operated by the Operator
18 before January 1, 2007.

19
20 3.6 Existing School Bus: A bus operating as part of the Existing Fleet.

21 3.7 Gross Vehicle Weight Rating (GVWR): The weight rating of a vehicle.

22
23 3.8 Hybrid: A technology used by a vehicle to draw propulsion energy from both of the
24 following on-vehicle sources of stored energy: 1) a consumable fuel and 2) an energy storage
25 device such as a battery, capacitor, or flywheel.

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1 3.9 New School Bus Fleet: A school bus fleet that did not operate before January 1,
2 2007.

3
4 3.10 Operator: Durham School Services, L.P.

5 3.11 Replace: To sell or otherwise transfer ownership of a school bus and provide a
6 substitute school bus, provided however, if the Operator's fleet size is reduced due to loss of
7 contracts or otherwise, then no substitute school bus is required and the sale or divestment
8 shall constitute the replacement of the school bus.

9
10 3.12 Repower: To remove the engine and related components and replace with an ARB-
11 certified engine.

12 3.13 Retrofit: To modify with an Approved Diesel Emission Control Strategy.

13
14 3.14 School: Any public or private school used for the purpose of education and
15 instruction of school pupils Kindergarten through Grade 12, but does not include any private
16 school in which education and instruction is primarily conducted in private homes.

17 3.15 School Bus: Any vehicle used for the express purpose of transporting students
18 Kindergarten through Grade 12 from home to school and to any school sponsored activities.

19
20 3.16 School Bus Fleet: Any group of one or more school buses.

21 3.17 Year of Delivery: No more than 12 months from the date that the school bus
22 is delivered to the school bus fleet operator.

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27 STIPULATED JUDGMENT

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4.0 Exemptions

4.1 Type A and B school buses with a capacity of less than 30 passengers are exempt from the requirements of Section 5, 6, 7, 8, and 10 only.

5.0 Requirements

5.1 On or before January 1, 2009 the Operator shall meet the following requirements:

5.1.1 The Operator shall replace all buses in its Existing Fleet operating in the State of California that have model years before 1978, if any, with buses that meet the applicable ARB and EPA emission standards for engines certified for the year of delivery of that school bus engine and fuel type, and

5.2 On or before January 1, 2010 the Operator shall:

5.2.1 Replace one-third of the buses in its Existing Fleet that have model years on and after 1978 with buses that meet the applicable ARB and EPA emission standards for engines manufactured for the year of delivery, which date shall be on or after January 1, 2007; or

5.2.2 Retrofit one-third of the buses in its Existing Fleet that have model years on and after 1978 with an Approved Diesel Emission Control Strategy; or

5.2.3 Repower one-third of the buses in its Existing Fleet that have model years on and after 1978 with an engine meeting all the ARB and EPA emissions standards that are applicable to engines produced on and after January 1, 2007.

5.3 On or before January 1, 2012 the Operator shall:

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1 5.3.1 Replace two-thirds of the buses in its Existing Fleet that have model years on and
2 after 1978 with buses that meet the applicable ARB and EPA emission standards for engines
3 manufactured for the year of delivery, which date shall be on or after January 1, 2007; or
4

5 5.3.2 Retrofit two-thirds of the buses in its Existing Fleet that have model years on and
6 after 1978 with an Approved Diesel Emission Control Strategy; or

7 5.3.3 Repower two-thirds of the buses in its Existing Fleet that have model years on and
8 after-1978 with an engine meeting all the ARB and EPA emissions standards that are
9 applicable to engines produced on and after January 1, 2007.
10

11 5.4 On or before January 1, 2014 the Operator shall:

12 5.4.1 Replace all of the buses in its Existing Fleet that have model years on and after 1978
13 with buses that meet the applicable ARB and EPA emission standards for engines
14 manufactured for the year of delivery, which date shall be on or after January 1, 2007; or
15

16 5.4.2 Retrofit all of the buses in its Existing Fleet that have model years on and after 1978
17 with an Approved Diesel Emission Control Strategy; or

18 5.4.3 Repower all of the buses in its Existing Fleet that have model years on and after 1978
19 with an engine meeting all the ARB and EPA emissions standards that are applicable to
20 engines produced on and after January 1, 2007.
21

22 5.5 All existing gasoline or alternative fueled school buses and any diesel school buses
23 manufactured after January 1, 2007 shall be considered compliant if they meet the following:

24 5.5.1 Operated per manufacturer's specifications, and
25

1 5.5.2 If replaced, shall be replaced with a school bus meeting all the applicable ARB and
2 EPA current year emissions standards for the year of delivery of that school bus engine and
3 fuel type.
4

5 5.6 On and after January 1, 2007, any new school bus fleet and any additions to the
6 Existing Fleet must meet all the applicable ARB and EPA emissions standards for the year of
7 delivery of that school bus engine and fuel type.

8 5.7 Operator shall operate and maintain all Approved Diesel Emission Control Strategies
9 installed on any school buses in accordance with manufacturers' specifications, and conduct
10 any necessary ongoing maintenance and repairs required to keep such Strategies in good
11 working condition. For any Approved Diesel Emission Control Strategies that require the
12 use of a particular type of fuel, Operator shall be required to use the appropriate specified
13 fuel on an ongoing basis.
14

15 5.8 At any time, Operator may replace any Approved Diesel Emission Control Strategy
16 with another equally effective Approved Diesel Emission Control Strategy, or may Replace
17 its school buses with buses that meet the applicable ARB and EPA emission standards for
18 engines manufactured for the year of delivery, which date shall be on or after January 1,
19 2007.
20

21 **6.0 Reporting Requirements**

22 6.1 On or before January 1, 2009, the Operator shall provide Plaintiffs with a written
23 document signed under penalty of perjury by a representative of Operator authorized to sign
24 on behalf of Operator listing all existing school buses in Operator's fleet in the State of
25

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1 California, and identifying the following information for each school bus subject to this
2 action:

3
4 6.1.1 The manufacturer, to include make and model of the chassis, and the model_year

5 6.1.2 The engine manufacturer.

6
7 6.1.3 The engine model year.

8 6.1.4 The engine fuel type.

9
10 6.1.5 The Vehicle Identification Number (VIN).

11 6.1.6 The gross vehicle weight rating.

12
13 6.1.7 The size in passenger capacity.

14 6.1.8 Any currently installed emission controls.

15
16 6.1.9 An explanation of the general manner in which each bus has complied with the
17 requirements of Section 5.

18 7. Ongoing Reporting: On January 1 of each year from 2010 to 2015, Operator shall
19 provide Plaintiffs with a written statement, signed under penalty of perjury by a representative of
20 Operator authorized to sign on behalf of Operator, certifying that all school buses subject to this
21 action are in compliance with Section 5 of this Judgment, have been maintained continuously in
22 compliance with this Judgment, and identifying any changes that have been made to any school
23 buses from the prior year's report. If any of Operator's school buses were out of compliance with
24 the terms of Section 5 for any portion of the year, Operator shall so specify and shall state what
25 actions were taken to bring such school bus into compliance with Section 5.

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1 8. Monitoring: Plaintiffs may, at their own expense, inspect any or all of Operators'
2 facilities at any time during the effective life of this Judgment to ensure that Operator is in
3 compliance with the terms of the Judgment. Upon request, Operator shall make available to
4 Plaintiffs any and all documentary evidence reasonably necessary to monitor compliance with this
5 Judgment, including, but not limited to invoices and receipts indicating payment for any retrofits,
6 repowering, or replacement of school buses. Operator shall provide Plaintiffs with reasonable access
7 to any and all of its facilities for the purpose of conducting inspections on any or all of Operator's
8 school buses to verify that Operator has taken the actions required by this Judgment. Operator shall
9 instruct its employees, agents and representatives to allow Plaintiffs onto Operator's sites and to
10 provide Plaintiffs reasonable access to any school buses and/or documents at the sites. Plaintiffs
11 shall coordinate any such site inspections with Operator to select a mutually convenient time at
12 which a majority of Operator's buses normally housed at the specified location will be at the location
13 and available for inspection.

14
15 9. Warning: Until such time as its buses have been retrofitted, repowered or replaced in
16 compliance with Section 5 of this Judgment, Operator shall, within thirty days of the entry of this
17 Judgment, provide the following warnings to students and their parents, unless the Operator is
18 prevented from doing so by the California Highway Patrol or any other entity with regulatory
19 authority over signage on school buses, and subject to compliance with applicable regulations and
20 any existing contractual requirements with school districts, except that no warnings shall be required
21 for any school bus meeting all the ARB and EPA emissions standards that are applicable to engines
22 produced on and after January 1, 2007:

- 23 a. Each bus that does not comply with Section 5 of this Judgment shall bear a prominent
24 sign near the entry of the bus stating: "WARNING: This bus contains diesel engine
25 exhaust, a chemical known to the State of California to cause cancer." Said signs

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1 shall be at least 10 inches high by 10 inches wide. The word "warning" shall be
2 centered three-quarters of an inch from the top of the sign in ITC Garamond bold
3 condensed type face all in one-inch capital letters. Three-sixteenths of an inch from
4 the base of the word "warning" shall be a line extending from left to right across the
5 width of the sign one-sixteenth of an inch in thickness. Centered one-half inch below
6 the line shall be the body of the warning message in 36/50 ITC Garamond bold
7 condensed type face with the initial letter of each word, other than the conjunctive
8 "and," capitalized. For the body of the warning message, left and right margins of at
9 least one-half of an inch, and a bottom margin of at least one-half inch shall be
10 observed. Larger signs shall bear substantially the same proportions of type size and
11 spacing to sign dimension as the sign 10 inches high by 10 inches wide. This
12 provision does not preclude any other signage that defendant may elect to post at
13 defendant's sole discretion, provided that no other signage may refer to diesel engine
14 exhaust.

- 15
- 16 b. Operator shall provide written notices to any and all school districts and private
17 school operators where Operator's buses are in use that have not been retrofitted,
18 repowered or replaced in accordance with Section 5. Said notice shall state:
19 "WARNING: The school bus provided for the child living in this address contains
20 diesel engine exhaust, a chemical known to the State of California to cause cancer."
21 Operator shall request that all such school districts and private school operators
22 distribute said notices to the parents of all students who ride Operator's school buses
23 in all languages spoken in the school district at issue.

24

25 10. Settlement Payment. In consideration of the releases and covenants contained herein,
26 on or before March 1, 2008 Operator agrees to pay the following sums in full settlement of this

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1 litigation and the controversy relating to this litigation. In consideration of the fact that Operator has
2 agreed to expend significant sums to retrofit and/or replace its buses in a manner that Proposition 65
3 warning signs will not be necessary, and in light of the fact that Operator has agreed to settle this
4 case early in the process without protracted litigation, and in order to encourage expeditious
5 replacement and/or retrofit of buses, no Settlement Payment(s) shall be required for any school bus
6 that has been retrofitted or replaced in accordance with paragraph 5 of this Judgment on or before
7 December 31, 2007. For the remainder of the Existing Fleet still owned as of December 31, 2007
8 and subject to this Paragraph 10, the Settlement Payment amount shall be calculated as follows:
9

- 10 a. \$10,000 for each school bus with a model year before 1988 that was in operation on
11 or after May 2, 2006.
- 12 b. \$6,000 for each school bus with a model year on or after 1988, but before 1991, that
13 was in operation on or after May 2, 2006.
- 14 c. \$2,500 for each school bus with a model year on or after 1991, but before 1994, that
15 was in operation on or after May 2, 2006.
- 16 d. \$1,000 for each school bus with a model year on or after 1994, but before 2007 that
17 was in operation on or after May 2, 2006.
- 18 e. Said payments shall be made payable to: "Adams Broadwell Joseph & Cardozo –
19 Client Trust Account" and delivered by overnight mail to 601 Gateway Blvd., Suite
20 1000, South San Francisco, CA 94080. Said funds, (less any portion retained by
21 Adams Broadwell Joseph & Cardozo for any sums owed to it), shall be distributed to
22 Plaintiffs who shall deposit said funds into one or more segregated accounts of any
23 nonprofit corporation(s) as they in their sole discretion shall determine, which is/are
24
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1 recognized as exempt from taxation under section 501(c)(3) of the Internal Revenue
2 Code, and said funds shall be used exclusively for research, public education and
3 advocacy to reduce exposures to chemicals listed under Proposition 65, Health and
4 Safety Code section 25249.5, *et seq.*

5
6 f. Exception: Notwithstanding the above, no Settlement Payment shall be required for
7 any of Operator's school buses operating primarily pursuant to contract(s) in the
8 County of Los Angeles, California, with model years prior to 1994 that have been
9 retrofitted or replaced in accordance with paragraph 5 of this Judgment on or before
10 September 1, 2008. Said Settlement Payment(s), if any, shall be made on or before
11 March 1, 2009 in the manner set forth above in this paragraph.

12 11. Support for Retrofits/Replacements: Plaintiffs agree to make reasonable good faith
13 efforts to support Operator in attempts to secure financial support for efforts to retrofit and/or replace
14 its school buses for the duration of this Judgment, if such support is requested in writing by Operator
15 to Plaintiffs. Such efforts may, at the discretion of plaintiffs, include letters, telephone
16 communications, electronic mail communications, or testimony to agencies and/or charitable
17 foundations that provide financial support for school bus retrofits and/or replacements.

18
19 12. General Release. Excepting the obligations under this Judgment and any other
20 documents to be executed, and conditioned upon transfer of the consideration and receipt of all
21 signed documents set forth herein, the Parties, on behalf of themselves, their members, and the
22 general public, hereby release and discharge each other from any and all claims asserted, or that
23 could have been asserted, in this litigation arising from the facts alleged in the Proposition 65
24 Notices, the Complaint, and all amendments to the Complaint, including, but not limited to any
25 claims arising under state or federal law that could have been asserted arising from the facts alleged

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1 in the Proposition 65 Notices, the Complaint, and all amendments to the Complaint through the dates
2 of Dismissal pursuant to Paragraph 14, including, but not limited to, any and all claims concerning
3 exposure of students, parents of students, any other passengers, workers, and any other person
4 exposed to diesel engine exhaust from Operator's school buses.

5
6 13. Unknown Claims. It is possible that other injuries or damages not now known to the
7 Parties arising out of the facts alleged in the Complaint will develop or be discovered, and this
8 Judgment is expressly intended to cover and include all such injuries or damages, including all rights
9 of action therefor. Each Party hereby expressly, knowingly, and voluntarily waives the provisions of
10 Section 1542 of the California Civil Code, which provides as follows:

11 "A general release does not extend to claims which the creditor does
12 not know or suspect to exist in his favor at the time of executing the
13 release, which if known to him must have materially affected his
14 settlement with the debtor."
15

16 14. Dismissal of Pending Actions. After satisfying all of the obligations set forth in this
17 Judgment, Operator shall notify Plaintiffs in writing of such fact. Said writing shall be signed under
18 penalty of perjury by a representative of Operator authorized to sign on behalf of Operator and shall
19 specify each obligation and shall state how and when each obligation was satisfied. Plaintiffs shall,
20 within sixty (60) days after receiving said written notice from Operator, cause this action to be
21 dismissed with prejudice.

22 15. No Admission of Liability. This Judgment is entered into in compromise of disputed
23 claims, the existence of any liability for which is expressly denied. The Parties agree that this
24 Judgment shall not be deemed or construed for any purpose as an admission of liability or
25

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1 responsibility for or participation in any unlawful or wrongful act at any time by any Party hereto or
2 any other person or entity.

3
4 16. Attorneys' Fees and Costs. On or before thirty days after the entry by the Court of
5 this Judgment, Operator shall pay to Plaintiffs the total sum of \$160,000.00 (one-hundred sixty-
6 thousand dollars) in full payment of attorney's fees and costs for this action. Said payments shall be
7 made payable to: Adams Broadwell Joseph & Cardozo -- Client Trust Account and shall be
8 delivered by overnight mail to the address in paragraph 17 below.

9
10 17. Notices. Whenever notice or a document is required to be sent to Plaintiffs, it
11 shall be sent to:

12 Richard T. Drury
13 Adams Broadwell Joseph & Cardozo
14 601 Gateway Blvd., Suite 1000
15 South San Francisco, CA 94080

16 Whenever notice or a document is required to be sent to Operator, it shall be sent to:

17 David M. Bates
18 Gardere Wynne Sewell LLP
19 1000 Louisiana, Suite 3400
20 Houston, Texas 77001

21 18. Force Majeure. The Parties shall not be responsible for failure to perform hereunder
22 (other than with respect to payment obligations) due to force majeure, which shall include: fires,
23 floods, riots, strikes, labor disputes, freight embargoes or transportation delays, shortage of labor,
24 inability to secure fuel, material, supplies or equipment or power, acts of God or of terrorism, war or
25 civil disturbances, any existing or future laws, rules, regulations or acts of any government
26 (including any orders, rules or regulations issued by any official or agency or such government)
27 affecting a Party that would delay or prohibit performance hereunder, or any cause beyond the
28 reasonable control of a Party. If an event of force majeure should occur, the affected Party shall

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1 promptly give notice thereof to the other Party and such affected Party shall use its reasonable best
2 efforts to cure or correct any such event of force majeure. Any delay in compliance resulting from a
3 force majeure shall extend any compliance deadline only for the duration of the disruption caused by
4 the force majeure.

5
6 18. Severability. In the event that any portion of this Judgment is found to be illegal,
7 invalid, unenforceable or otherwise without legal force or effect, the remainder of the Judgment will
8 remain in force and be fully binding.

9
10 19. Entire Agreement. This Judgment constitutes the entire agreement and understanding
11 between the Parties. All agreements or representations, expressed or implied, of the Parties with
12 regard to this subject matter are contained in this Judgment. The Parties acknowledge that there are
13 no other warranties, promises, assurances or representations of any kind, express or implied, upon
14 which the Parties have relied in entering into this Judgment, unless expressly set forth herein. All
15 prior representations, understandings and agreements between the Parties concerning settlement are
16 superseded by this Judgment. The terms of this Judgment shall not be changed, revised or modified
17 except by written agreement signed by the Parties to this Judgment and shall not take effect until
18 approved by the Court.

19 20. Acknowledgment of Terms. The Parties have read and understood the terms of this
20 Judgment, have had the opportunity to consult with counsel regarding those terms, and understand
21 and acknowledge the significance and consequence of each such term.

22 21. Parties Affected. This Judgment shall be binding upon and inure to the benefit of the
23 Parties hereto, and their respective heirs, predecessors, successors, affiliated companies, subsidiaries,
24 officers, directors, shareholders, partners, trustees, employees, assigns, executors, administrators,
25

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1 agents and attorneys, and all persons and/or entities connected with each of them, and the general
2 public.

3
4 22. Warranty. Each Party warrants that (a) the person executing this Stipulated Judgment
5 is fully authorized to do so and to enter into the terms and conditions hereof; and (b) the claims
6 being released pursuant to this Stipulated Judgment have not been assigned or otherwise transferred
7 to any other person or entity.

8
9 23. Construction. This Stipulated Judgment is the product of negotiation and preparation
10 by and among each Party hereto and their respective attorneys. Accordingly, the Stipulated
11 Judgment shall not be construed against the Party preparing it. The paragraph headings are included
12 for convenience only and are not intended to be operative as part of this Agreement.

13 24. Enforcement of Agreement. If a dispute or disagreement arises under this
14 Agreement, the Parties agree to meet and confer and will attempt in good faith to try to resolve the
15 dispute or disagreement, including, if necessary, participation in mediation, prior to commencement
16 of any legal proceedings. If such negotiations and mediation are unsuccessful, and if any Party to
17 this Stipulated Judgment commences legal proceedings against the other to enforce any term or
18 condition of this Stipulated Judgment, or to seek damages for the breach of any term or condition of
19 this Stipulated Judgment, the prevailing Party shall be entitled to recover his/her/its reasonable
20 attorneys' fees, costs and expenses associated therewith, including any such attorneys' fees, costs
21 and expenses incurred on appeal.

22 25. Execution of Documents. The Parties agree to execute this Stipulated Judgment and
23 all such other documents as are reasonably necessary to effect the terms and conditions of this
24 Stipulated Judgment. The Stipulated Judgment may be executed in counterparts, each of which shall
25 be considered an original.

26 1941-029a

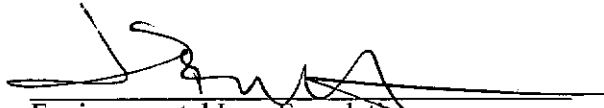
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26. Retention of Jurisdiction: This Court shall retain jurisdiction to enforce the terms of this Stipulated Judgment, and, in such case, shall allow the case to be reopened without payment of a filing fee.

Respectfully Submitted:

APPROVED AS TO SUBSTANCE:

Dated: 8/1/07


Environmental Law Foundation

Dated: _____

Our Children's Earth Foundation

Dated: _____

Communities for a Better Environment

Dated: _____

Durham School Services, L.P.

APPROVED AS TO FORM:

Dated: _____

ADAMS BROADWELL JOSEPH &
CARDOZO

By: _____
Richard Toshiyuki Drury
Attorneys for Plaintiffs

Dated: _____

GARDERE WYNNE SEWELL, LLP

By: _____
David Bates
Attorneys for Defendants

Dated: _____

SHEPPARD, MULLIN, RICHTER &
HAMPTON LLP

By: _____
Jeffrey Parker
Attorneys for Defendants

APPROVED AND ORDERED:

Dated: _____

Hon. Ernest H. Goldsmith
Judge of the Superior Court

1941-029a

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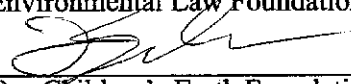
Respectfully Submitted:

APPROVED AS TO SUBSTANCE:

Dated: _____

Environmental Law Foundation

Dated: 8/2/07


Our Children's Earth Foundation

Dated: _____

Communities for a Better Environment

Dated: _____

Durham School Services, L.P.

APPROVED AS TO FORM:

Dated: _____

ADAMS BROADWELL JOSEPH &
CARDOZO

By: _____
Richard Toshiyuki Drury
Attorneys for Plaintiffs

Dated: _____

GARDERE WYNNE SEWELL, LLP

By: _____
David Bates
Attorneys for Defendants

Dated: _____

SHEPPARD, MULLIN, RICHTER &
HAMPTON LLP

By: _____
Jeffrey Parker
Attorneys for Defendants

APPROVED AND ORDERED:

Dated: _____

Hon. Ernest H. Goldsmith
Judge of the Superior Court

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Respectfully Submitted:

APPROVED AS TO SUBSTANCE:

Dated: _____

Environmental Law Foundation

Dated: _____

Our Children's Earth Foundation

Dated: 8/2/07

Bill Kollegn
Communities for a Better Environment

Dated: _____

Durham School Services, L.P.

APPROVED AS TO FORM:

Dated: _____

ADAMS BROADWELL JOSEPH &
CARDOZO

By: _____
Richard Toshiyuki Drury
Attorneys for Plaintiffs

Dated: _____

GARDERE WYNNE SEWELL, LLP

By: _____
David Bates
Attorneys for Defendants

Dated: _____

SHEPPARD, MULLIN, RICHTER &
HAMPTON LLP

By: _____
Jeffrey Parker
Attorneys for Defendants

APPROVED AND ORDERED:

Dated: _____

Hon. Ernest H. Goldsmith
Judge of the Superior Court

1941-029a

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26. Retention of Jurisdiction: This Court shall retain jurisdiction to enforce the terms of this Stipulated Judgment, and, in such case, shall allow the case to be reopened without payment of a filing fee.

Respectfully Submitted:

APPROVED AS TO SUBSTANCE:

Dated: _____

/s/
Environmental Law Foundation

Dated: _____

/s/
Our Children's Earth Foundation

Dated: _____

/s/
Communities for a Better Environment

Dated: 7-30-07

/s/ John A. Elliott
Durham School Services, L.P. CEO.

APPROVED AS TO FORM:

Dated: Aug. 6, 2007

ADAMS BROADWELL JOSEPH &
CARDOZO
By: [Signature]
Richard Toshiyuki Drury
Attorneys for Plaintiffs

Dated: July 31, 2007

GARDERE WYNNE SEWELL, LLP
By: [Signature]
David Bates
Attorneys for Defendants

Dated: 8/1/07

SHEPPARD, MULLIN, RICHTER &
HAMPTON LLP
By: [Signature]
Jeffrey Parker
Attorneys for Defendants

APPROVED AND ORDERED:

Dated: _____

Hon. Ernest H. Goldsmith
Judge of the Superior Court

1941-029a

State of California - Department of Justice - Attorney General's Office - Proposition 65 Enforcement Reporting

Attention: Prop 65 Coordinator, 1515 Clay Street, Suite 2000, Oakland, CA 94612

FORM JUS 1501
(03-01)

PRIVATE ENFORCEMENT FILING - Health and Safety Code section 25249.7(e) and (f)

REPORT OF SETTLEMENT

Original Filing Supplemental Filing Corrected Filing

Please print or type required information

PARTIES TO THE ACTION	PLAINTIFF(S) Environmental Law Foundation, Our Children's Earth Foundation, Communities for a Better Environment			
	DEFENDANT(S) INVOLVED IN SETTLEMENT Durham School Services, L.P.			
CASE INFO	COURT DOCKET NUMBER CGC 06-451832		COURT NAME San Francisco Superior Court	
	SHORT CASE NAME Environmental Law Foundation v. Laidlaw Transit, Inc.			
REPORT INFO	INJUNCTIVE RELIEF Install particulate pollution controls on school buses and post warnings			
	PAYMENT: CIVIL PENALTY \$1000-\$10,000/bus	PAYMENT: ATTORNEYS FEES \$160,000	PAYMENT: OTHER No pen.if retrofit	
	WILL SETTLEMENT BE SUBMITTED TO COURT? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	IF YES, AFTER ENTRY OF JUDGMENT BY COURT, REPORT OF ENTRY OF JUDGMENT MUST BE SUBMITTED TO ATTORNEY GENERAL	DATE SETTLEMENT SIGNED 08/6/2007	
	COPY OF SETTLEMENT MUST BE ATTACHED			
FILER INFO	NAME OF CONTACT James Wheaton			
	ORGANIZATION Environmental Law Foundation		TELEPHONE NUMBER ((510)) 208-4555	
	ADDRESS 1736 Franklin, 9th floor		FAX NUMBER ((510)) 208-4562	
	CITY Oakland	STATE CA	ZIP 94612	E-MAIL ADDRESS wheaton@envirolaw.org

For Internal Use Only

FILING INSTRUCTIONS: This form can be completed online and printed. If electronic filing is not available, mail the completed form with a copy of the settlement to the attention of the Prop 65 Coordinator at the address shown above. If you need additional space to complete this form please use an attachment.

1 **Proof of Service**

2 I am employed in the County of San Mateo, California. I am over the age of 18 and
3 not a party to this action. My business address is 601 Gateway Blvd., Suite 1000, South San
4 Francisco, California, 94080.

5 On August 6, 2007, I served the foregoing document described as:

6 **NOTICE OF MOTION AND MOTION FOR APPROVAL OF STIPULATED**
7 **JUDGMENT BETWEEN ALL PLAINTIFFS AND DEFENDANT DURHAM**
8 **SCHOOL SERVICES, L.P.; AND STIPULATED JUDGMENT; DECLARATION OF**
9 **RICHARD DRURY**

10 on the parties listed below by US First Class Mail:

11 Todd O. Maiden
12 ReedSmith LLP
13 Two Embarcadero Center, Suite 2000
14 San Francisco, CA 94111-3922
15 FAX: 415-391-8269

Jeffrey J. Parker, Whitney Roy
Sheppard Mullin
333 S Hope 48th Fl
Los Angeles, CA 90071
FAX: 213-620-1398

16 David Bates
17 GARDERE WYNNE SEWELL, LLP
18 1000 Louisiana, Suite 3400
19 Houston, Texas 77002-5011
20 Fax: 713-276-6355
21 Email: dbates@gardere.com

M. Elizabeth McDaniel
SHEPPARD MULLIN
Four Embarcadero Center, 17th floor
San Francisco, CA 94111
FAX: 415-434-3947

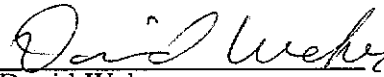
22 James Wheaton
23 Lynne Saxton
24 Environmental Law Foundation
25 1736 Franklin, 9th floor
26 Oakland, CA 94612
27 FAX: 510-208-4562

Shana Lazerow
Communities for a Better Environment
1440 Broadway, Suite 701
Oakland, CA 94612
FAX: 510-302-0438

28 Mike Costa
29 Our Children's Earth Foundation
30 100 First Street, Suite 100-367
31 San Francisco, CA 94105
32 FAX: 815-642-9181

Office of Attorney General
Proposition 65 Enforcement Reporting
Attn: Prop 65 Coordinator
1515 Clay Street, Suite 2000
Post Office Box 70550
Oakland, California 94612-0550

33 I declare under penalty of perjury of the laws of the California that the foregoing is true and
34 correct and that this was executed on August 6, 2007 in South San Francisco,
35 California.

36 
37 David Weber

38 1941-029a