

## SETTLEMENT AGREEMENT

This Settlement Agreement is entered into this 24<sup>th</sup> day of February, 2009, by and between the Mateel Environmental Justice Foundation ("Mateel") and Wilson Sporting Goods Co. ("Wilson").

WHEREAS, on November 20, 2008, Mateel served Wilson and various public enforcement agencies with a 60-Day Notice ("the Notice") pursuant to Cal. Health & Safety Code § 25249, 5 *et seq.* ("Proposition 65");

WHEREAS, the Notice alleged that certain tennis racquets and golf clubs sold by Wilson in the State of California are made from or coated with thermoplastic that contains lead or lead components;

WHEREAS, the Notice alleged that exercise weights identified as Exercera, Inc neoprene dumbbells were part of the Notice, but Wilson has not sold such exercise weights in the State of California or elsewhere;

WHEREAS, the Notice further alleged that Wilson violated Proposition 65 because its sale of these products exposed people to lead without first providing clear and reasonable warnings;

WHEREAS, Wilson denies the allegations of the Notice;

WHEREAS, the parties wish to fully settle and resolve the issues alleged in the Notice in order to avoid the burden and expense of litigation in connection with the products listed in Exhibit A, and identified herein as "the Listed Products"; and

WHEREAS, the parties enter this settlement freely and upon the advice of their counsel and without admitting any facts or conclusions of law and with the understanding that neither this Settlement Agreement nor anything in this Settlement Agreement shall be construed as an admission by the Parties of any fact, conclusion of law, issue of law or violation of law, nor shall

compliance with the Settlement Agreement be construed as an admission of any fact, conclusion of law, issue of law, or violation of law.

NOW THEREFORE, for good and valuable consideration, receipt of which is acknowledged, the parties agree as follows:

1. Wilson shall pay twenty thousand dollars (\$20,000) to the Klamath Environmental Law Center as payment for the attorneys' fees and costs Mateel incurred in prosecuting this action. In addition, Wilson shall pay twenty-five thousand dollars (\$25,000) to Californians for Alternatives to Toxics ("CATs"), a California non-profit corporation, to be used by CATs to inform Californians about exposures to toxic chemicals or to reduce exposures to such chemicals. These payments shall be sent to Mateel care of William Verick, Klamath Environmental Law Center, 424 First Street, Eureka, CA, 95501 and shall be delivered to Mateel no later than ten (10) business days after the court has entered an order approving this Settlement.

2. By the close of business (Pacific Daylight Savings time) on July 1, 2009, Wilson shall either stop shipping, selling or offering for sale the Listed Products in the State of California or will reformulate the Listed Products, so that such Listed Products shipped, sold or offered for sale by Wilson in the State of California shall not expose any individual to lead in concentrations that exceed 300 parts per million (ppm), without first giving clear and reasonable warning to such individual. The parties agree that the warning attached as Exhibit B satisfies the requirements of this paragraph.

3. Mateel may conduct periodic testing of the Listed Products. In the event that Mateel's testing demonstrates that any of the Listed Products shipped, sold, or offered for sale by Wilson in the State of California after July 1, 2009 expose any individual to lead in

concentrations that exceed 300 parts per million (ppm), without first giving clear and reasonable warning to such individual, except as provided in Section 25249.10 of Proposition 65, then Mateel may seek to enforce this Settlement Agreement in the California Superior Court.

4. This Settlement Agreement may be modified by written agreement of the Parties, or as provided by law. Upon any change in federal or state law that affects in any way Wilson's obligations hereunder whether by final court decision, legislative action, regulatory action or otherwise, Wilson may seek to amend this Settlement Agreement and the court may modify this Settlement Agreement as provided by law.

5. This Settlement Agreement shall apply to and be binding upon the Parties hereto, their parents, affiliates, divisions, subdivisions, subsidiaries, successors and assigns.

6. Mateel, on behalf of itself and the public and the public interest, does hereby forever release Wilson, its parents, subsidiaries, affiliates, directors, officers, employees, agents, attorneys, licensors, distributors, suppliers or customers ("Wilson Releasees") of any claim for or violation of Proposition 65 that was or could have been asserted in the Notice against Wilson or the Wilson Releasees based on failure to warn with respect to lead in any Listed Products manufactured, distributed or sold by Wilson Releasees on or prior to the date of this Settlement Agreement. Compliance with the terms of this Settlement Agreement constitutes compliance with Proposition 65 for purposes of lead exposure from the Listed Products after the date of this Settlement Agreement.

7. In the event that any of the provisions of this Settlement Agreement are held by a court to be unenforceable, the validity of the enforceable provisions shall not be adversely affected.

8. In the event that Wilson is found to be in breach of this Settlement Agreement for failure to comply with the provisions of Section 2 hereof, Mateel, in addition to any other available rights or remedies, may sue in equity for specific performance.

9. The terms of this Settlement Agreement shall be governed by the laws of the State of California.

10. All notices required pursuant to this Settlement Agreement and correspondence shall be sent to the following:

For Mateel:

William Verick  
Klamath Environmental Law Center  
424 First Street  
Eureka, California 95501

For Wilson:

Michael R. Levinson  
Seyfarth Shaw LLP  
131 South Dearborn Street, Suite 2400  
Chicago, Illinois 60603

11. Mateel will comply with the settlement notice provisions of Health and Safety Code §25249.7(f) and Title 11 of the California Code of Regulations §3003. Mateel will prepare a Motion for Approval of this Settlement Agreement. Wilson shall support approval of this Settlement Agreement by the Court.

12. If this Settlement Agreement is not approved by the Court, it shall be of no further force and effect. If this Settlement Agreement is appealed, with the exception of the provisions in Section 2, above, which remain in effect during any appeal, it does not become effective and has no force or effect until all issues on appeal are resolved.

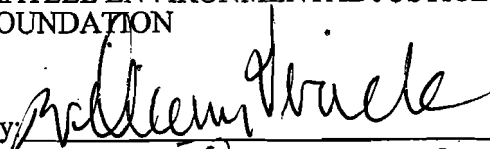
13. The stipulations to this Settlement Agreement may be executed in counterparts and by means of facsimile, which taken together shall be deemed to constitute one document.

14. Each signatory to this Settlement Agreement certifies that he or she is fully authorized by the party he or she represents to stipulate to this Settlement Agreement and to enter into and execute the Settlement Agreement on behalf of the party represented and legally bind that party. The undersigned have read, understand and agree to all of the terms and conditions of this Settlement Agreement. Except as explicitly provided herein, each party is to bear its own fees and costs.

DATED: February 24, 2009

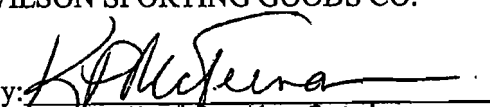
MATEEL ENVIRONMENTAL JUSTICE  
FOUNDATION

By:

  
[ CEO ]

WILSON SPORTING GOODS CO.

By:

  
[ VP of Supply Chain ]

**EXHIBIT A**

Wilson Hyperdrive 5 Wood Mens D8527 SKU #17134147  
UPC Code: 026388 648276

Wilson Hyperdrive 5 Wood Ladies D8541 SKU # 19886406  
UPC Code: 026388 683512

Wilson Hyperdrive 7 Wood Ladies D8542 SKU #19886419  
UPC Code: 026388 683789

Wilson U.S. Open Graphite Hybrid Technology Tennis Racquet WRT 5522 4½"  
SKU 14641264 UPC Code: 026388 601615

Nano Carbon Elite 110 4½" Tennis Racquet T 5591  
SKU # 20878636 UPC Code: 026388 327775

Wilson Pro Staff 360 Set 11- Piece Men's Golf Set  
SKU # 19669775 UPC Code: 026388 890835

**EXHIBIT B**

**WARNING**

This product contains lead,  
a chemical known to the  
State of California to cause  
cancer, birth defects and  
other reproductive harm.  
Wash hands thoroughly  
after using this product.