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13	SUPERIOR COURT OF THE	E STATE OF CALIFORNIA
14	FOR THE COUNTY OF SAN FRANCISCO	
15		
16	MATEEL ENVIRONMENTAL	Case No. CGC-14-539537
17	JUSTICE FOUNDATION,	CONSENT JUDGMENT
18	Plaintiff,	(MASCO)
19	V.	
20	APEX TOOL GROUP, LLC., et al.	
21	Defendants.	
22		
23	1.0 INTRODUCTION	
24	1.1 MATEEL ENVIRONMENTAL JUSTICE FOUNDATION ("Mateel" or	
25	"MEJF") acting on behalf of itself and the general public, previously filed a complaint	
26	("Complaint") in this action for civil penalties and injunctive relief in San Francisco	
27	Superior Court, against Defendant MASCO CORPORATION ("Masco"). (Mateel and	
28		
	Case No. CGC-14-539537 – [PROPOSED] CONSENT JUDGMENT (MASCO)	

Masco are collectively referred to herein as the "parties".) The Complaint alleges, among other things, that subsidiaries of Masco that manufacture or sell products which are made of, or contain components that are made of, leaded brass violated provisions of the Safe Drinking Water and Toxic Enforcement Act of 1986, Health and Safety Code Sections 25249.5, et seq. ("Proposition 65"). In particular, Mateel alleges that they knowingly and intentionally exposed persons to (products which are made of, or with components that are handled and made of, leaded brass, such as, plumbing fixtures (e.g., tubs/showers/sinks/toilets/bidets) and related fittings (e.g., connectors, drains, nipples, elbows, vacuum breakers, water and flow control devices, and valves -- collectively, "Fittings"); utility and outdoor plumbing devices and Fittings; gas distribution system components and Fittings; and other bathroom and kitchen fixture-related service and spare parts (collectively, "Brass Products"), without first providing a clear and reasonable warning to such individuals. Lead and lead compounds are chemicals known to the State of California to cause cancer and birth defects or other reproductive harm.

- 1.2 On March 24, 2011, Mateel sent a Notice of Violation letter concerning the allegations set forth in Paragraph 1.1 above pursuant to Health and Safety Code section 25249.7(d) ("Notice Letter") to Masco, the California Attorney General, all California District Attorneys, and all City Attorneys of every California city with populations exceeding 750,000. On February 11, 2014, Mateel sent a further Notice Letter concerning such violations to Masco, the California Attorney General, all California District Attorneys, and all City Attorneys of every California city with populations exceeding 750,000.
- 1.3 "Settling Defendants" hereunder are subsidiaries of Masco that manufacture or sell Brass Products; these subsidiaries are businesses that employ ten or more persons and manufacture, distribute, and/or market Brass Products within the State of California. These products are alleged to contain lead and/or lead compounds. Lead and lead compounds are chemicals known to the State of California to cause cancer, and

lead is a chemical known to the State of California to cause reproductive toxicity pursuant to Health and Safety Code Section 25249.9. Under specified circumstances, businesses that use products containing lead and/or lead compounds in the State of California are subject to the Proposition 65 warning requirement set forth in Health and Safety Code Section 25249.6. Plaintiff, Mateel, alleges that Brass Products that are made from leaded brass, or that have leaded brass components, are manufactured, distributed, sold and/or marketed by Settling Defendants for use in California, such that a warning is required under Proposition 65.

- 1.4 On May 29, 2014, following the expiration of the 60-day period following its issuance of the February 11, 2014 Notice Letter to Masco without an authorized public prosecutor of Proposition 65 having filed and enforcement action against Masco for the claims alleged therein, Mateel filed the complaint in this action ("Complaint") in which Masco is included as a defendant. In the Complaint, Mateel alleges that Masco (through its relevant subsidiaries) violated Cal. Health & Safety Code Section 25249.6 by knowingly and intentionally exposing persons to Brass Products made of brass, or which include a component made of brass, that contains lead and/or lead compounds, without first providing a clear and reasonable warning to such individuals. Lead and lead compounds are chemicals known to the State of California to cause cancer and birth defects or other reproductive harm.
- 1.5 For purposes of settlement and the entry of this Consent Judgment only, the parties stipulate that this Court has jurisdiction over the allegations of violations contained in the Complaint and personal jurisdiction over Masco and the Settling Defendants 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 that 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 thereto.

For purposes of this Consent Judgment, "Covered Products" shall be defined to include Brass Products manufactured, distributed, sold or otherwise marketed for sale or use in California by a Settling Defendant which are not required to comply with AB 1953 (California Health & Safety Code §116875) or equivalent Federal law. Products which are the subject of AB 1953 or equivalent Federal law are expressly not addressed by this Consent Judgment, and no inference regarding compliance or violation with the requirements of Proposition 65 by such products is intended by this judgment. Regardless of whether or not they are subject to AB 1953 or equivalent Federal law, Covered Products hereunder also do not include products that are addressed in the Consent Judgment this Court previously entered in *People v. American Standard, et al.*, No. 948017.

- 1.6 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 Complaints, each and every allegation of which Masco and the Settling Defendants deny, nor may this Consent Judgment or compliance with it be used as evidence of any wrongdoing, misconduct, culpability or liability on the part of Masco or any Settling Defendant.
- 1.7 This Consent Judgment shall be effective on entry by the Court, the "Effective Date."

2.0 SETTLEMENT PAYMENTS

2.1 In settlement of all of the claims referred to in this Consent Judgment, Settling Defendants shall collectively pay an aggregate of \$32,000 (thirty-two thousand dollars) in total monetary relief, inclusive of Paragraph 2.2, below. Of the foregoing, a total of \$8,000 (eight thousand dollars) shall be paid in civil penalties. Mateel waives its

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right to receive twenty-five (25%) of this payment, and, accordingly, the entire \$8,000 shall be paid to the Office of Environmental Health Hazard Assessment ("OEHHA").

- 2.2 A total amount of \$16,000 (sixteen thousand dollars) shall be paid by the Settling Defendants collectively to the Klamath Environmental Law Center ("KELC") as reimbursement for attorney's fees and costs incurred by KELC on behalf of Plaintiff in investigating and prosecuting this matter and in negotiating this Consent Judgment on behalf of itself and in the public interest. An additional total of \$8,000 (eight thousand dollars) shall be paid by Settling Defendants in lieu of, and as an offset for, what would have been a larger reimbursement of Mateel's attorneys fees hereunder, and manifest itself instead in the form of two equal payments of \$4,000 (four thousand dollars) each, one to the Ecological Rights Foundation and one to Californians for Alternatives to Toxics. The payments described in Paragraph 2.1 above and this Paragraph 2.2 shall be delivered at least 5 days prior to any hearing on a motion to approve this settlement, to counsel for Masco, and upon entry of this Consent Judgment, sent within 5 business days to William Verick, 424 First Street, Eureka, CA 95501. If payment has not been confirmed as received by counsel for Masco as provided in this paragraph, Plaintiff may withdraw any motion to approve and the agreement shall become null and void. If this Consent Judgment has not been approved and entered by the Court within 180 days of the execution of the agreement by the parties, unless the parties further stipulate otherwise, the payments described above shall be promptly returned to Settling Defendants, and the terms of this agreement shall be null and void.
- 2.3 MEJF and KELC represent and warrant that Californians for Alternatives to Toxics and the Ecological Rights Foundation are tax exempt, section 501(c)(3) non-profit organizations and that funds distributed to these organizations pursuant to this Consent Judgment may only be spent to reduce harm from toxic chemicals, or to increase consumer, worker and community awareness of health hazards posed by lead and other toxic chemicals.

2.4 Except as specifically provided in this Consent Judgment, each side shall bear its own costs and attorney's fees.

3.0 ENTRY OF CONSENT JUDGMENT

3.1 The parties hereby request that the Court promptly enter this Consent Judgment which shall constitute a full and final adjudication of all claims asserted or that could have been asserted in Plaintiff's Complaint. Upon entry of the Consent Judgment, Masco and Mateel waive their respective rights to a hearing or trial on the allegations of the Complaint.

4.0 MATTERS COVERED BY THIS CONSENT JUDGMENT

- 4.1 As to lead and lead compounds from Covered Products, this Consent Judgment provides a full release of liability on behalf of the public interest to Masco as well as its past, present and future subsidiaries, affiliates, predecessors, successors, assigns, distributors, wholesalers and retailers (collectively, "Released Entities"), from all claims for violations of Proposition 65 up through the Effective Date of this Consent Judgment based upon exposure to lead from Covered Products as set forth in Mateel's February 11, 2014 Notice of Violation letter. Compliance with the terms of this Consent Judgment by a Settling Defendant following its entry by the Court shall be deemed to constitute compliance with Proposition 65 as to lead and lead compounds in its Covered Products, provided, however, that the authority and discretion of the Office of the California Attorney General shall not be restricted in the event it chooses to undertake enforcement action in the future.
- 4.2 As to alleged lead and lead compound exposures associated with Covered Products, Mateel on behalf of itself, and its privies, agents, attorneys, representatives, successors and assigns, waives all rights to institute or participate in, directly, or indirectly, any form of legal action, and releases all claims as between Mateel and the Released Entities, including, without limitation, all actions, and causes of action, in law or in equity, suits, liabilities, demands, obligations, agreements, promises, royalties,

accountings, damages, costs, fines, penalties, losses, or expenses (including, but not limited to, investigation fees, expert fees, and attorney's fees) of any nature whatsoever, whether known or unknown, fixed or contingent (collectively "claims"), against the Released Entities and their parents, subsidiaries or affiliates, predecessors, officers, directors, shareholders, attorneys, representatives, agents, employees, and all customers, manufacturers, distributors, wholesalers, retailers, or any other person in the course of doing business involving the Covered Products, and the successors and assigns of any of them, who may manufacture, use, maintain, distribute or sell the Covered Products or components found in the Covered Products, including, but not limited to, any claims regarding exposure to, and/or failure to warn with respect to, the Covered Products. In furtherance of the foregoing, Mateel hereby waives any and all rights and benefits which it now has, or in the future may have respecting the Covered Products, conferred upon it with respect to claims involving Covered Products 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 OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR."

4.3 Mateel understands and acknowledges that the significance and consequence of this waiver of California Civil Code Section 1542 is that even if Mateel 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 lead or lead compounds from, the Covered Products, Mateel will not be able to make any claim for those damages against the Released Entities, their parents, subsidiaries or affiliates, predecessors, officers, directors, shareholders, representatives, attorneys, agents, employees, and all customers, manufacturers, distributors, wholesalers, retailers or any other person in the course of

doing business involving the Covered Products, and the successors and assigns of any of them, who may manufacture, use, maintain, distribute or sell the Covered Products.

Furthermore, Mateel acknowledges that it intends these consequences for any such claims and any other claims which may exist as of the date of this release but which Mateel does not know exist, and which, if known, would materially affect its decision to enter into this Consent Judgment, regardless of whether its lack of knowledge is the result of ignorance, oversight, error, negligence, or any other cause.

5.0 ENFORCEMENT OF JUDGMENT

5.1 The terms of this Consent Judgment shall be enforced exclusively by the parties hereto including on behalf of the Released Entities hereunder. 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. The parties hereto agree that prior to any such enforcement action, they will notify each other of any perceived violation of this Consent Judgment. The parties further agree to take no enforcement action for 30 days after such notice is given, in order to allow the parties to meet and confer in good faith in an effort to resolve the alleged violation.

6.0 MODIFICATION OF JUDGMENT

- 6.1 Except as provided for in Paragraph 7.3(c), 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. The California Attorney General shall be entitled to at least 15 days' notice of any proposed modification hereunder before it is presented to the Court for approval.
- 6.2 Notwithstanding any other term or provision of this Consent Judgment, if Plaintiff, or the California Attorney General, and another (current or potential) defendant ("Future Settling Party") agree to or is otherwise bound by injunctive relief terms or provisions relating to the reformulation of, or provisions of Proposition 65 warnings for,

products of like characteristics and use to those of Covered Products, which are more favorable to the Future Settling Party than this Consent Judgment otherwise provides to a Settling Defendant, then Plaintiff stipulates and agrees to not oppose any effort by Settling Defendant to seek amendment or adjustment of injunctive relief terms provided for in Section 7 of this Consent Judgment to be modified to add such more favorable terms or provisions as an option.

6.3 Mateel shall give notice to Masco, per Section 12, of all consent judgments entered into by Mateel described in Section 6.2 on or after the date of this Consent Judgment involving similar products to those at issue in this Consent Judgment, unless such consent judgments are posted on the public Proposition 65 web site maintained by the California Attorney General.

7.0 INJUNCTIVE RELIEF - CLEAR AND REASONABLE WARNING

- 7.1 Covered Products' brass components shall be deemed to comply with Proposition 65 with respect to lead and lead compounds and be exempt from any Proposition 65 warning requirements for these listed chemicals, if the brass that is part of the Covered Products is made of an alloy which contains no intentionally added lead and no lead content by weight of more than 0.03% (300 parts per million, or "300 ppm").
- 7.2 Mateel agrees, on its own behalf only, that for purposes of this Consent Judgment, as to the lead content of the brass components of any reformulated Covered Product, Settling Defendants and any other Released Entities, may rely upon the representations of their or its respective manufacturers, suppliers, distributors, official product certification organizations (such as IAPMO) or any other person in the course of doing business that manufactures, supplies or otherwise distributes the reformulated Covered Product(s), provided that the reliance is in good faith. Although good faith reliance regarding the brass alloy may also be established by other means, Mateel agrees that obtaining test results showing that the lead content is no more than .0.03% (300 ppm),

using a method of sufficient sensitivity to establish a limit of quantification (as distinguished from detection) of less than 300 ppm shall be deemed to establish good faith reliance.

7.3 Covered Products packaged for distribution or sale by a Settling
Defendant one hundred eighty (180) days or more following the Effective Date that do not
meet the warning exemption standard set forth in Section 7.1 of the Consent Judgment
shall be accompanied by either of the following warning statements:

WARNING: This product contains lead, a chemical known to the State of California to cause [cancer and] birth defects or other reproductive harm.

[Wash your hands after handling this product.]

or

WARNING: This product contains [one or more] chemicals, including lead, known to the State of California to cause [cancer and] birth defects or other reproductive harm. [*Wash hands after handling*.]

Bracketed language may be omitted at Settling Defendant's option. The word "WARNING" shall be in bold and may be preceded by the word "CALIFORNIA," "PROP 65," or "CALIFORNIA PROP 65" at the Settling Defendant's option provided such words are also in bold. The bracketed words "Wash hands after handling this product" or "Wash hands after handling" may be replaced with "Wash hands after use" or "Wash hands after installing or removing this product" and in any case shall be underlined, in bold, or italicized. If a Settling Defendant had begun to use the regulatory safe harbor warning language specified in 27 CCR § 25603.2, a combination of the cancer and reproductive warning language formulations specified therein, or one of the warning statements set forth above but without a specific reference to lead, prior to the execution of this

Consent Judgment, they may continue to use that warning language in lieu of that set forth above until they next produce packaging or labeling based on updated artwork for the product in question.

7.4 Any warning shall be prominently placed with such conspicuousness as compared with other words, statements, designs, or devices as to render it likely to be read and understood by an ordinary individual under customary conditions before purchase or use. Any warning shall be provided in a manner such that he ordinary competent consumer or user understands to which specific Covered Product the warning applies. Settling Defendants may provide warnings as specified in Section 7.3 as follows:

Affixed Warnings. A Settling Defendant may provide such warning on or attached to Covered Products or with the unit package of the Covered Products as packaged by Settling Defendants. Such warning shall be included with, affixed to or printed on each Covered Product or its label, package or container in the same section that states other safety warnings, if any, concerning the use of the product or near the product brand name, displayed price and/or UPC code, or in any other manner reasonably calculated to be seen by an ordinary individual.

Point of Sale Warnings. A Settling Defendant may alternatively perform its warning obligation by arranging for the posting of the shelf labeling, signs, menus, warning slips or a combination of thereof as set forth in Health & Safety Code Section 25603.1 at retail outlets in the State of California where Covered Products are sold. In such instances, the Settling Defendant shall provide the warning specified in Section 7.3, and instructions for its use, with the shipping materials containing the Covered Product or otherwise ensure the installation of fixed adhesive warning placards on the Covered Product display shelves. Such warning and instructions shall be included

with or affixed to each package box or other container containing Covered Product(s) or otherwise installed on the Covered Product display shelves with fixed adhesive warning placards. For a Point of Sale Warning to be considered reasonably calculated to be seen by an ordinary individual, the warning shall be posted at (1) each location in the store where the Covered Products are displayed and visible when the Covered Products are being viewed without the Covered Products being moved, or (2) for stores with less than 7,500 square feet retail space, adjacent to each check out counter. sales register, cash stand, cash wrap or similar check out location in the store. All warning signs must be displayed in such a manner that any potential purchaser would reasonably be expected to see the warning and adequately distinguish between brass products for which warnings are required and product which do not cause a lead exposure. If the point of sale warning is not posted in such a manner, or any other manner otherwise agreed to by the California Attorney General, the retail entity shall not benefit from the terms of this Consent Judgment, including the release of claims contained therein.

7.5 If a Settling Defendant ships Brass Products packaged for distribution or sale after 180 days following the Effective Date to a retailer or distributor outside of California that neither provide the warnings specified in Section 7.3 nor meet the warning exemption standard specified in Section 7.1 of this Consent Judgment ("Non-Conforming Brass Products"), and if the retailer or distributor then offers those Non-Conforming Brass Products for sale in California, then as to those Non-Conforming Brass Products, that retailer or distributor, and their customers, are not released pursuant to Sections 4.1 and 4.2 above.

7.7 For Covered Products packaged for distribution or sale by a Settling
Defendant more than 180 days following the Effective Date, nothing in this Consent
Judgment shall create a limitation on a Proposition 65 enforcement action if such Covered
Products are not in compliance with the injunctive terms of this Consent Judgment.

8.0 AUTHORITY TO STIPULATE

8.1 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.

9.0 RETENTION OF JURISDICTION

9.1 This Court shall retain jurisdiction of this matter to implement the Consent Judgment.

10.0 ENTIRE AGREEMENT

10.1 This Consent Judgment contains the sole and entire agreement and understanding of the parties with respect to the Covered Products, 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 regarding the Covered Products 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 with respect to the Covered Products.

11.0 GOVERNING LAW

11.1 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.

12.0 NOTICES

12.1 Unless specified herein, all correspondence and notices required to be provided pursuant to this Consent Judgment shall be in writing and personally delivered

1	or sent by: (i) first-class, (registered or certified mail) return receipt requested; or	
2 3	(ii) overnight currier on any party by the other party at the following addresses:	
4	To Mateel:	
567	William Verick, Esq. Klamath Environmental Law Center 424 First Street Eureka, CA 95501	
8 9 10	To Masco: Office of the General Counsel Masco Corporation 21001 Van Born Road Taylor, MI 48180Attn. Scott Halpert, Esq.	
12	With a copy to:	
13 14 15	Robert Falk Morrison & Foerster LLP 425 Market Street, 32 nd Floor San Francisco, CA 94115	
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13.0 **COURT APPROVAL** If this Consent Judgment is not approved by the Court, it shall be of no force or effect, and cannot be used in any proceeding for any purpose. IT IS SO STIPULATED: DATED: 7-16-14 MATEEL ENVIRONMENTAL JUSTICE William Verick CEO, Mateel Environmental Justice Foundation, Klamath Environmental Law Center DATED: 7/10/14 MASCO CORPORATION IT IS SO ORDERED, ADJUDGED AND DECREED: DATED: JUDGE OF THE SUPERIOR COURT