SETTLEMENT AGREEMENT

This Settlement Agreement (Agreement) is entered into by and between the California Air Resources Board (ARB), with its principal office at 1001 I Street, Sacramento, California, and FleetPride, Inc. (FleetPride) with its principal place of business at 600 E. Las Colinas Blvd, Suite 400, Irving, Texas 75039.

RECITALS

1. ARB alleges that from March 2010 to April 2013, FleetPride supplied for sale in non-Type A areas of California the following automotive windshield washer fluid products, each of which is subject to the volatile organic compound (VOC) limit for Automotive Windshield Washer Fluid – All Other Areas category of 1 percent (effective date 12/31/02):

Product	VOC limit
BugWashG	1%
WWFMINUS20G	1%
WWFMINUS2055G	1%
WWFMINUS30G	1%
WWFMINUS3055G	1%
WWFPLUS22G	1%
WWFPLUS2255G	1%
WWFZEROG	1%
WWFZERO55G	1%

2. Pursuant to the Notice of Violation (CP 13-05-03) issued on May 16, 2013 (the NOV), ARB alleges that the windshield washer fluid products listed above contained concentrations of VOCs exceeding the 1 percent VOC limit for Automotive Windshield Washer Fluid – All Other Areas category as specified in title 17, CCR, section 94509(a).

3. ARB alleges that from March 2010 to April 2013, FleetPride supplied for sale in Type A areas of California the following automotive windshield washer fluid products, each of which is subject to the volatile organic compound (VOC) limit for Automotive Windshield Washer Fluid – Type A Area category of 25 percent (effective date 12/31/08):

Product	VOC limit
WWFMINUS20G	25%
WWFMINUS2055G	25%
WWFMINUS30G	25%
WWFMINUS3055G	25%

4. ARB alleges that the windshield washer fluid products listed above contained concentrations of VOCs exceeding the 25 percent VOC limit for Automotive Windshield Washer Fluid – All Other Areas category as specified in title 17, CCR, section 94509(a).

5. ARB alleges that if the allegations described in recital paragraphs 1, 2, 3 and 4 were proven, civil penalties could be imposed against FleetPride as provided in Health and Safety Code sections 42402 et seq. for each and every unit involved in the violations.

6. FleetPride admits the allegations described in recital paragraphs 1 and 3 and does not contest the allegations described in recital paragraphs 2and 4, but denies any liability resulting from said allegations.

7. The parties agree to resolve this matter completely by means of this Agreement, without the need for formal litigation.

Therefore, the parties agree as follows:

TERMS AND CONDITIONS

1. FleetPride shall not sell, supply or offer for sale for use in California any consumer products in violation of ARB consumer products regulations set forth in title 17, CCR, Section 94500 et seq. however, the terms and conditions set forth in this agreement will remain valid and enforceable notwithstanding any future violations that may occur.

2. FleetPride in settlement of the alleged above-described violations of title17, CCR, section 94509(a) and the NOV, agrees to pay a penalty to ARB in the amount of four hundred and eighteen thousand five hundred ($418,500.00) with a first payment of $ 209,250 due upon execution of this Agreement, and a second payment due no later than six months thereafter. If payment is more than 15 days late, the entire remaining balance will become immediately due and payable.

3. This Agreement shall apply to and be binding upon FleetPride and its officers, directors, receivers, trustees, employees, agents, successors and assignees, subsidiary and parent corporations and distributors and retailers and upon ARB and any successor agency that may have responsibility for and jurisdiction over the subject matter of this Agreement.

4. The parties stipulate that this Agreement shall be the final resolution of ARB claims regarding the allegedviolations above-described and NOV and shall have the same res judicata effect as a judgment in terms of acting as bar to any civil action by ARB against FleetPride, its officers, directors, receivers, trustees, employees, agents, successors and assignees, subsidiary and parent corporations and distributors and retailers. This Agreement shall be

deemed the recovery of civil penalties for purposes of precluding subsequent criminal action as provided in Health and Safety Code section 42400.7(a).

5. This Agreement shall be interpreted and enforced in accordance with the laws of the State of California, without regard to California's choice of law rules.

6. This Agreement constitutes the entire agreement and understanding between ARB and FleetPride concerning the claims and settlement in this Agreement, and this Agreement fully supersedes and replaces any and all prior negotiations and agreement of any kind or nature, whether written or oral, between the ARB and FleetPride concerning these claims.

7. No agreement to modify, amend, extend, supersede, terminate, or discharge this Agreement, or any portion thereof, shall be valid or enforceable unless it is in writing and signed by all parties to this Agreement.

8. Each of the undersigned represents and warrants that he or she has full power and authority to enter into this Agreement and to bind the party on whose behalf of whom the Agreement is entered.

9. **SB 1402 Statement**. California Health and Safety Code (HSC) section 39619.7 (Senate Bill 1402 - Dutton, Chapter 413, statutes of 2010) requires ARB to provide information on the basis for the penalties it seeks. This Settlement Agreement includes this information, which is also summarized here.

The provision of law the penalty is being assessed under and why that provision is most appropriate for that violation.

The penalty provision being applied is this case is HSC section 42402, et seq. because ARB alleges that FleetPride sold, supplied, offered for sale, or manufactured for sale consumer products for commerce in California in violation of the Consumer Products Regulations (Title 17 California Code of Regulations (CCR) section 94507, et seq.). The penalty provisions of HSC section 42402, et seq. apply to violations of the Consumer Products Regulations because the regulations were adopted under authority of HSC section 41712 which is in Part 4 of Division 26 of the Health and Safety Code. The penalty provisions of HSC section 42402, et seq. apply to requirements adopted pursuant to Part 4.

The manner in which the penalty amount was determined, including aggravating and mitigating factors and per unit or per vehicle basis for the penalty.

Penalties must be set at levels sufficient to discourage violations. ARB considered all relevant circumstances in determining penalties, including the eight factors specified in HSC section 42403.

Under HSC section 42402, et seq. the penalties for strict liability violations of the Consumer Product Regulations are a maximum of $1,000 per day of violation, with each day being a separate violation. In cases like this involving unintentional first time alleged violations of the Consumer Products Regulations where the violator cooperates with the investigation, the ARB has sought and obtained penalties based on the excess emissions of volatile organic compounds attributable to the violation in amounts representing an average cost to retire a ton of volatile organic compound emission credits and reformulate a product to comply with the Consumer Product Regulations. In this case the total penalty is $418,500 as there were 31 tons of alleged excess VOC attributable to the violation. This represents a penalty of approximately $13,500 per ton of excess emissions.

The penalty in this case was reduced because this was an innocent first time violation, FleetPride immediately ceased sales of the products, self-disclosed additional products potentially in violation, made diligent efforts to comply, and cooperated with the investigation, and because of the penalty's financial impact. Penalties in future cases might be smaller or larger on a per ton basis.

Is the penalty being assessed under a provision of law that prohibits the emission of pollution at a specified level, and, if so a quantification of the excess emissions, if it is practicable to do so.

The Consumer Product Regulations do not prohibit emissions above a specific level, but they do limit the concentration of VOCs in regulated products. In this case, a quantification of the excess emissions attributable to the alleged violations was practicable because FleetPride provided the product formulations and sales data necessary to make this quantification available to the ARB. Based upon this information (which FleetPride has designated as confidential and is not retained in the ordinary course of business), the violations were calculated to have caused the 31 tons of alleged excess emissions of volatile organic compounds to be emitted to the atmosphere in California.

10. FleetPride acknowledges that ARB has complied with SB1402 in investigating and settling this case. Specifically, ARB has considered all relevant facts, including those listed at HSC section 42403, has explained the manner in which the penalty amount was calculated, has identified the provision of law under which the penalty amount is being assessed and has considered and determined that while this penalty is not being assessed under a provision of law that prohibits the emission of pollutants at a specified level, it is practicable for ARB to quantify the excess emissions from the alleged violations has done so and has included this information in this Settlement Agreement.

11. Final penalties were determined based on the unique circumstances of this matter, considered together with the need to remove any economic benefit from noncompliance, the goal of deterring future violations and obtaining swift compliance, the consideration of past penalties in similar negotiated cases, and the potential costs and risk associated with litigating these particular violations. The penalty reflects alleged violations extending over a number of days resulting in quantifiable harm to the environment considered together with the complete circumstances of this case listed above. The penalty was discounted in this matter based on the fact that this was a first time alleged violation and the violator made diligent efforts to comply and to cooperate with the investigation. Penalties in future cases might be smaller or larger on a per ton basis.

12. The final penalty in this case was based in part on confidential business information provided by FleetPride that is not retained by ARB in the ordinary course of business. The penalty in this case was also based on confidential settlement communications between ARB and FleetPride that ARB does not retain in the ordinary course of business. The penalty also reflects ARB's assessment of the relative strength of its case against FleetPride, the desire to avoid the uncertainty, burden and expense of litigation, and to obtain swift compliance with the law and remove any unfair advantage that FleetPride may have secured from its actions.

CALIFORNIA AIR RESOURCES BOARD

Dated: 2/21/2014

By: _____
Richard W. Corey
Executive Officer

FLEETPRIDE, INC.

Dated: 2/4/2014

By: _____
Jeffrey Liaw
Chief Financial Officer

Approved
_____
FP Legal
Date: 2-7-14