

SETTLEMENT AGREEMENT

THIS AGREEMENT is entered by and between Plaintiffs in this Action, for themselves and on behalf of the Class; and The Central Mutual Insurance Company ("Central Mutual"), insurer for Shake Company of California, Inc., a.k.a. Alescorp Holding, Inc., Ale Ventures, Inc., and Dura Trend Industries, Inc. ("Old Cal-Shake"), hereinafter collectively referred to as "the Parties," with respect to *The Shake Roof Cases*, Judicial Council Coordination Proceeding No. 4208; *Melvin Weiner et al. v. Shake Company of California, Inc., et al.*, Contra Costa Superior Court, Case No. C99-00318; *Portello v. Shake Company of California, Inc., et al.*, Los Angeles Superior Court, Case No. BC 243964 (the "Action").

SETTLEMENT AMOUNT

1. Central Mutual will pay to the Class a total of \$1 million, to be paid as follows: \$600,000 within 5 business days of entry of the Approval Order; \$200,000 on the first and second anniversaries of such date.

RELEASES AND COVENANT NOT TO EXECUTE

2. (a) The Plaintiff Class and Central Mutual hereby mutually release and forever discharge each other from the claims described below; and (b) The Plaintiff Class hereby provides Old Cal-Shake a "Covenant Not to Execute" as described more fully below to protect Old Cal-Shake regarding the claims described below: any claim that is, has been, or could have been asserted in the Action, regardless of legal theory, and regardless of the type or amount of relief or damages claimed, that arises out of, relates to or concerns Cal-Shake Shakes, any Claims against Central Mutual related to insurance coverage for or claims handling of any Claims arising out of, concerning or relating to Cal-Shake Shakes, including Claims for defense, supplementary payments, indemnity and breach of the covenant of good faith and fair dealing or

extra-contractual liability related thereto, and any claims related to this litigation or the conduct of the litigation or costs therein. Notwithstanding the foregoing or any other provision of this Settlement Agreement, the foregoing claims shall not include claims for personal injury by Class members. The Covenant Not to Execute referred to in this paragraph constitutes an express promise by Plaintiff Class that it shall not execute on any judgment in the Action (or any other claim identified in this paragraph) against any assets of Old Cal-Shake, save and except insurance policies issued by, and all rights against, and liabilities of, Allianz Insurance Company ("Allianz") (or any other insurer of Old Cal-Shake other than Central Mutual). The settlement amount paid by Central Mutual on behalf of Old Cal-Shake shall be applied in partial satisfaction of any later judgment against Old Cal-Shake. As used in this paragraph, the terms "Central Mutual" and "Old Cal-Shake" shall include any and all parents, subsidiaries, affiliates, predecessors, successors, directors, shareholders, officers, and employees.

3. The Parties acknowledge that they are familiar with the provisions of Section 1542 of the California Civil Code as set forth below and expressly waive any rights or benefits under Section 1542, as well as under any other law of similar effect. California Civil Code Section 1542 states:

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.

The Parties acknowledge that they may hereafter discover facts different from, or in addition to, those that they now know or believe to be true with respect to the Settled Claims. The Parties nevertheless acknowledge that this Agreement has been negotiated and agreed upon in light of this realization and, being fully aware of the situation, hereby expressly agree that the releases

contained herein shall be given full force and effect even as to unknown and unsuspected Settled Claims, demands, and causes of action, if any.

ADDITIONAL PROVISIONS

4. It is further agreed that:

A. Central Mutual may reserve rights against Allianz; or against Federal Insurance Company, Pacific Indemnity Insurance Company, CNA Insurance Company, Wausau Insurance Company, and Transamerica Insurance Group (collectively, the "New Cal-Shake Settling Insurers");

B. Central Mutual will have most favored nation protection regarding any later settlement with Allianz. Absent materially changed circumstances (e.g., a material change in the law or court rulings), Plaintiffs will not settle with Allianz on any terms less favorable than those entered by Central Mutual, specifically amounts based upon the payment of 100% of the primary limits. If this provision is breached, this Agreement will be deemed modified to provide to Central Mutual the same material terms as provided to Allianz. Notwithstanding the foregoing, the Parties acknowledge that plaintiffs' class decision not to pursue the claim against the December 1986 to March 1987 Allianz policy to achieve a New Cal-Shake global settlement does not trigger this provision.

C. If the plaintiff Class subsequently settles with Allianz, the plaintiff Class will obtain a release from Allianz in favor of Central Mutual, and Central Mutual shall similarly provide Allianz with a release. Such releases shall apply to contribution, indemnity and similar type claims, but not to claims relating to defense costs.

D. In any subsequent litigation against Allianz, Plaintiffs will seek to recover only the "net" sums due from Allianz (i.e., Plaintiffs will not seek to recover from Allianz any

sum which is legally established to be owed by Central Mutual that is in excess of the \$1 million it has contributed pursuant to the terms of this Agreement).

E. The parties acknowledge that the available primary limits of Central Mutual are exhausted by the payment in Paragraph 1.

5. This Agreement shall not operate as a waiver of, or estoppel against coverage defenses asserted by Central Mutual. Central Mutual contends that coverage provided under the applicable Central Mutual policy extends only to Shake Company of California, Inc., and not to its successors, including but not limited to Alescorp Holding, Inc., Ale Ventures, Inc., and Dura Trend Industries, Inc. Notwithstanding the foregoing, the covenant not to execute, release and other benefits of this Agreement are intended to apply to all Old Cal-Shake entities.

SETTLEMENT APPROVAL

6. The effectiveness of this Settlement Agreement is conditioned on Court approval obtained in accordance with CCP Section 382 and Rule of Court 1859, all as more fully set forth in Paragraph 12 hereof.

7. Plaintiffs shall use best efforts to obtain certification of a class containing both California and non-California owners of Cal-Shake roofing shakes sold by Old Cal-Shake in Hawaii, Arizona, Texas and Florida (the "Multi-State Class") and of the settlement of the claims of the Multi-State Class on the same basis as the claims of members of the current Class. If Plaintiffs are unable, despite the exercise of such best efforts, to obtain certification of such a Multi-State Class or to extend the terms of this settlement to the members of the Multi-State Class, this Settlement Agreement shall remain in full force and effect with respect to the Class as currently defined.

8. The California class members have already had an opportunity to opt-out and class counsel will propose that no new opt-out right should be applicable to such class members. Out of state class members shall be provided a right to opt-out. Class counsel will also propose that prior California opt-outs be given the opportunity to opt back into the settlement, and participate in the recovery to the same extent as they would had they not opted-out. . If the court does not approve the foregoing proposals, this Settlement Agreement shall remain in full force and effect, subject to the termination provision in Paragraph 9 below.

9. Central Mutual shall have the right to terminate the settlement at its sole discretion if existing California class members are again given an opportunity to opt out and total opt-outs (members of both the California and Multi-State Class) are in excess of | class members. Central Mutual shall exercise such right to terminate this Agreement, if at all, no later than 10 days after the end of the opt-out period.

10. Promptly after execution of this agreement, the Parties shall submit it to the Court for preliminary approval and shall move the Court for one or more orders which by their terms shall:

A. Determine or approve the form, contents and method of dissemination of the Class Notice and the date of a fairness hearing;

B. Schedule appropriate deadlines for inclusion in the Class Notice of objection and other settlement-related dates; and

C. Schedule the fairness hearing to review comments or objections regarding this Agreement, to consider its fairness, reasonableness and adequacy under CCP Section 382 and Rule of Court 1859, and to enter an order and partial judgment approving this settlement

agreement as fair, adequate and reasonable under CCP Section 382 and Rule of Court 1859, making such other findings and determinations as the Court deems necessary and appropriate to effectuate the terms of this settlement agreement ("the Approval Order").

The Parties shall cooperate, assist and undertake all reasonable actions to accomplish these required events on the schedule set by the Court.

11. The payments set forth in Paragraph 1 above shall be deposited by Class counsel or any Claims administrator appointed by the Court in a federally insured interest bearing settlement account(s) to be designated by Class counsel. Upon entry of the Approval Order and in accordance with the trial court's orders regarding fees, Class counsel's fee award shall be disbursed from the first payment set forth in Paragraph 1, above. Central Mutual shall not object to Class counsel's fee petition. In the event the Approval Order is reversed on appeal in a material way affecting this Settlement Agreement as determined by the trial court, and the Parties are restored to their respective positions as described in Paragraph 14, the attorney fees and costs paid to class counsel shall be returned to the settlement fund account within ten (10) business days of such determination. A stipulated undertaking for repayment of attorney fees and costs, and an order thereon, shall be entered by the Court at the same time as the Approval Order and shall provide that each Class counsel and his firm shall be jointly and severally liable for its own reimbursement obligation and the reimbursement obligation of each other Class Counsel.

12. The remaining sums paid pursuant to Paragraph 1 shall be disbursed to the Class when the Approval Order becomes final and shall be disbursed only in accordance with the terms of the orders of the Court. The Approval Order shall be deemed final when either (1) the time to appeal from the Approval Order has passed and no appeal has been taken therefrom, or (2) such

an appeal having been timely filed, (a) the appeal is dismissed or otherwise withdrawn or (b) the Approval Order is affirmed on appeal without substantial modification.

13. Upon preliminary approval by the trial court of the settlement, and as the Court may direct, Class Counsel or their designee shall cause the Class Notice to be provided to potential Class members. Central Mutual shall pay the sums necessary for notice from the first payment set forth in Paragraph 1, in proportionate share with the New Cal-Shake Settling Insurers. The cost of notice shall be deposited into a notice account within ten (10) days of preliminary approval by the trial court of the settlement, and Central Mutual shall receive credit for such payment against the sum set forth in Paragraph 1.

14. This Agreement is subject to and conditioned upon the Court issuing the Approval Order granting final approval of the Settlement Agreement in accordance with CCP Section 382 and Rule of Court 1859. The final Approval Order shall:

A. Determine that this Agreement is entered into in good faith, is reasonable, fair, adequate and in the best interests of the Class;

B. Approve the Plan of Allocation, addressing the manner of distribution of the settlement to class members, including reasonable and customary stipends, or other compensation, for Class Representatives. Plaintiffs shall have the option of providing a similar stipend or other compensation to Class members who participated in the random roof sample; and

C. Reserve the continuing and exclusive jurisdiction of the Court over the Parties to this Agreement, to administer, supervise, construe and enforce this Agreement in accordance with its terms for the mutual benefit of the Parties.

15. This Agreement shall, without notice, be automatically terminated if the Court denies a motion seeking preliminary approval or declines to enter the Approval Order, or if the Approval Order is reversed or modified on appeal in any material way and the reversal or modification becomes final. In the event of termination and notwithstanding any other provision of this Agreement, (1) all Parties shall, to the extent practicable, be restored to their respective positions, immediately prior to entering into the settlement; and (2) the five-year statute for commencement of trial and all statutes of limitation and/or repose for all claims asserted in such cases shall be deemed to have been tolled from May 11, 2005 until the conclusion of the subsequent trial of the matter.

GENERAL PROVISIONS

16. The Agreement shall constitute the entire agreement among the Parties and shall supersede any previous agreements, representations, communications and understandings among the Parties. This Agreement may not be changed, modified, or amended except in writing signed by all Parties and approved by the Court.

17. The method of disposition or allocation of the proceeds of any settlement fund created for the benefit of Class members hereunder shall be determined by counsel for Plaintiffs, subject to the approval of the Court. Central Mutual shall not contest any plan for the allocation or disposition of any such settlement fund.

18. This Agreement shall be construed under and governed by the laws of the State of California, applied without regard to laws applicable to choice of law.

19. Central Mutual agrees that the agreement of Plaintiffs to seek certification of the Multi-State Class or the certification of such a Multi-State Class does not entitle Central Mutual

to seek removal of the case to federal court under the Class Action Fairness Act or any other provision of applicable law. Central Mutual expressly waives any such right.

20. The Parties hereto agree that they will cooperate to effectuate the provisions of this Agreement including, without limitation, to execute all documents and do all things necessary to fully effectuate the terms of this Agreement.

21. This Agreement may be executed by the Parties in one or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument. Signatures by facsimile shall be as effective as original signatures.

All individuals signing this Settlement Agreement on behalf of any person or entity represent and warrant that they have full authority to do so.

Dated: 5-16-5

CENTRAL MUTUAL INSURANCE COMPANY



Name: *Kenneth O. Dwyer*
Title: *Sr. claims Attorney*

APPROVED AS TO FORM AND CONTENT: LAW OFFICES OF DAVID M. BIRKA-WHITE

Dated: _____

By: David M. Birka-White
Attorneys for Plaintiffs

APPROVED AS TO FORM AND CONTENT: FARELLA BRAUN + MARTEL LLP

Dated: _____

By: William R. Friedrich
Attorneys for Plaintiffs

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Dated: 5-16-5

CENTRAL MUTUAL INSURANCE COMPANY

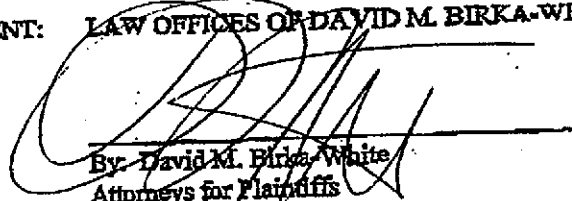


Name: *Kenneth O. Dwyer*
Title: *Sr. claims Attorney*

APPROVED AS TO FORM AND CONTENT:

LAW OFFICES OF DAVID M. BIRKA-WHITE

Dated: 6/24/05

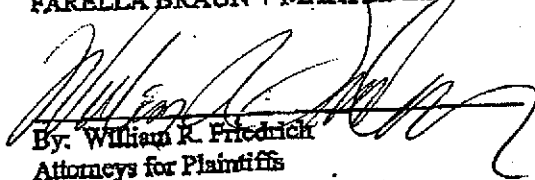


By: *David M. Birka-White*
Attorneys for Plaintiffs

APPROVED AS TO FORM AND CONTENT:

FARELLA BRAUN + MARTEL LLP

Dated: 6/27/05

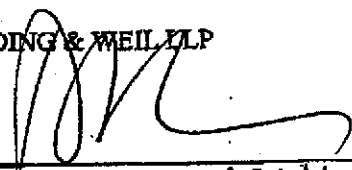


By: *William K. Friedrich*
Attorneys for Plaintiffs

APPROVED AS TO FORM AND CONTENT:

BERDING & WEIL LLP

Dated: 6/26/05


By: Jeffrey B. Careghino Daniel L. Roffinghaus
Attorneys for Plaintiffs

APPROVED AS TO FORM AND CONTENT:

GILMAN & PASTOR, LLP

Dated: _____

By: John Martland
Attorneys for Plaintiffs

APPROVED AS TO FORM AND CONTENT:

ERICKSEN, ARBUTHNOT, KILDUFF, DAY &
LINDSTROM, INC.

Dated: May 16, 2005


By: Steve Dollar
Attorneys for Central Mutual Insurance Company


APPROVED AS TO FORM AND CONTENT: BERDING & WEIL LLP

Dated: _____

By: Jeffrey B. Cereghino
Attorneys for Plaintiffs

APPROVED AS TO FORM AND CONTENT: GILMAN & PASTOR, LLP

Dated: June 27, 2005


By: John Martland
Attorneys for Plaintiffs

APPROVED AS TO FORM AND CONTENT: ERICKSEN, ARBUTHNOT, KILDUFF, DAY & LINDSTROM, INC.

Dated: May 16, 2005


By: Steve Dollar
Attorneys for Central Mutual Insurance Company

ADDENDUM TO SETTLEMENT AGREEMENT

This Addendum is entered by and between Plaintiffs in this Action, for themselves and on behalf of the Class; and the Central Mutual Insurance Company ("Central Mutual"), insurer for Shake Company of California, Inc., a.k.a. Alescorp Holding, Inc., Ales Ventures Inc. and Dura Trend Industries, Inc. ("Old Cal-Shake"), hereinafter collectively referred to as "the Parties," with respect to the Settlement Agreement ("the CM Agreement") previously entered into between the Parties, and executed by Central Mutual on or about May 16, 2005.

WHEREAS, the CM Agreement originally contemplated that the CM Agreement would be set for final approval at the same time as a settlement reached at or about the same time with Cal-Shake, Inc. ("New Cal-Shake Settlement"), and that a single class notice would be sent for both the CM Agreement and the New Cal-Shake Settlement;

WHEREAS, the Court, on or about July 11, 2005 determined that class notice and a final approval hearing should address only the New Cal-Shake Settlement, and that notice and final approval of the CM Agreement would be postponed pending resolution of the remaining claims against Old Cal-Shake;

WHEREAS, the remaining claims have now been resolved by settlement with Old Cal-Shake and Allianz ("Allianz Settlement");

WHEREAS, the Parties wish for the CM Settlement to be set for approval at the same time as the Allianz Settlement, pursuant to the same notice and notice plan, and the same approval process;

THE PARTIES HEREBY ENTER THIS ADDENDUM, to modify the CM Agreement as necessary and appropriate to accomplish such ends. In consideration of the mutual terms,

conditions, releases and covenants provided herein and in the CM Agreement, the Parties agree as follows:

1. Except as expressly provided in this Addendum, all provisions of the CM Agreement are not affected by this Addendum and remain in full effect.

2. All terms defined by the CM Agreement shall have the same meaning in this Addendum.

3. Central Mutual releases any claim, demand, action, or cause of action it has or might have against Allianz Insurance Company ("Allianz") for indemnity or contribution based on settlement or indemnity payments made by Central Mutual in connection with the Action.

Except as expressly provided in this paragraph, Central Mutual retains all other claims it has or might have against Allianz including claims for reimbursement or reallocation of defense costs.


4. Within ten (10) days of the entry of the order granting preliminary approval described in Paragraph 10 of the CM Agreement, Central Mutual shall deposit \$100,000 to be used to defray the costs of notice ("Class Notice") to the "Settling Subclass" (as defined in the Allianz Settlement) into a notice account. Such sum shall be credited against the first payment due from Central Mutual pursuant to Paragraph 1 of the Agreement. When sums specified for Class Notice have been deposited into the notice account by Central Mutual and Allianz, Class Counsel shall cause Class Notice to be provided to members of the Plaintiff class as the Court may direct.

5. The class definition, settlement approval process, and opt-out rights for the CM Agreement shall be the same as set forth in the Allianz Agreement. Paragraphs 7, 8 and 13 of the CM Agreement are superceded by this Addendum. If there is any inconsistency between the terms of this Addendum and the CM Agreement, the Addendum shall control.

IN WITNESS WHEREOF, the Parties hereto have executed this Addendum individually or by their duly-authorized representatives.

Dated: _____

CENTRAL MUTUAL INSURANCE COMPANY



Name: *Kenneth D. Owyer*
Title: *Sr. Claims Attorney*

APPROVED AS TO FORM AND CONTENT:

LAW OFFICES OF DAVID M. BIRKA-WHITE

Dated: _____

By: David M. Birka-White
Attorneys for Plaintiffs

APPROVED AS TO FORM AND CONTENT:

FARELLA BRAUN + MARTEL LLP

Dated: _____

By: William R. Friedrich
Attorneys for Plaintiffs

APPROVED AS TO FORM AND CONTENT:

BERDING & WEIL LLP

Dated: _____

By: Jeffrey B. Cereghino
Attorneys for Plaintiffs

APPROVED AS TO FORM AND CONTENT:

GILMAN & PASTOR, LLP

Dated: _____

By: John Martland
Attorneys for Plaintiffs

IN WITNESS WHEREOF, the Parties hereto have executed this Addendum individually or by their duly-authorized representatives.

Dated: _____

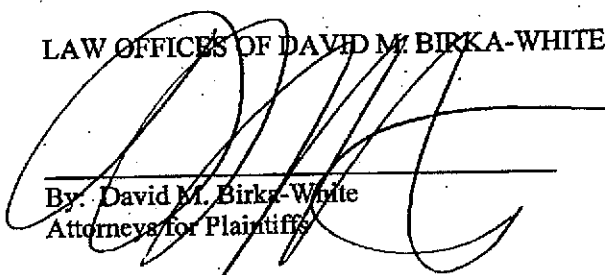
CENTRAL MUTUAL INSURANCE COMPANY

Name:
Title:

APPROVED AS TO FORM AND CONTENT:

LAW OFFICES OF DAVID M. BIRKA-WHITE

Dated: 7/12/07



By: David M. Birka-White
Attorneys for Plaintiffs

APPROVED AS TO FORM AND CONTENT:

FARELLA BRAUN + MARTEL LLP

Dated: _____

By: William R. Friedrich
Attorneys for Plaintiffs

APPROVED AS TO FORM AND CONTENT:

BERDING & WEIL LLP

Dated: _____

By: Jeffrey B. Cereghino
Attorneys for Plaintiffs

APPROVED AS TO FORM AND CONTENT:

GILMAN & PASTOR, LLP

Dated: _____

By: John Martland
Attorneys for Plaintiffs

IN WITNESS WHEREOF, the Parties hereto have executed this Addendum individually or by their duly-authorized representatives.

Dated: _____

CENTRAL MUTUAL INSURANCE COMPANY

Name:
Title:

APPROVED AS TO FORM AND CONTENT:

LAW OFFICES OF DAVID M. BIRKA-WHITE

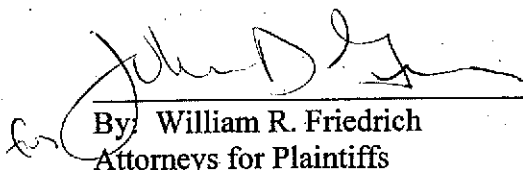
Dated: _____

By: David M. Birka-White
Attorneys for Plaintiffs

APPROVED AS TO FORM AND CONTENT:

FARELLA BRAUN + MARTEL LLP

Dated: _____



By: William R. Friedrich
Attorneys for Plaintiffs

APPROVED AS TO FORM AND CONTENT:

BERDING & WEIL LLP

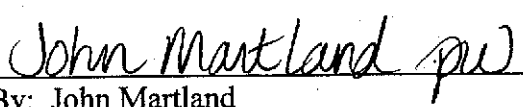
Dated: _____

By: Jeffrey B. Cereghino
Attorneys for Plaintiffs

APPROVED AS TO FORM AND CONTENT:

GILMAN & PASTOR, LLP

Dated: _____



By: John Martland
Attorneys for Plaintiffs

IN WITNESS WHEREOF, the Parties hereto have executed this Addendum individually or by their duly-authorized representatives.

Dated: _____ CENTRAL MUTUAL INSURANCE COMPANY

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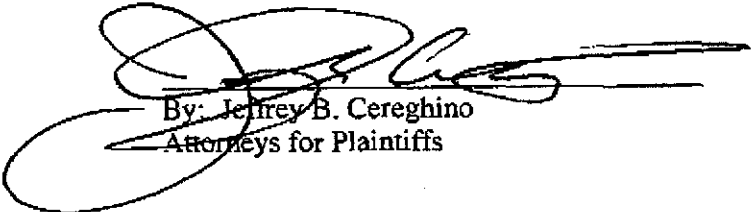
APPROVED AS TO FORM AND CONTENT: LAW OFFICES OF DAVID M. BIRKA-WHITE

Dated: _____
By: David M. Birka-White
Attorneys for Plaintiffs

APPROVED AS TO FORM AND CONTENT: FARELLA BRAUN + MARTEL LLP

Dated: _____
By: William R. Friedrich
Attorneys for Plaintiffs

APPROVED AS TO FORM AND CONTENT: BERDING & WEIL LLP

Dated: 7-16-07 _____
By:  Jeffrey B. Cereghino
Attorneys for Plaintiffs

APPROVED AS TO FORM AND CONTENT: GILMAN & PASTOR, LLP

Dated: _____
By: John Martland
Attorneys for Plaintiffs

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CENTRAL MUTUAL INSURANCE COMPANY

Name:
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APPROVED AS TO FORM AND CONTENT:

LAW OFFICES OF DAVID M. BIRKA-WHITE

Dated: _____

By: David M. Birka-White
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Dated: _____

By: John Martland
Attorneys for Plaintiffs

APPROVED AS TO FORM AND CONTENT: ERICKSEN, ARBUTHNOT, KILDUFF, DAY & LINDSTROM, INC.

Dated: 7/6/07


By: Steve Dollar
Attorneys for Central Mutual Insurance Company