

SETTLEMENT AGREEMENT AND RELEASE

This Agreement (the "Agreement") is made and entered into by and between the U.S. Equal Employment Opportunity Commission ("EEOC") and Sears, Roebuck and Co., including any successor or predecessors organizations ("Sears").

RECITALS

The parties mutually desire to enter into this Agreement for the purpose of resolving all claims and disputes between the EEOC and Sears contained in or related to the lawsuit now pending in the United States District Court, Southern District of Texas, Corpus Christi Division, styled *EEOC vs. Sears, Roebuck and Co.*; Civil Action No. M-99-395 (the "Lawsuit").

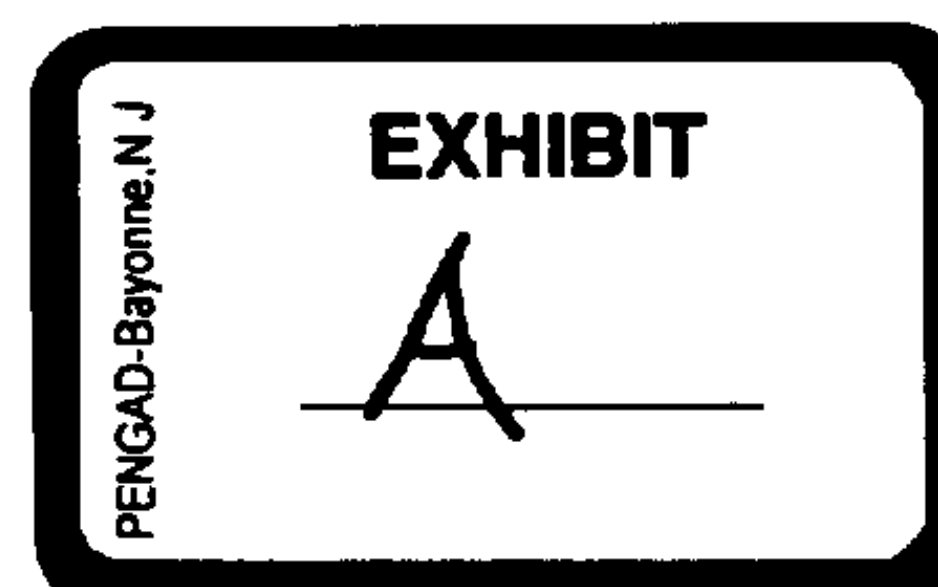
NOW THEREFORE, in consideration of these premises and the mutual agreements of the parties set forth below, the parties do hereby agree as follows:

1. Subject to and upon receipt of an executed Approval of Settlement in the form attached hereto as Exhibits A and B from the respective payee, Sears will pay Mary Broadstreet by check the amount of Five Hundred Dollars (\$500.00) and Mary Morales by check the amount of Four Hundred Seventy-Five Dollars (\$475.00), each less applicable payroll tax withholdings. (Sears will reflect such payments on W-2's to be provided to the check payees). A copy of the settlement checks and any accompanying transmittal documents shall be forwarded to the EEOC to the attention of Robert B. Harwin, Regional Attorney, 5410 Fredericksburg Road, Suite 200, San Antonio, Texas 78229.

2. The EEOC on behalf of itself and others claiming by, through, or under it, hereby voluntarily and knowingly, fully and forever, releases and discharges Sears, its predecessors or successors, subsidiaries, affiliates, parent and related companies, and its present and former officers, directors, employees, agents, and representatives from all claims, actions, liabilities, demands, and causes of action, asserted in the Lawsuit. The EEOC agrees that no claim released herein shall be re-filed or made the basis of or included in any way in any further legal action by the EEOC against Sears at any time.

3. The EEOC will provide the Approval of Settlement forms to the payees identified in Paragraph 1 and will advise them that they may consult private counsel before deciding whether to execute them. In order that the payees may truthfully represent that the terms of the settlement of the Lawsuit have been explained to them, the EEOC agrees that it shall provide such explanation to the payees when they are provided their Approval of Settlement form.

4. The EEOC acknowledges that this Agreement shall not be construed as an admission of liability as to any matter on the part of Sears and that Sears expressly denies any violation of law, including with respect to the claims asserted in the Lawsuit and states that it enters into this Agreement solely to avoid the expense and other burdens of continued litigation.



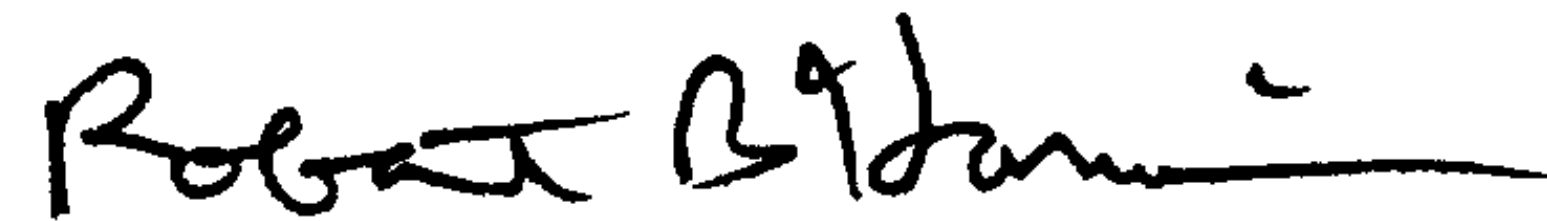
5. The parties agree to execute at the time this Agreement is executed, a Joint Motion to Dismiss With Prejudice in the form attached hereto as Exhibit C seeking dismissal of the Lawsuit with prejudice, which Motion shall be promptly filed with the Court by counsel for Sears. A copy of this Agreement shall be attached as Exhibit "A" to that Motion. To the extent that any other motions, pleadings, or other documents are required to accomplish dismissal of the Lawsuit with prejudice, the parties agree to execute and submit or file them promptly.

6. The EEOC and Sears agree that this Agreement may be used as evidence in a lawsuit in which the EEOC or Sears alleges a breach of the other's obligations in connection with settlement of this Lawsuit, and the parties acknowledge that a copy of this Agreement will be attached to the Joint Motion referenced herein. The EEOC specifically agrees that no notice of this Agreement or other resolution of the Lawsuit will be posted at Sears.

7. This Agreement is effective upon its execution by all parties hereto. It may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one instrument.

C. GREGORY STEWART
General Counsel Designate

GWENDOLYN YOUNG REAMS
Associate General Counsel



ROBERT B. HARWIN
Regional Attorney
State Bar No. 076083
(District of Columbia)



LINDA GUTIERREZ
Supervisory Trial Attorney
Texas State Bar No. 08642750
Southern District No. 14464



R. CHRIS PITTARD

Trial Attorney

Texas State Bar No. 00794465

Southern District No. 23449

Equal Employment Opportunity Commission

5410 Fredericksburg Road, Suite 200

San Antonio, Texas 78229

Telephone: (210) 281-7636

Telecopy: (210) 281-7669

*Attorney for Equal Employment
Opportunity Commission*

SEARS, ROEBUCK AND CO.

By: Deborah R. Pierce

Its: Vize President-Employment

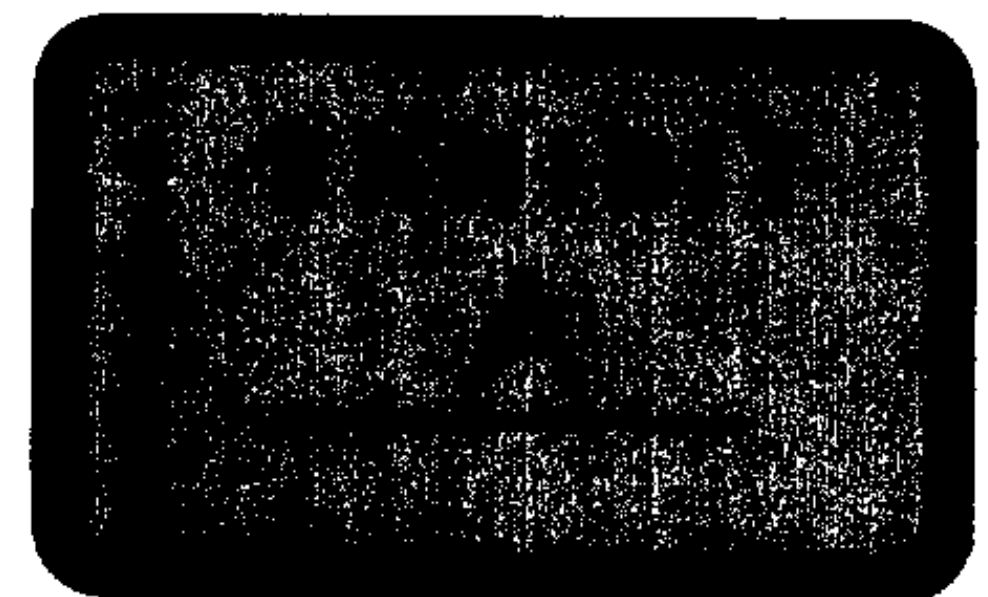
7/13/00
Date

APPROVAL OF SETTLEMENT

The undersigned, Mary A. Broadstreet, hereby acknowledges receipt of payment from Sears, Roebuck and Co. in the amount of \$_____ (\$500.00 less required tax withholding). I acknowledge that the EEOC has informed me of its settlement and proposed dismissal of the Lawsuit pending in the United States District Court, Southern District of Texas, Corpus Christi Division, styled *EEOC v. Sears, Roebuck and Co.*; Civil Action No. M-99-395, in which I am one of the individuals represented by the EEOC. The EEOC has explained to me the terms of its settlement with Sears, as a part of which I have received the payment referred to above. I have also had the opportunity to consult private counsel concerning my decision to execute this Approval of Settlement, whether or not I have chosen to utilize that opportunity. I understand and hereby approve the terms of that settlement with respect to my interest represented by the EEOC in the Lawsuit. **IN CONSIDERATION OF RECEIPT OF THE PAYMENT REFERRED TO ABOVE, I FURTHER AGREE TO KEEP ALL TERMS OF THE SETTLEMENT BETWEEN THE EEOC AND SEARS, INCLUDING THE PAYMENT I HAVE RECEIVED, STRICTLY CONFIDENTIAL AND NOT TO DISCLOSE ANY SUCH INFORMATION TO ANYONE OTHER THAN TO MY PERSONAL FINANCIAL/TAX ADVISOR OR IMMEDIATE FAMILY MEMBERS, EACH OF WHOM MUST BE FIRST INFORMED OF AND AGREE TO BE BOUND BY THIS CONFIDENTIALITY PROVISION AS WELL.** I understand that any violation of the confidentiality obligations hereunder shall require me to return promptly to Sears the entire amount paid to me hereunder and may subject me to other action by Sears for breach of contract.

Executed this _____ day of _____, 2000.

Mary A. Broadstreet



APPROVAL OF SETTLEMENT

The undersigned, Mary Morales, hereby acknowledges receipt of payment from Sears, Roebuck and Co. in the amount of \$_____ (\$475.00 less required tax withholding). I acknowledge that the EEOC has informed me of its settlement and proposed dismissal of the Lawsuit pending in the United States District Court, Southern District of Texas, Corpus Christi Division, styled *EEOC v. Sears, Roebuck and Co.*; Civil Action No. M-99-395, in which I am one of the individuals represented by the EEOC. The EEOC has explained to me the terms of its settlement with Sears, as a part of which I have received the payment referred to above. I have also had the opportunity to consult private counsel concerning my decision to execute this Approval of Settlement, whether or not I have chosen to do so. I understand and hereby approve the terms of that settlement with respect to my interest represented by the EEOC in the Lawsuit. **IN CONSIDERATION OF RECEIPT OF THE PAYMENT REFERRED TO ABOVE, I FURTHER AGREE TO KEEP ALL TERMS OF THE SETTLEMENT BETWEEN THE EEOC AND SEARS, INCLUDING THE PAYMENT I HAVE RECEIVED, STRICTLY CONFIDENTIAL AND NOT TO DISCLOSE ANY SUCH INFORMATION TO ANYONE OTHER THAN TO MY PERSONAL FINANCIAL/TAX ADVISOR OR IMMEDIATE FAMILY MEMBERS, EACH OF WHOM MUST BE FIRST INFORMED OF AND AGREE TO BE BOUND BY THIS CONFIDENTIALITY PROVISION AS WELL.** I understand that any violation of the confidentiality obligations hereunder shall require me to return promptly to Sears the entire amount paid to me hereunder and may subject me to other action by Sears for breach of contract.

Executed this _____ day of _____, 2000.

Mary Morales

