

SETTLEMENT AGREEMENT AND RELEASE

This Settlement Agreement and Release (the "Agreement") is between Center for Environmental Health ("CEH") and High Five Products, Inc. ("High Five") (collectively, the "Parties").

1. INTRODUCTION

1.1 On June 5, 2008, CEH, a non-profit corporation acting in the public interest, served High Five and the appropriate public enforcement agencies with a 60-day Notice (the "Notice") alleging that High Five is in violation of Proposition 65 relating to sales of vinyl gloves containing Di (2-ethylhexyl) Phthalate ("DEHP"), which is also known as Bis (2-ethylhexyl) Phthalate.

1.2 The Notice alleges that High Five manufactures, distributes and/or sells Aloe-flex vinyl gloves (the "Products") that are made of material containing DEHP. The Notice alleges that High Five exposes people who use or otherwise handle the Products to DEHP, a chemical known to the State of California to cause cancer and birth defects or other reproductive toxicity, without first providing clear and reasonable warning to such persons regarding the carcinogenicity and reproductive toxicity of DEHP. The Notice alleges that High Five's conduct violates Health & Safety Code § 25249.6, the warning provision of Proposition 65.

1.3 High Five asserts that it has fewer than 10 employees and is thus exempt from Proposition 65. However, upon receipt of the Notice, High Five promptly contacted CEH in an effort to resolve CEH's claims regarding Products manufactured by High Five in order to resolve any Proposition 65 liability its customers may have as a result of selling Products manufactured by High Five.

1.4 The Parties enter into this Agreement for the purpose of avoiding prolonged and costly litigation regarding Products manufactured, distributed and/or sold by High Five. By executing this Agreement, the Parties do not admit any facts or conclusions of law. It

is the Parties' intent that nothing in this 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 Agreement constitute or be construed as an admission by the Parties of any fact, conclusion of law, issue of law, or violation of law. Nothing in this Agreement shall prejudice, waive or impair any right, remedy, argument or defense the Parties may have in this or any other or future legal proceedings.

2. COMPLIANCE

2.1 Reformulation Standard – Removal of DEHP. As of January 1, 2010, (the "Compliance Date") High Five shall not manufacture, distribute, ship, or sell any Product that contains in excess of trace amounts of DEHP. For purposes of this Agreement only, "in excess of trace amounts" is more than 600 parts per million ("ppm"). In reformulating the Products to remove DEHP, High Five may not use butyl benzyl phthalate ("BBP"), di-n-hexyl phthalate ("DnHP"), di-n-butyl phthalate ("DBP"), di-isodecyl phthalate ("DIDP") or di-octyl phthalate ("DOP") in excess of trace amounts. DEHP, BBP, DnHP, DBP, DIDP and DOP are together referred to herein as "Listed Phthalates."

2.2 Certification of Level From Supplier. High Five shall issue specifications to its supplier requiring that neither the Products nor any materials of which the Products are comprised contain Listed Phthalates in concentrations exceeding 600 ppm. High Five shall obtain written certification with corresponding test results from its supplier of the Products certifying that neither the Products nor any materials of which the Products are comprised contain Listed Phthalates in concentrations exceeding 600 ppm.

2.3 Testing. In order to help ensure compliance with the requirements of Sections 2.2, High Five shall conduct testing to confirm that the Products contain less than 600

ppm DEHP. All testing pursuant to this section shall be performed by an independent laboratory in accordance with both of the following test protocols: (1) EPA SW8270C; and (2) EPA SW3580A (together referred to as the "Test Protocols"). At the request of CEH, the results of all testing performed pursuant to this section shall be made available to CEH. The frequency and amount of testing required shall be as follows:

2.3.1 Testing Frequency. High Five shall test at least 5 units of Product from each of the first two shipments from each supplier following the Compliance Date. Thereafter, High Five shall test at least 2 units of Product from the fifth, tenth, fifteenth, twentieth, thirtieth and fiftieth shipments from each supplier following the Compliance Date.

2.3.2 Products that Contain Listed Phthalates Pursuant to High Five's Testing. If the results of the testing required pursuant to Section 2.4 show Listed Phthalates in excess of 600 ppm in a Product, High Five shall: (1) refuse to accept all of the Products that were purchased under the particular purchase order; (2) send a notice to the supplier explaining that such Products do not comply with the supplier's certification; and (3) apply the testing frequency set forth in 2.4.1 as though the next shipment from the supplier were the first one following the Compliance Date.

2.4 Confirmatory Testing by CEH. CEH intends to conduct periodic testing of the Products. Any such testing will be conducted by CEH at an independent laboratory, in accordance with the Test Protocols. In the event that CEH's testing of Products shipped after the Compliance Date demonstrates DEHP levels in excess of 600 ppm for one or more Products, CEH shall inform High Five of the test results, including information sufficient to permit High Five to identify the Product(s). High Five shall, within 20 days following such notice, provide CEH, at the address listed in Section 12.1, with its supplier certification and testing information

demonstrating its compliance with Sections 2.3 and 2.4 of this Agreement. High Five shall then have the opportunity to conduct its own independent testing of the Products from the same lot to confirm or deny CEH's tests. If High Five's independent testing confirms CEH's test results, High Five shall apply the testing frequency pursuant to Section 2.4.1 for the next order purchased from the supplier as if such purchase were the first shipment following the Compliance Date in determining the number of units to be tested for the two shipments following the Product test exceeding 600 ppm from that supplier. In addition, if High Five's independent testing verifies CEH's test results and High Five fails to provide CEH with information demonstrating that it complied with Sections 2.3 and 2.4 for the particular shipment(s) at issue, High Five shall also be liable for stipulated payments in lieu of penalties for Products for which CEH produces tests demonstrating DEHP levels exceeding 600 ppm, as set forth below. These payments shall be made to CEH and used for the purposes described in Section 3.2.

2.4.1 Stipulated Payments In Lieu of Penalties. If stipulated payments in lieu of penalties are warranted under Section 2.5, the stipulated payment amount shall be as follows for each unit of Product for which CEH produces a test result with DEHP levels exceeding 600 ppm:

First Occurrence:	\$1,250
Second Occurrence:	\$1,500
Third Occurrence:	\$1,750
Thereafter:	\$2,500

Notwithstanding the foregoing, the maximum stipulated payment amount in a calendar year, regardless of the number of units of Product tested by CEH with exceedances of DEHP levels set forth in this Agreement, shall be \$5,000.

2.5 Products in the Stream of Commerce. High Five's Products that have been manufactured, shipped, sold, or that otherwise are in the stream of commerce prior to the Compliance Date shall be released from any claims that were brought or that could have been brought by CEH in its Complaint, as though they were Covered Claims within the meaning of Section 7.1, below.

3. SETTLEMENT PAYMENTS

3.1 In consideration of the mutual covenants and releases provided in this Agreement, High Five shall pay a total of \$12,500 as a settlement payment. This total shall be paid in two separate checks delivered to the address set forth in Section 12.1, within 10 days of execution of this Agreement, and shall be made payable and allocated as follows.

3.2 Monetary Payment in Lieu of Penalty. High Five shall pay to CEH \$4,000 in lieu of any penalty pursuant to Health and Safety Code § 25249.7(b). CEH shall use such funds to continue its work protecting people from exposures to toxic chemicals. As part of this work, CEH intends to conduct periodic testing of the Products as set forth in Section 2.5.

3.3 Attorneys' Fees and Costs. High Five shall pay \$8,500 to reimburse CEH and its attorneys for their reasonable investigation fees and costs, attorneys' fees, and any other costs incurred as a result of investigating, bringing this matter to High Five's attention and negotiating a settlement in the public interest. This payment shall be made payable to Lexington Law Group, LLP.

4. MODIFICATION OF SETTLEMENT AGREEMENT

4.1 This Settlement Agreement may be modified by written agreement of the Parties.

5. ENFORCEMENT OF SETTLEMENT AGREEMENT

5.1 The Parties agree that the any action based on violation of this Agreement shall be brought in the Superior Court of California in San Francisco County. For purposes of this Agreement, notwithstanding Section 1.4 above, the Parties agree that the Superior Court of California in San Francisco County has subject matter jurisdiction over any disputes arising from this Agreement and personal jurisdiction over each of the Parties, and that venue is proper in the County of San Francisco. Should CEH prevail on any action to enforce the terms of this Agreement it shall be entitled to reasonable attorneys' fees and costs associated with such enforcement.

6. APPLICATION OF SETTLEMENT AGREEMENT

6.1 This Agreement shall apply to and be binding upon the Parties hereto, their divisions, subdivisions and subsidiaries, and the successors or assigns of any of them.

7. CLAIMS COVERED

7.1 Except as otherwise provided herein, CEH hereby releases and discharges High Five with respect to any violation of Proposition 65 (or any other claim related to failure to warn about exposures to DEHP in the Products) that was or could have been asserted against High Five, or its parents, subsidiaries, affiliates, directors, officers, employees, agents, attorneys, distributors, retailers, or customers arising from Products manufactured, distributed or sold by High Five on or before the Compliance Date. Compliance with the terms of this Agreement constitutes compliance with Proposition 65 for purposes of exposures to DEHP from the Products.

8. SEVERABILITY

8.1 In the event that any of the provisions of this Agreement are held by a

court to be unenforceable, the validity of the enforceable provisions shall not be adversely affected.

9. SPECIFIC PERFORMANCE

9.1 The Parties expressly recognize that High Five's obligations under this Agreement are unique. In the event that any High Five is found to be in breach of this Agreement for failure to comply with the provisions of Section 2 herein, the Parties agree that it would be extremely impracticable to measure the resulting damages and that such breach would cause irreparable damage. Accordingly, CEH, in addition to any other available rights or remedies, may sue in equity for specific performance, and High Five expressly waives the defense that a remedy in damages will be adequate.

10. GOVERNING LAW

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

11. RETENTION OF JURISDICTION

11.1 This Court shall retain jurisdiction of this matter to implement and enforce the terms this Agreement.

12. PROVISION OF NOTICE

12.1 All notices required pursuant to this Agreement and correspondence shall be sent to the following:

For CEH:

Mark N. Todzo
Lexington Law Group, LLP
1627 Irving Street
San Francisco, CA 94122

For High Five:

David V. Gust, President
High Five Products, Inc.
319 W. Ontario
Chicago, IL 60610

13. EXECUTION AND COUNTERPARTS

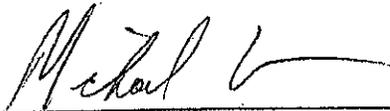
13.1 The stipulations to this Agreement may be executed in counterparts and by means of facsimile, which taken together shall be deemed to constitute one document.

14. AUTHORIZATION

14.1 Each signatory to this Agreement certifies that he or she is fully authorized by the party he or she represents to stipulate to this Agreement and to enter into and execute the 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 Agreement. Except as explicitly provided herein, each party is to bear its own fees and costs.

AGREED TO:

CENTER FOR ENVIRONMENTAL HEALTH



Michael Green, Executive Director
Center for Environmental Health

Dated: 9/22/09

HIGH FIVE PRODUCTS, INC.

David Gust
President

Dated: _____

For High Five:

David V. Gust, President
High Five Products, Inc.
319 W. Ontario
Chicago, IL 60610

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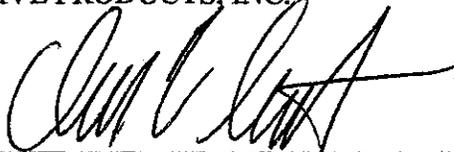
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CENTER FOR ENVIRONMENTAL HEALTH

Dated: _____

Michael Green, Executive Director
Center for Environmental Health

HIGH FIVE PRODUCTS, INC.



David Gust
President

Dated: 9/21/09