

## SETTLEMENT AGREEMENT

This Settlement Agreement (“Agreement”) is entered into by and between Whitney R. Leeman, Ph.D. (hereinafter “Leeman”) and Universal City Studios LLLP, a Delaware limited liability limited partnership, registered to do business in California as Universal City Studios LLLP, L.P. (hereinafter “Universal Studios”), with Leeman and Universal Studios collectively referred to as the “Parties,” and is made with reference to the following facts:

### RECITALS

- A. Leeman.** Leeman is an individual residing in California who seeks to promote awareness of exposures to toxic chemicals and improve human health by reducing or eliminating hazardous substances contained in consumer and industrial products.
- B. Universal Studios.** Universal Studios employs more than 10 persons at its business locations operated in California. Universal Studios manufactures, distributes and/or sells Products, as defined herein, in the State of California, and has done so in the past.
- C. General Allegations.** Leeman alleges that Universal Studios has manufactured, distributed and/or sold in the State of California certain flame-broiled hamburgers including, but not limited to, the #3 Premium ½ lb. Sirloin Cheeseburger, containing benz[a]anthracene, benzo[a]pyrene, benzo[b]fluoranthene, benzo[k]fluoranthene, and indeno[1,2,3-cd]pyrene, which are cancer-causing chemicals listed pursuant to the Safe Drinking Water and Toxic Enforcement Act of 1996, California Health & Safety Code § 25249.5 *et seq.*, also known as Proposition 65. Benz[a]anthracene, benzo[a]pyrene, benzo[b]fluoranthene, benzo[k]fluoranthene, and indeno[1,2,3-cd]pyrene shall be referred to as the “Listed Chemicals.” Leeman alleges that consumption of these flame-broiled hamburgers would thereby expose consumers of these products to the Listed Chemicals in violation of Proposition 65.
- D. Product Descriptions.** The products that are covered by this Agreement are defined as follows: flame-broiled hamburgers containing the Listed Chemicals, manufactured, sold

and/or distributed by Universal Studios in California at Restaurants as defined in Section 1 below. Such products collectively are referred to herein as the "Products."

**E. Notice of Violation.** On July 10, 2008, Leeman served Universal Studios and various public enforcement agencies with documents, entitled "60-Day Notice of Violation" ("Notice"), that provided Universal Studios and such public enforcers with notice that alleged that Universal Studios was in violation of Health & Safety Code § 25249.6 for failing to warn purchasers that certain Products that it sold expose users in California to the Listed Chemicals. To the best of the parties' knowledge, no public enforcer has diligently prosecuted the allegations set forth in the Notice.

## **AGREEMENT**

Now, therefore, for valuable consideration and in consideration of the mutual promises set forth in this Agreement, the Parties agree as follows:

**1. Preliminary Statement.** This Agreement applies to The Flintstones Bar-B-Q, Cyber Grill and any other restaurants owned and operated by Universal Studios, or any subsidiary, Licensee or successor of Universal Studios, at the Universal Studios Hollywood theme park located at Universal City, California, or at any other theme park that may be established, owned and operated by Universal Studios elsewhere in California, now or in the future (the "Restaurants"). After the Effective Date, any Products containing the Listed Chemicals shall not be sold in any such Restaurants unless such Products are sold in compliance with Sections 4 and 5 of this Agreement. The decision whether to conduct sales of the Products at any of the Restaurants in compliance with Sections 4 and 5, or to discontinue sales of the Products at any of the Restaurants, is at the option of Universal Studios. Notice of this decision must be communicated in writing to Leeman no later than the Effective Date. For purposes of this Agreement, "Licensee" shall mean any restaurant

operator licensed by Universal Studios to operate under a name or trademark owned by Universal Studios.

2. **Effective Date.** For purposes of this Agreement, the “Effective Date” shall be March 31, 2009.
3. **No Admission.** Universal Studios denies the material factual and legal allegations contained in the Notice, and maintains that all products that it has sold and distributed in California, including the Products, have been and are in compliance with all laws. Nothing in this Agreement shall be construed as an admission by Universal Studios of any fact, finding, issue of law, or violation of law, nor shall compliance with this Agreement constitute or be construed as an admission by Universal Studios of any fact, finding, conclusion, issue of law or violation of law. However, this action shall not diminish or otherwise affect the obligations, responsibilities and duties of Universal Studios under this Agreement.
4. **Warnings.** Any warning issued for Products pursuant to this section shall be prominently placed with such conspicuousness as compared with other words, statements, designs, or devices so as to render it likely to be read and understood by an ordinary individual under customary conditions before purchase or use.

(a) Warning Message. Universal Studios represents and warrants that, should it continue sale of the Products at any of the Restaurants following the Effective Date, it will post warnings in the applicable Restaurants that satisfy and comply with the provisions of Section 4 and this Section 5 of this Agreement.

The warning message provided under the permitted warning method in Section 4(b) shall conform to the following:

#### **WARNING**

Flame-cooked burgers sold or served here contain chemicals known as PAHs, which are known to the State of California to cause cancer.

(b) Warning Method.

A warning shall be provided in the Restaurant through the posting of a sign that meets or substantially complies with the criteria set forth below.

A warning shall be set forth on a sign at least 5-1/2 inches high by 8-1/2 inches wide, with the word "WARNING" centered one-half inch from the top of the sign in ITC Garamond bold condensed type face or a similar font in all capital letters of five-sixths of an inch in size. Three-sixteenths of an inch from the base of the words "warning" shall be a line extending from the left to right across the width of the sign at least one-sixteenth of an inch in thickness. Centered one-half inch below the line shall be the body of the warning message set forth in Section 4(a) in ITC Garamond bold condensed type face or a similar font. For the body of the warning message, the left and right margins of at least seven-sixteenths of an inch, and a bottom margin of at least one-half inch shall be observed. Larger signs shall bear substantially the same proportions of type size and spacing to sign dimension as the sign 5-1/2 inches high by 8-1/2 inches wide.

At least one sign must be placed in each Restaurant where Products are sold as follows:

- (1) located on a wall in the foyer area next to a door that leads into the Restaurant, or on another wall visible to consumers prior to purchase, such that the top of the warning is between 48 and 88 inches from the ground;  
or
- (2) located at any other place that is reasonably likely to be seen and read by customers entering the Restaurant to order food and by Universal Studios' employees during the ordinary course of business; and

(3) not located at any of the following locations: on an entrance or exit door, on a window, on a restroom door, in a restroom, in a hallway that leads only to restrooms, or on a refuse container.

(c) Timing. Leeman acknowledges that warnings were posted voluntarily before the execution of this Agreement, but following and as a result of the Notice issued to Universal Studios. The warnings required by this Section shall remain posted indefinitely after the Effective Date, except as may be required or allowed by law.

**5. Compliance Review.** In the event that Universal Studios continues to sell Products at any of the Restaurants after the Effective Date, then, beginning on the Effective Date and continuing for one year thereafter, Universal Studios shall perform at least two compliance reviews of the applicable Restaurants to determine whether it is in compliance with all of the requirements of Section 4 of this Agreement. A compliance review shall be documented and shall note, for each applicable Restaurant, at a minimum: any deficiencies regarding compliance with Section 4, the date those deficiencies were discovered, and the date by which the deficiencies were corrected. All documentation regarding this compliance review shall be retained by Universal Studios for at least one year. Universal Studios shall be deemed to be in compliance with Section 4 if it corrects any deficiencies noted during the review, or otherwise brought to its attention by any person at any time, within thirty (30) days of such notice.

**6. Monetary Payments.**

(a) Payments Pursuant to Health & Safety Code § 25249.7(b). Pursuant to Health & Safety Code § 25249.7(b), Universal Studios shall pay a total of \$52,000 to be delivered no later than the Effective Date if it opts to comply with Sections 4 and 5 of this Agreement, or a total of \$32,000 to be delivered no later than the Effective Date if it opts to discontinue sale of the Products at the

Restaurants. Payments shall be delivered to Leeman's counsel at the following address:

HIRST & CHANLER LLP  
Attn: Prop 65 Controller  
455 Capitol Mall, Suite 605  
Sacramento, CA 95814

Universal Studios shall issue two separate checks for the penalty payment: (a) one check made payable to "Hirst & Chanler LLP in Trust For OEHHA" representing 75% of the total penalty; and (b) one check to "Hirst & Chanler LLP in Trust for Dr. Whitney Leeman" representing 25% of the total penalty. Two separate 1099s shall be issued for the above payments: (a) OEHHA, P.O. Box 4010, Sacramento, CA, 95814 (EIN: 68-0284486); and (b) Dr. Whitney Leeman, whose information shall be provided five calendar days before the payment is due. Leeman shall bear all responsibility for paying to the State of California the appropriate amount in accordance with this section.

(b) The parties have agreed on the reasonable attorneys' fees and costs to be paid Leeman. Specifically, Universal Studios shall pay Leeman and her counsel a total of \$28,000, to be delivered no later than the Effective Date. The payment shall be made payable to Hirst & Chanler LLP and delivered to the address above.

(c) Except as specifically provided in this Agreement, Universal Studios shall have no further obligation with regard to the payment of statutory penalties, the reimbursement of Leeman's attorneys' fees and costs or any other available monetary or equitable relief with regard to the Products covered in this action.

#### **7. Release of all Claims.**

(a) Leeman's Release. In further consideration of the representations, warranties and commitments, monetary and otherwise herein contained, Leeman, on behalf of herself, her past and current agents, representatives, attorneys, successors, assignees, or any person or entity who may now or in the future claim through

her in a derivative manner, and in the interest of the general public, hereby waives all rights to institute or participate in, directly or indirectly, any form of legal action and releases all claims, including, without limitation, all actions, causes of action, in law or equity, suits, liabilities, demands, obligations, damages, costs, fines, penalties, losses or expenses (including, but not limited to, investigation fees, expert fees and attorneys' fees) of any nature whatsoever, whether known or unknown, fixed or contingent, against Universal Studios and each of its distributors, wholesalers, licensors, licensees, franchisees, auctioneers, retailers, dealers, customers, owners, partners, members, purchasers, users, parent company, corporate (or company or partnership) affiliates, subsidiaries and their respective officers, directors, attorneys, representatives, shareholders, owners, partners, members, agents, representatives, insurers and employees (collectively, "Releasees") based on alleged exposures to any of the Listed Chemicals in the Products at the Restaurants pursuant to Proposition 65.

It is specifically understood and agreed that the Parties intend that compliance with the terms of this Agreement resolves all issues and liability, now and in the future, concerning a Releasee's compliance with the requirements of Proposition 65 as to the Listed Chemicals in or on the Products.

(b) Universal Studios' Release. Universal Studios waives all rights to institute any form of legal action against Leeman, or her attorneys or representatives, for any or all actions taken or statements made by Leeman or her attorneys or representatives, in the course of seeking enforcement of Proposition 65 in association with this matter.

- 8. Severability.** If any of the provisions of this Agreement are held by a court to be unenforceable, the validity of the enforceable provisions remaining shall not be adversely affected.

**9. Governing Law.** The terms of this Agreement shall be governed by the laws of the State of California and apply within the State of California. In the event that Proposition 65 is repealed or is otherwise rendered inapplicable by force of law, whether generally or as to the Products or Listed Chemicals specifically, then Universal Studios shall have no further obligations pursuant to this Agreement with respect to, and to the extent that, those Products are so affected.

**10. Notices.** All correspondence and notices required to be provided pursuant to this Agreement shall be in writing and personally delivered or sent by: (i) first-class, registered, certified mail, return receipt requested, or (ii) overnight courier on either Party by the other at the addresses listed below. Either Party, from time to time, may specify a change of address to which all notices and other communications shall be sent.

**For Leeman:**  
Proposition 65 Coordinator  
Hirst & Chanler LLP  
2560 Ninth Street  
Parker Plaza, Suite 214  
Berkeley, CA 94710-2565

**For Universal Studios:**  
Donald C. Nanney, Esq.  
Gilchrist & Rutter Professional Corp.  
1299 Ocean Avenue, Suite 900  
Santa Monica, CA 90401

**11. Counterparts; Facsimile Signatures.** This Agreement may be executed in counterparts and by facsimile, each of which shall be deemed an original, and all of which when taken together, shall constitute one and the same document.

**12. Compliance with Health & Safety Code § 25249.7(f).** Leeman agrees to comply with the reporting requirements of Health & Safety Code § 25249.7(f). Pursuant to regulations promulgated under that section, Leeman shall report this Agreement to the California Attorney General's Office within five (5) days after receiving all of the necessary signatures.

**13. Additional Post-Execution Activities.** The Parties shall work diligently and in good faith with respect to any required post-execution activities.

**14. Modification.** This Agreement may be modified only by a written agreement of the Parties. Leeman shall serve the Attorney General with notice of any such proposed modification.

**15. Application of Agreement.** This Agreement shall apply to, be binding upon, and inure to the benefit of the Parties hereto, their divisions, subdivisions, and subsidiaries, and the successors to, assigns of and those in privity-of-interest with, any of them.

**16. Authorization.** The undersigned are authorized to execute this Agreement on behalf of their respective Parties and have read, understood and agree to all of the terms and conditions of this Agreement.

**AGREED TO:**

Date: 11/5/08

*Whitney R. Leeman*  
WHITNEY R. LEEMAN, Ph.D.  
"Leeman"

**APPROVED AS TO FORM:**

HIRST & CHANLER LLP

By: *[Signature]*  
Name: *Paula Lorie*  
Title: *Attorney at Law*

**AGREED TO:**

Date: \_\_\_\_\_

UNIVERSAL CITY STUDIOS LLLP, L.P.

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
"Universal Studios"

**APPROVED AS TO FORM:**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

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**AGREED TO:**

Date: \_\_\_\_\_

\_\_\_\_\_  
WHITNEY R. LEEMAN, Ph.D.  
"Leeman"

**APPROVED AS TO FORM:**

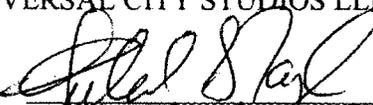
HIRST & CHANLER LLP

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

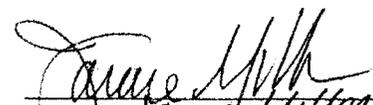
**AGREED TO:**

Date: 11.06.08

UNIVERSAL CITY STUDIOS LLLP, L.P.

By:   
Name: Michael S Taylor  
Title: Vice President  
"Universal Studios"

**APPROVED AS TO FORM:**

By:   
Name: James Miller  
Title: Vice President