

SETTLEMENT AGREEMENT AND RELEASE

This Settlement Agreement and Release (the “Agreement”) is between Center for Environmental Health (“CEH”) and ACT Global Trading, Inc. (“ACT”) (together, the “Parties”).

1. INTRODUCTION

1.1 On March 2, 2011, CEH, a non-profit corporation acting in the public interest, served Best Buy Co., Inc., Best Buy Stores, L.P. (collectively “Best Buy”), ACT, and the appropriate public enforcement agencies with a 60-day Notice (the “Notice”) alleging that Best Buy and ACT are in violation of Proposition 65.

1.2 The Notice stated that Best Buy and ACT manufacture, distribute and/or sell reusable shopping bags (the “Products”) containing lead and/or lead compounds (“Lead”) in the State of California, thereby exposing people who use or otherwise handle the Products to Lead, chemicals known to the State of California to cause cancer, birth defects and other reproductive harm, without first providing clear and reasonable warning to such persons regarding the carcinogenicity and reproductive toxicity of Lead. The Notice listed the same non-exclusive example of the Products at issue as to Best Buy and ACT. The Notice states that this conduct violates Health & Safety Code §25249.6, the warning provision of Proposition 65.

1.3 ACT manufactures, distributes and/or sells the Products, a percentage of which are retailed by others within the state of California for sale in California. Some of the Products are sold by Best Buy.

1.4 The Parties enter into this Agreement for the purpose of avoiding prolonged and costly litigation regarding Products manufactured, imported or sold, or caused to be manufactured, imported, or sold, by ACT irrespective of the identity of the ultimate seller of

the Products to consumers. 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 - REFORMULATION, TESTING, AND RECALL

2.1 Level. As of July 15, 2011 (the "Compliance Date"), ACT shall not manufacture, import, distribute, ship, or sell or cause to be manufactured, distributed or sold, any Product that is comprised of any material that contains Lead in concentrations that exceed 200 parts per million ("ppm").

2.2 Certification of level from suppliers. ACT shall issue specifications to all of its suppliers requiring that any material supplied for incorporation into a Product manufactured by ACT shall not contain Lead in concentrations exceeding 200 ppm. ACT shall obtain written certification from its suppliers certifying that the materials supplied for incorporation into a Product do not contain Lead in concentrations exceeding 200 ppm.

2.3 Testing. In order to ensure compliance with the requirements of Section 2.1, ACT shall regularly conduct (or cause to be conducted) testing to confirm that Products it manufactures, distributes, ships, or sells or causes to be manufactured, distributed or sold, are not comprised of any material that contains Lead in concentrations that exceed 200 ppm. All testing pursuant to this Section shall be performed by an independent laboratory either in accordance

with a total acid digest method such as EPA Method 3050B or using x-ray fluorescence (“XRF”) technology (the “Test Protocol”). The duration of any XRF testing shall be at least sixty seconds. The laboratory shall follow standard practices for calibrating and standardizing any XRF testing device that is used. The results of the testing performed pursuant to this Section shall be made available to CEH upon request.

3. SETTLEMENT PAYMENT

3.1 In consideration of the mutual covenants and releases provided in this Agreement, ACT shall pay a total of \$25,000 as a settlement payment according to the following schedule: (a) on or before September 1, 2011: \$12,500; and (b) on or before October 14, 2011: \$12,500. The payment due on September 1 shall be made in two separate checks as follows: (a) \$9,500 payable to Center for Environmental Health; and (b) \$3,000 payable to Lexington Law Group. The \$12,500 payment due on October 14 shall be made by check payable to Lexington Law Group. The total settlement amount shall be allocated as follows:

3.1.1 Penalty. ACT shall pay the sum of \$2,500 as a penalty pursuant to Health & Safety Code section 25249.7(b), such money to be apportioned by CEH in accordance with Health & Safety Code section 25249.12.

3.1.2 Monetary Payment in Lieu of Penalty. ACT shall pay the sum of \$7,000 as payment to CEH in lieu of penalty pursuant to Health & Safety Code section 25249.7(b). CEH will use such funds to continue its work educating and protecting people from exposures to toxic chemicals.

3.1.3 Reimbursement for Attorneys’ Fees and Costs. ACT shall pay the sum of \$15,500 as reimbursement of reasonable attorneys’ fees and any other costs incurred

as a result of investigating, bringing this matter to ACT's attention, and negotiating a settlement in the public interest.

4. CLAIMS RELEASED

4.1 In consideration of the mutual covenants provided in this Agreement, CEH hereby releases and discharges ACT, its parents, subsidiaries, affiliates, directors, officers, employees, agents, attorneys, distributors, and customers, including but not limited to Best Buy, with respect to any violation of Proposition 65 regarding the failure to warn about exposure to lead arising in connection with Products manufactured, distributed, or sold by ACT prior to the Effective Date. Compliance with the terms of this Agreement by ACT constitutes compliance with Proposition 65 by ACT for purposes of Lead exposures from the Products.

4.2 Within ten days of the Parties' execution of this Agreement, CEH shall dismiss Best Buy without prejudice from the pending action *Center for Environmental Health v. 99 Cents Stores Only, Inc. et al.*, Marin County Case No. CIV-1102577.

5. MODIFICATION OF AGREEMENT

5.1 This Agreement may be modified by written agreement of the Parties only.

6. APPLICATION OF 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. SEVERABILITY

7.1 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.

8. SPECIFIC PERFORMANCE

8.1 The parties expressly recognize that ACT's obligations under this Agreement are unique. In the event that ACT is found to be in breach of this Agreement for failure to comply with any provision, 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 ACT expressly waives the defense that a remedy in damages will be adequate.

9. GOVERNING LAW

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

10. ENFORCEMENT

10.1 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, 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.

11. PROVISION OF NOTICE

11.1 All notices required pursuant to this Agreement and correspondence shall be sent by first class mail and email to the following:

For CEH: Howard Hirsch
 Lexington Law Group
 503 Divisadero Street
 San Francisco, CA 94117
 hhirsch@lexlawgroup.com

For ACT: William T. DelHagen
 Murchison & Cumming LLP
 801 S. Grand Avenue, Ninth Floor
 Los Angeles, CA 90017
 WdelHagen@murchisonlaw.com

12. EXECUTION AND COUNTERPARTS

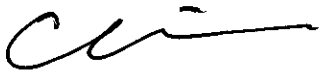
12.1 The stipulations to this Agreement may be executed in counterparts and by means of facsimile, which taken together shall be deemed to constitute one document.

13. AUTHORIZATION

13.1 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:

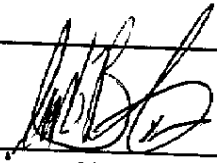
CENTER FOR ENVIRONMENTAL HEALTH



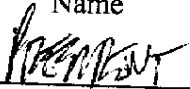
Charlie Pizarro, Associate Director
Center for Environmental Health

Dated: 7/13/11

ACT GLOBAL TRADING, INC.



Name



Title

Dated: 7/14/10