

## SETTLEMENT AGREEMENT

### 1. INTRODUCTION

**1.1 Parties.** This Settlement Agreement is entered into by and between Anthony E. Held, Ph.D., P.E. (“Held”) and Best Buy Stores, L.P. (“Best Buy”), with Held and Best Buy each individually referred to as a “Party” and collectively as the “Parties.” Held is an individual residing in California who seeks to promote awareness of exposures to toxic chemicals, and to improve human health by reducing or eliminating hazardous substances contained in consumer products. Best Buy employs ten or more persons and is a person in the course of doing business for purposes of the Safe Drinking Water and Toxic Enforcement Act of 1986, Health and Safety Code section 25249.6 *et seq.* (“Proposition 65”).

**1.2 General Allegations.** Held alleges that Best Buy manufactures, imports, sells, or distributes for sale in the state of California, pliers with vinyl/PVC grips containing di(2-ethylhexyl)phthalate (“DEHP”) without first providing the clear and reasonable warning required by Proposition 65. DEHP is listed pursuant to Proposition 65 as a chemical known to cause birth defects or other reproductive harm.

**1.3 Product Description.** The products covered by this Settlement Agreement are pliers with vinyl/PVC grips containing DEHP, including, but not limited to, those offered in connection with the *Dynex Computer Tool Set, #1171752, (UPC No. 6 00603 13251 3)* (collectively “Products.”)

**1.4 Notice of Violation.** On September 9, 2013, Held served Best Buy and the requisite public enforcement agencies with a 60-Day Notice of Violation (“Notice”), alleging that Best Buy violated Proposition 65 when it failed to warn its customers and consumers in California that the Products expose users to DEHP. To the best of the Parties’ knowledge, no public enforcer has commenced and is diligently prosecuting the allegations set forth in the Notice.

**1.5 No Admission.** Best Buy denies the material, factual, and legal allegations contained in the Notice and maintains that all of the products it has manufactured, sold, or distributed for sale in California, including the Products, have been, and are, in compliance with all laws. Nothing in this Settlement Agreement shall be construed as an admission by Best Buy of any fact, finding, conclusion of law, issue of law, or violation of law; nor shall compliance with this Settlement Agreement constitute or be construed as an admission by Best Buy of any fact, finding, conclusion of law, issue of law, or violation of law, the same being specifically denied by Best Buy. This Section shall not, however, diminish or otherwise affect Best Buy's obligations, responsibilities, and duties under this Settlement Agreement.

**1.6 Effective Date.** For purposes of this Settlement Agreement, the term "Effective Date" means December 1, 2014.

## **2. INJUNCTIVE RELIEF: REFORMULATION**

**2.1 Reformulated Products.** Commencing on the Effective Date, and continuing thereafter, Best Buy shall only purchase for sale or manufacture for sale in California, Reformulated Products. For purposes of this Settlement Agreement, "Reformulated Products" are Products that contain a maximum DEHP concentration of 1,000 parts per million when analyzed pursuant to U.S. Environmental Protection Agency testing methodologies 3580A and 8270C, or equivalent methodologies utilized by state and federal agencies to measure DEHP content in a solid substance.

## **3. MONETARY SETTLEMENT TERMS**

**3.1 Civil Penalty Payment.** Pursuant to Health and Safety Code section 25249.7(b), Best Buy shall pay \$2,500 in civil penalties within the later of 10 days of the Effective Date and Best Buy's receipt of Internal Revenue Service Forms W-9 from Held, OEHHA, and The Chanler Group. The penalty payment shall be allocated according to Health and Safety Code section 25249.12(c)(1) and (d), with 75% of the penalty amount (i.e., \$1,875) paid to the California Office of Environmental Health Hazard Assessment

(“OEHHA”) and the remaining 25% of the penalty (i.e., \$625) paid to “Anthony Held, Client Trust Account”.

**3.2 Attorney Fees and Costs.** The Parties reached an accord on the compensation due to Held and his counsel under general contract principles and the private attorney general doctrine codified at Code of Civil Procedure section 1021.5 for all work performed in this matter. Under these legal principles, Best Buy shall reimburse Held and his counsel \$27,000 for the fees and costs incurred investigating, bringing this matter to the attention of Best Buy’s management, and negotiating a settlement in the public interest.

**3.3 Payment Procedures.** With the exception of the final civil penalty payment, all payments owed under this Settlement Agreement are due within the later of ten days of the Effective Date and Best Buy’s receipt of Internal Revenue Service Forms W-9 from Held and The Chanler Group. Payments are to be delivered according to the following:

**3.3.1 Payment Address for Held.** All payments to Held and his counsel under this Settlement Agreement are to be delivered to the following address:

The Chanler Group  
Attn: Proposition 65 Controller  
2560 Ninth Street  
Parker Plaza, Suite 214  
Berkeley, CA 94710

**3.3.2 Payment Addresses for OEHHA.** All payments to OEHHA under this Settlement Agreement will be delivered directly to OEHHA (with “Prop 65 Penalties” noted in the Memo line) at one of the following addresses, as appropriate:

For United States Postal Delivery:

Mike Gyurics  
Fiscal Operations Branch Chief  
Office of Environmental Health Hazard Assessment  
P.O. Box 4010  
Sacramento, CA 95812-4010

For Non-U.S. Postal Delivery or Courier:

Mike Gyurics  
Fiscal Operations Branch Chief  
Office of Environmental Health Hazard Assessment  
1001 I Street  
Sacramento, CA 95812-4010

**3.3.3 Copy of Payments to OEHHA.** Best Buy agrees to provide Held's counsel with a copy of the check payable to OEHHA at the address provided in Section 3.3.1 .

**4. CLAIMS COVERED AND RELEASED**

**4.1 Held's Release of Best Buy.** This Settlement Agreement is a full, final, and binding resolution between Held and Best Buy of any violation of Proposition 65 that was or could have been asserted by Held, on behalf of himself, or on behalf of his past and current agents, representatives, attorneys, successors, and assignees, against Best Buy, its parents, subsidiaries, affiliated entities under common ownership, directors, officers, employees, attorneys, and each entity to whom Best Buy directly or indirectly distributes or sells the Products, including, without limitation, its downstream distributors, wholesalers, customers, retailers, franchisees, cooperative members, and licensees ("Releasees"), based on unwarned exposures to DEHP from Products manufactured, sold or distributed for sale in California by Best Buy prior to the Effective Date.

In further consideration of the promises and agreements herein contained, Held, on his own behalf and on behalf of his past and current agents, representatives, attorneys, successors, and/or assignees, hereby waives all rights to institute or participate in, directly or indirectly, any form of legal action, and releases all claims that he may have against Best Buy and Releasees, including, without limitation, all actions and causes of action, suits, liabilities, demands, obligations, damages, costs, fines, penalties, losses, or expenses, including, without limitation, investigation fees, expert fees, and attorneys' fees arising under Proposition 65 for unwarned exposures to DEHP from Products manufactured, sold,

or distributed for sale in California by Best Buy prior to the Effective Date. The releases provided by Held under this Settlement Agreement are provided solely on Held's behalf and are not releases on behalf of the public.

**4.2 Best Buy's Release of Held.** Best Buy, on its own behalf and on behalf of its past and current agents, representatives, attorneys, successors, and assignees, hereby waives any and all claims that it may have against Held and his attorneys and other representatives, for any and all actions taken or statements made (or those that could have been taken or made) by Held and his attorneys and other representatives, whether in the course of investigating claims, otherwise seeking to enforce Proposition 65 against it in this matter, or with respect to the Products.

**5. SEVERABILITY**

If, subsequent to the execution of this Settlement Agreement, any provision of this Settlement Agreement is held by a court to be unenforceable, the validity of the remaining provisions shall not be adversely affected.

**6. GOVERNING LAW**

The terms of this Settlement 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 reason of law generally, or as to the Products, then Best Buy may provide written notice to Held of any asserted change in the law, and have no further obligations pursuant to this Settlement Agreement, with respect to, and to the extent that, the Products are so affected.

**7. NOTICE**

Unless specified herein, all correspondence and notices required to be provided pursuant to this Settlement Agreement shall be in writing and sent by: (a) personal delivery; (b) first-class, registered or certified mail, return receipt requested; or (c) a recognized overnight courier on any Party by the other at the following addresses:

For Best Buy:

General Counsel  
Best Buy Co., Inc.  
7601 Penn Avenue South  
Richfield, MN 55423

With a copy to:

Gary J. Smith, Esq.  
Beveridge & Diamond, P.C.  
456 Montgomery St. Suite 1800  
San Francisco, CA 94104

For Held:

The Chanler Group  
Attn: Proposition 65 Coordinator  
2560 Ninth Street  
Parker Plaza, Suite 214  
Berkeley, CA 94710-2565

Any Party may, from time to time, specify in writing to the other Party a change of address to which all notices and other communications shall be sent.

**8. COUNTERPARTS; FACSIMILE SIGNATURES**

This Settlement Agreement may be executed in counterparts, and by facsimile or portable document format (PDF) signature, each of which shall be deemed an original, and all of which, when taken together, shall constitute one and the same document.

**9. POST-EXECUTION ACTIVITIES**

Held agrees to comply with the reporting form requirements referenced in Health and Safety Code section 25249.7(f).

**10. MODIFICATION**

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

11. **AUTHORIZATION**

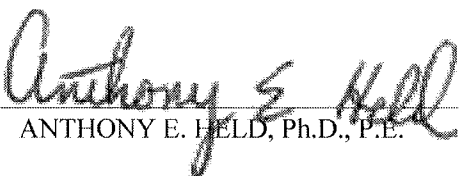
The undersigned are authorized to execute this Settlement Agreement on behalf of their respective Parties and have read, understood and agree to all of the terms and conditions of this Settlement Agreement.

**AGREED TO:**

**AGREED TO:**

Date: November 19, 2014

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

By:   
ANTHONY E. HELD, Ph.D., P.E.

By: \_\_\_\_\_  
Patrick McGinnis, Vice President  
BEST BUY STORES, L.P.

**11. AUTHORIZATION**

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

**AGREED TO:**

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

By: \_\_\_\_\_  
ANTHONY E. HELD, Ph.D., P.E.

**AGREED TO:**

Date: November 18, 2014

By:   
Patrick McGinnis, Vice President  
BEST BUY STORES, L.P.