

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 Great American Products, Ltd. and Dyna Group International (collectively “Great American”), with Held and Great American individually referred to as a “Party” and collectively as the “Parties.” Held is an individual residing in the State of California who seeks to promote awareness of exposures to toxic chemicals, and to improve human health by reducing or eliminating hazardous substances used in consumer products. Great American 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, California Health & Safety Code § 25249.6 *et seq.* (“Proposition 65”).

1.2 General Allegations

Held alleges that Great American manufactures, sells, and/or distributes for sale in California, vinyl/PVC beverage insulators that contain di(2-ethylhexyl)phthalate (“DEHP”). DEHP is listed pursuant to Proposition 65 as a chemical known to cause birth defects or other reproductive harm. Held alleges that Great American violated Proposition 65 when it failed to provide a consumer health hazard warning for individuals exposed to DEHP from its vinyl/PVC beverage insulators sold in California.

1.3 Product Description

The products that are covered by this Settlement Agreement are vinyl/PVC beverage insulators containing DEHP that are manufactured, sold and/or distributed for sale in California by Great American including, but not limited to, the *Jacksonville Jaguars Football Can Holder*, *Item #FBC2029*, *UPC #0 89006 76991 3*, and the *San Francisco 49ers Pint Glass with Wrap*, *#390057*, *#5179CC*, *GSHH-2013NFC*, *UPC#7 01535 08178 5* (“Products”).

1.4 Notice of Violation

On June 4, 2014, Held served Great American and the requisite public enforcement agencies with a 60-Day Notice of Violation (“Notice”) alleging that Great American 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

Great American denies the material, factual, and legal allegations contained in the Notice and maintains that all of the products that it has sold and distributed 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 Great American of any fact, finding, conclusion, issue of law, or violation of law, nor shall compliance with this Settlement Agreement constitute or be construed as an admission by Great American of any fact, finding, conclusion, issue of law, or violation of law, such being specifically denied by Great American. This Section shall not, however, diminish or otherwise affect Great American’s obligations, responsibilities, and duties under this Settlement Agreement.

1.6 Effective Date

For purposes of this Settlement Agreement, the term “Effective Date” shall mean October 15, 2014

2. INJUNCTIVE RELIEF: REFORMULATED PRODUCTS

Commencing on the Effective Date and continuing thereafter, Great American 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 no more than 1,000 ppm (0.1%) DEHP content in any component analyzed pursuant to EPA testing methodologies 3580A and 8270C, or equivalent methodologies used by state or federal agencies for purposes of determining DEHP content in a solid substance.

3. MONETARY SETTLEMENT TERMS

3.1 Civil Penalty Payments

Pursuant to Health and Safety Code section 25249.7(b)(2), and in settlement of all claims alleged in the Notice and referred to in this Settlement Agreement, Great American agrees to pay \$16,000 in civil penalties. Each penalty payment will be allocated in accordance with California Health and Safety Code section 25249.12(c)(1) & (d), with 75% of the penalty amount remitted to the California Office of Environmental Health Hazard Assessment (“OEHHA”) and the remaining 25% of the penalty amount remitted to Held.

3.1.1 Initial Civil Penalty. Within five days of the Effective Date, Great American shall make an initial civil penalty payment of \$4,000. Great American agrees to provide its payment in two checks for the following amounts made payable to: (a) “OEHHA” in the amount of \$3,000 ; and (b) “Anthony Held, Client Trust Account” in the amount of \$1,000.

3.1.2 Final Civil Penalty. On December 15, 2014, Great American shall pay a final civil penalty of \$12,000. The final civil penalty shall be waived in its entirety if, no later than December 1, 2014, an officer of Great American provides Held’s counsel with written certification that, as of the date of the certification, all of the Products Great American ships or distributes for sale in California are Reformulated Products, and that it will continue to only offer Reformulated Products in California in the future. Alternatively, Great American may certify that it is no longer offering the Products for sale in the California market, and that it will only recommence sales of the Products upon obtaining a commitment from its vendor or other supplier that one-hundred percent of the Products procured for sale in California are Reformulated Products as defined by section 2. The option to provide a written certification in lieu of making the final civil penalty payment otherwise required by this Agreement is a material term, and time is of the essence.

3.2 Reimbursement of Held’s Attorneys’ 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, within five days of the Effective Date, Great American agrees to pay \$23,500 for all fees and costs incurred investigating, bringing this matter to the attention of Great American's management, and negotiating a settlement in the public interest.

3.3 Payment Procedures

3.3.1 Payment Addresses. Payments shall be delivered as follows:

(a) All payments to Held and his counsel under this Settlement Agreement shall be delivered to:

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

(b) All payments to OEHHA under this Settlement Agreement shall be delivered directly to OEHHA (Memo line "Prop 65 Penalties") at one of the following addresses as appropriate:

For United States Postal Service Delivery:

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

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

Mike Gyurics
Fiscal Operations Branch Chief
Office of Environmental Health Hazard Assessment
1001 I Street
Sacramento, CA 95814

3.3.2 Proof of Payment to OEHHA. Great American agrees to provide Held with a copy of each penalty check sent to OEHHA, enclosed with its penalty payment(s) to

Held.

4. CLAIMS COVERED AND RELEASED

4.1 Held's Release of Great American

This Settlement Agreement is a full, final and binding resolution between Held and Great American, of any violation of Proposition 65 that Held has or could have asserted, on his own behalf, or on behalf of his past and current agents, representatives, attorneys, successors and assignees, against Great American, and its parents, subsidiaries, affiliated entities under common ownership, directors, officers, employees, attorneys, and each entity to whom Great American directly or indirectly distributes or sells Products, including but not limited to downstream distributors, wholesalers, customers, retailers, franchisees, cooperative members, licensors, and licensees ("Releasees"), based on the alleged failure to warn about exposures to DEHP from the Products sold or distributed for sale by Great American prior to the Effective Date, as alleged in the Notice.

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 assignees, hereby waives any right to institute or participate in, directly or indirectly, any form of legal action and releases all claims that he may have, including, without limitation, all actions and causes of action in law and in equity, all suits, liabilities, demands, obligations, damages, costs, fines, penalties, losses, or expenses including, but not exclusively, investigation fees, expert fees, and attorneys' arising under Proposition 65 with respect to alleged or actual exposures to DEHP from Products sold or distributed for sale by Great American before the Effective Date, as alleged in the Notice. 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 Great American's Release of Held

Great American, on its own behalf, and on behalf of its past and current agents, representatives, attorneys, successors, and assignees, hereby waives any and all claims 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 of the provisions of this Settlement Agreement are deemed by a court to be unenforceable, the validity of the enforceable provisions remaining 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 Great American may provide written notice to Held of any asserted change in the law, and shall 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 Great American:

Roger Tuttle, President
Jeff Smith, General Manager
Great American Products, Ltd.
1661 South Seguin Avenue
New Braunfels, TX 78130

For Held:

The Chanler Group
Attn: Prop 65 Coordinator
2560 Ninth St.
Parker Plaza, Suite 214
Berkeley, CA 94710-2565

Any Party may, from time to time, specify in writing to the other 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. COMPLIANCE WITH HEALTH & SAFETY CODE § 25249.7(f)

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

10. MODIFICATION

This Settlement Agreement may be modified only by 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:

Date: APPROVED
By Tony Held at 4:33 pm, Oct 15, 2014

By: Anthony E Held
ANTHONY E HELD, PH.D., P.E.

AGREED TO:

Date: 10-1-2014

By: Roger R Tuttle
Roger Tuttle, President
GREAT AMERICAN PRODUCTS, LTD.