

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 Safariland, LLC (“Safariland”), with Held and Safariland each 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. Safariland 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 Safariland manufactures, imports, sells or distributes for sale, in California, shooting glasses containing di(2-ethylhexyl)phthalate (“DEHP”) and that it does so without first providing the health hazard 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 shooting glasses made with components containing DEHP that are manufactured, imported, distributed, sold or offered for sale in California by Safariland including, but not limited to, the *Glock Range Kit (Shooting Glasses)*, AP60214, UPC #7 64503 60214 6 (hereinafter, “Products”).

1.4 Notices of Violation

On December 13, 2017, Held served Glock, Inc. (“Glock”), the California Attorney General, and other requisite public enforcers with a 60-Day Notice of Violation (“Notice”), alleging that the sale and distribution of the Products violated Proposition 65 when the Products were sold and offered for sale without proper warnings regarding the health risks associated with

exposures to DEHP from the Products to customers and consumers in California.

On February 14, 2018, Held served a Supplemental 60-Day Notice of Violation (“Supplemental Notice”) alleging that, in addition to Glock, Safariland also violated Proposition 65 by failing to warn its customers and consumers in California of the health hazards associated with exposures to DEHP from the Products it offered for sale in California, including its sales to Glock. Hereinafter, the Notice and Supplemental Notice will be referred to, collectively, as the “Notices” and the Parties agree that this Settlement Agreement is intended to resolve the claims alleged in both the Notice and the Supplemental Notice. To the best of the Parties’ knowledge, no public enforcer has commenced and is diligently prosecuting an action to enforce the violations alleged in the Notice.

1.5 No Admission

Safariland denies the material factual, and legal allegations in the Notices, and maintains that all of the products it has manufactured, imported, distributed and/or sold 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 Safariland 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 Safariland of any fact, finding, conclusion of law, issue of law, or violation of law, such being specifically denied by Safariland. This Section shall not, however, diminish or otherwise affect Safariland’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 July 13, 2018.

2. INJUNCTIVE RELIEF: REFORMULATED PRODUCTS & WARNINGS

Commencing on the Effective Date and continuing thereafter, Safariland agrees to only ship for sale, sell, or offer for sale, in California, Products that are either (a) Reformulated Products, as defined, pursuant to Section 2.1; or (b) Products bearing one of the Proposition 65-


compliant warnings, as provided in Sections 2.2 and 2.3, below.


2.1 Reformulated Products Defined

For purposes of this Settlement Agreement, “Reformulated Products” are defined as Products containing DEHP in maximum concentrations of less than 0.1 percent (1,000 parts per million) in any Accessible Component when analyzed by a laboratory accredited by the State of California, a federal agency, or a nationally accrediting organization. For purposes of this Settlement Agreement, "Accessible Component" is defined as a component of a Product that can be touched by a person during normal, intended and reasonable foreseeable use of the Product. Products that meet the definition of Reformulated Products are exempt from the warning requirements of Health & Safety Code § 25249.6. For purposes of compliance with this reformulation standard, testing samples shall be prepared and extracted using Consumer Product Safety Commission (“CPSC”) methodology CPSC-CH-C1001.09.3 and analyzed using U.S. Environmental Protection Agency (“EPA”) methodology 8270D, or other methodologies utilized by federal or state agencies for the purpose of determining DEHP content in a solid substance.

2.2 Clear and Reasonable Warnings

As an alternative to reformulating the Products, commencing on the Effective Date and continuing thereafter, for all Products that do not qualify as Reformulated Products, as set forth in Section 2.1 above, Safariland agrees to provide clear and reasonable warnings, as set forth in this Section or provided for in Cal. Code. Regs. § 25601 *et seq.*, for all Products shipped for sale, sold or offered for sale in California. Each warning shall be prominently placed with such conspicuousness as compared with other words, statements, designs, or devices as to render it likely to be read and understood by an ordinary individual under customary conditions *before* purchase or use. Each warning shall be provided in a manner such that the consumer or user understands to which *specific* Product the warning applies, so as to minimize the risk of consumer confusion. For purposes of this Settlement Agreement, a clear and reasonable warning displayed or transmitted according the above criteria, and containing one of the following statements, shall satisfy these requirements:

 **WARNING:** This product can expose you to chemicals, including DEHP, which is known to the State of California to cause birth defects or other reproductive harm. For more information go to www.P65Warnings.ca.gov

 **WARNING:** This product can expose you to chemicals, including Di(2-ethyhexyl) phthalate (DEHP) which is known to the State of California to cause cancer and birth defects or other reproductive harm. For more information go to www.P65Warnings.ca.gov

Or, if placed directly on a Product or the Product's packaging and/or labeling, Safariland may use the following short-form warning statement, provided it appears in a type size no smaller than the largest type size used for other consumer information on the Product's label and in no case smaller than 6-point type:

 **WARNING:** Cancer and Reproductive Harm - www.P65Warnings.ca.gov/product

The parties understand that the foregoing warnings are not the exclusive methods allowable under the law and agree that other methods of providing Product warnings, as set forth in Cal. Code Regs. Title 27 §§ 25602 and 25603., shall be deemed to comply with this Settlement Agreement.,

2.3 Internet Product Warnings

In the event Safariland sells Products that do not qualify as Reformulated Products via the internet to customers located in California, the warning requirements of this Section shall be satisfied if, prior to purchase: (a) one of the foregoing warnings, described in Section 2.2, appears on the same page, in the same type size or larger than the Product description text, as the Product; (b) a warning appears on the same web page as the price for the Product, in the same type size or larger than the Product description text; (c) a warning appears on one or more web pages displayed to the consumer prior to purchase, in the same type size or larger than the Product description text; or (d) a hyperlink, clearly marked "WARNING," appears on the Product display page, in type large enough so that the consumer does not have to search for it,

and a prominently placed warning appears elsewhere, such as on the Product description page, in a manner that clearly associates it with the Product to which the warning applies, prior to checkout or purchase.

3. MONETARY SETTLEMENT TERMS

3.1 Civil Penalty Payment

Pursuant to Health and Safety Code § 25249.7(b), and in settlement of all the claims alleged in the Notices and referred to in this Settlement Agreement, within five days of the Effective Date, Safariland agrees to pay \$3,000 in civil penalties. The civil penalty payment shall be allocated according to Health and Safety Code §§ 25249.12(c)(1) and (d), with seventy-five percent (75%) of the penalty paid to the California Office of Environmental Health Hazard Assessment (“OEHHA”), and the remaining twenty-five percent (25%) of the penalty paid to Held. Safariland shall issue its payment in two checks for the following amounts: (a) “OEHHA” in the amount of \$2,250; and (b) “Anthony E. Held, Client Trust Account” in the amount of \$750. Held’s counsel shall be responsible for delivering OEHHA’s portion of any penalty payment made under this Settlement Agreement.

3.2 Attorneys’ Fees and Costs

The parties acknowledge that Held and his counsel offered to resolve this dispute without reaching terms on the amount of fees and costs to be reimbursed to them, thereby leaving the issue to be resolved after the material terms of this Settlement Agreement had been settled. After the Parties reached an agreement as to all other settlement terms, the Parties then reached an accord on the compensation due to Held and his counsel, under general contract principles and the private attorney general doctrine, codified at California Code of Civil Procedure § 1021.5, for all work performed through the mutual execution of this Settlement Agreement. Under these legal principles, within five days of the Effective Date, Safariland agrees to pay \$26,000 to Held and his counsel for all fees and costs incurred in investigating, bringing this matter to the attention of Safariland’s management, and negotiating a settlement in the public interest. Safariland’s payment shall be delivered in the form of a check payable to “The Chanler Group.”

3.3 Payment Address

All payments required by this Settlement Agreement shall be delivered to:

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

4. CLAIMS COVERED AND RELEASED

4.1 Held's Release of Safariland

This Settlement Agreement is a full, final, and binding resolution between Held, on his own behalf and not on behalf of the public, and Safariland, of any violation of Proposition 65 that was or could have been asserted by Held, on his own behalf, on behalf of his past and current agents, representatives, attorneys, successors, and assignees, against Safariland, its parents, subsidiaries, affiliated entities under common ownership, directors, officers, employees, attorneys, and each entity to whom Safariland directly or indirectly distributes or sells Products, including, but not limited, to its downstream distributors, wholesalers, customers, including, without limitation, Glock, retailers, franchisees, cooperative members, and licensees (collectively "Releasees"), based on the failure to warn about exposures to DEHP in Products manufactured, distributed, sold or offered for sale in California by Safariland before the Effective Date, as alleged in the Notice.

In further consideration of the promises and agreements herein contained, Held, on his own behalf and not on behalf of the public, on behalf of his past and current agents, representatives, attorneys, successors, and assignees, hereby waives any and all rights that he may have to institute or participate in, directly or indirectly, any form of legal action, and releases all claims against Safariland and Releasees including, without limitation, all actions and causes of action, suits, liabilities, demands, obligations, damages, costs, fines, penalties, losses, expenses, investigation fees, expert fees, and attorneys' fees arising under Proposition 65 with respect to the alleged or actual failure to warn about exposures to DEHP in Products manufactured, distributed, sold or offered for sale by Safariland, including without limitation to

Glock, before 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 Safariland's Release of Held

Safariland, 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 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 otherwise rendered inapplicable by reason of law generally, or as to the Products, then Safariland may provide written notice to Held of any asserted change in the law, and shall have no further injunctive 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 notice 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 Safariland:

Scott O'Brien, President
Safariland, LLC
3120 E. Mission Blvd.
Ontario, CA 91761

with a copy to:

John Allen, Esq.
Allen Matkins Leck Gamble Mallory & Natsis LLP
865 S. Figueroa Street, Suite #2800
Los Angeles, CA 90017-2543

For Held:

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

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 § 25249.7(f).

10. MODIFICATION

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

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11. AUTHORIZATION

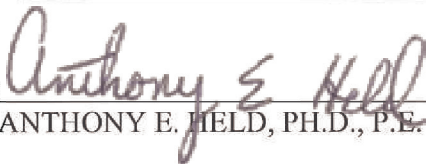
The undersigned are authorized to execute this Settlement Agreement on behalf of their respective Parties and have read, understood, and agree to all of the terms and conditions of this Settlement Agreement.

AGREED TO:

AGREED TO:

Date: 7/15/2018

Date: 7/10/18

By: 
ANTHONY E. HIELD, PH.D., P.E.

By: 
Scott O'Brien, President
SAFARILAND, LLC