

SETTLEMENT AGREEMENT

1. INTRODUCTION

1.1 Parties

This Settlement Agreement is entered into by and between Paul Wozniak (“Wozniak”) and Green Crystal Aromas Inc. (“Green Crystal”), with Wozniak and Green Crystal collectively referred to as the “Parties” and individually as a “Party.” Wozniak is an individual residing in the State of California who seeks to promote awareness of exposures to toxic chemicals and improve human health by reducing or eliminating hazardous substances contained in consumer products. Green Crystal 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

Wozniak alleges that Green Crystal manufactures, distributes, sells, and/or offers for sale glass containers for reed diffusers with exterior designs containing lead in the State of California without the requisite Proposition 65 health hazard warning. Lead is listed pursuant to Proposition 65 as a chemical known to the State of California to cause birth defects and other reproductive harm.

1.3 Product Description

The products that are covered by this Settlement Agreement are defined as glass containers for reed diffusers with exterior designs containing lead including, but not limited to, the *Spiced Pumpkin High Fragrance Reed Diffuser, SZFX13-8058-1, #400097478308*, which were distributed by Green Crystal to Ross Stores, Inc. (“Ross Stores”) and sold and/or offered for sale in the State of California by Ross Stores, hereinafter referred to as the “Products.”

1.4 Notice of Violation

On or about May 21, 2014, Wozniak served Ross Stores, Green Crystal and various public enforcement agencies with a document entitled “Supplemental 60-Day Notice of Violation” (“Notice”), alleging that Green Crystal and Ross Stores were in violation of

Proposition 65 for failing to warn their customers and consumers in the State of California that the Products exposed users to lead. 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

Green Crystal denies the material, factual, and legal allegations contained in the Notice and maintains that all of the products it has manufactured, imported, distributed, sold and/or offered for sale in the State of 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 Green Crystal 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 Green Crystal of any fact, finding, conclusion of law, issue of law, or violation of law, such being specifically denied by Green Crystal. This Section shall not, however, diminish or otherwise affect Green Crystal'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 December 19, 2014.

2. INJUNCTIVE RELIEF: REFORMULATION

2.1 Reformulated Products

Commencing on or before the Effective Date, any Products that Green Crystal manufactures for sale in California, distributes for sale in California, or ships to California shall be Reformulated Products. For purposes of this Settlement Agreement, Reformulated Products are Products that comply with Section 2.2.

2.2 Reformulation Standards

Reformulated Products are those Products that do not exceed any one of the lead limit standards outlined in Sections 2.2.1, 2.2.2 or 2.2.3 below.

2.2.1 Wipe Test-Based Standard

Reformulated Products shall yield a maximum result of 1.0 microgram (“ug”) residual lead content by weight on any surface with exterior designs sampled pursuant to the NIOSH 9100 sampling protocol and analyzed pursuant to EPA Analytical Methods 3050B and/or 6020A(ICP/MS).

2.2.2 Content-Based Standard

Exterior designs must only utilize materials that contain a maximum of 90 parts per million (“ppm”) lead by weight as measured either before or after the material is fired onto (or otherwise affixed to) the Product, using EPA Test Method 3050B.¹

2.2.3 Total Acetic-Acid Immersion Test-Based Standard

A Reformulated Product achieves a result of 0.99 ppm (.0099%) or less lead after correcting for internal volume, when tested pursuant to American Society of Testing and Materials (“ASTM”) Standard Test C927-99 test method, modified for total immersion with results corrected for internal volume.

3. PENALTIES PURSUANT TO HEALTH & SAFETY CODE § 25249.7(b)

In settlement of all the claims referred to in this Settlement Agreement, Green Crystal shall pay a total of \$14,500 in civil penalties in accordance with this Section. Each penalty payment will be allocated in accordance with California Health & Safety Code §§ 25249.12(c)(1) & (d), with 75% of the funds remitted to the California Office of Environmental Health Hazard Assessment (“OEHHA”) and the remaining 25% of the penalty remitted to Wozniak, as follows:

3.1 Initial Civil Penalty

Green Crystal shall pay an initial civil penalty in the amount of \$4,500 on or before the Effective Date. Green Crystal shall issue two separate checks to: (a) “OEHHA” in the amount of

¹ If the exterior design is tested after it is affixed to a Product, the percentage of lead by weight must relate only to the decorating material and must not include any quantity attributable to any non-decorating material (e.g. the ceramicware substrate).

\$3,375; and (b) “Paul Wozniak, Client Trust Account” in the amount of \$1,125. All penalty payments shall be delivered to the addresses listed in Section 3.3 below.

3.2 Final Civil Penalty

Green Crystal shall pay a final civil penalty of \$10,000 on or before January 15, 2015, the final civil penalty shall be waived in its entirety, however, if, no later than January 1, 2015, an officer of Green Crystal provides Wozniak with written certification that, as of the date of such certification and continuing into the future, Green Crystal has met the requirements of Section 2.1 for the Products. The certification in lieu of a final civil penalty payment provided by this Section is a material term, and time is of the essence. Green Crystal shall issue two separate checks for its final civil penalty payments to: (a) “OEHHA” in the amount of \$7,500; and (b) “Paul Wozniak, Client Trust Account” in the amount of \$2,500.

3.3 Payment Procedures

3.3.1 Issuance of Payments. Payments shall be delivered as follows:

(a) All payments owed to Wozniak, pursuant to Sections 3.1 and 3.2, shall be delivered to the following payment address:

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

(b) All payments owed to OEHHA, pursuant to Sections 3.1 and 3.2, shall be delivered directly to OEHHA (Memo line “Prop 65 Penalties”) at the following addresses:

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 Non-United States Postal Service Delivery:

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

With a copy of the checks payable to OEHHA mailed to The Chanler Group at the address set forth above in 3.3.1(a), as proof of payment to OEHHA.

4. REIMBURSEMENT OF FEES AND COSTS

The Parties acknowledge that Wozniak 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 this fee issue to be resolved after the material terms of the agreement had been settled. Green Crystal then expressed a desire to resolve the fee and cost issue shortly after the other settlement terms had been finalized. The Parties then attempted to (and did) reach an accord on the compensation due to Wozniak 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 agreement. Green Crystal shall pay \$25,000 for fees and costs incurred as a result of investigating, bringing this matter to Green Crystal's attention, and negotiating a settlement in the public interest. Green Crystal shall issue a check payable to "The Chanler Group" and shall deliver payment on or before the Effective Date to the address listed in Section 3.3.1(a) above.

5. RELEASES

5.1 Wozniak's Release of Green Crystal

This Settlement Agreement is a full, final and binding resolution between Wozniak, in his individual capacity and not on behalf of the public, and Green Crystal, of any violation of Proposition 65 that was or could have been asserted by Wozniak on behalf of himself, his past and current agents, representatives, attorneys, successors, and/or assignees, against Green Crystal, Ross Stores, Inc., and their respective parents, subsidiaries, affiliated entities under common ownership, directors, officers, employees, attorneys (collectively referred to as

“Releasees”) based on any failure to warn about alleged exposures to lead contained in the Products that were manufactured, distributed, sold, and/or offered for sale by Green Crystal in the State of California before the Effective Date. Green Crystal and Wozniak, in his individual capacity only, agree that compliance by Green Crystal with the terms of this Settlement Agreement shall constitute compliance with Proposition 65 with respect to any lead in the Products.

In further consideration of the promises and agreements herein contained, Wozniak, in his individual capacity only, on behalf of himself, his past and current agents, representatives, attorneys, successors, and/or assignees, hereby waives all his rights to institute or participate in, directly or indirectly, any form of legal action and releases all claims that he may have with respect to the Releasees, including, without limitation, all actions, and causes of action, in law or in equity, suits, liabilities, demands, obligations, damages, costs, fines, penalties, losses, or expenses -- including, but not limited to, investigation fees, expert fees, and attorneys’ fees, but exclusive of fees and costs on appeal -- limited to and arising under Proposition 65 with respect to lead in the Products that were manufactured, distributed, sold and/or offered for sale by Green Crystal before the Effective Date.

5.2 Green Crystal’s Release of Wozniak

Green Crystal, on behalf of itself, its past and current agents, representatives, attorneys, successors, and/or assignees, hereby waives any and all claims against Wozniak 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 Wozniak 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.

6. SEVERABILITY

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

7. 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.

8. NOTICES

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

To Green Crystal:

Miya XU, President
Green Crystal Aromas Inc.
1835 South Del Mar Avenue, Suite 203
San Gabriel, CA 91776

To Wozniak:

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

With copy to:

Sarah Esmaili, Esq.
Arnold & Porter LLP
Three Embarcadero Center, 10th Floor
San Francisco, CA 94111

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.

9. 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.

10. POST-EXECUTION ACTIVITIES

Wozniak agrees to comply with the reporting form requirements referenced in Health & Safety Code § 25249.7, subdivision (f).

11. MODIFICATION

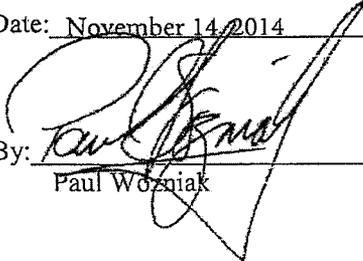
This Settlement Agreement may be modified only by a written agreement of the Parties.

12. 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.

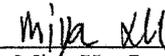
AGREED TO:

Date: November 14, 2014

By: 
Paul Wozniak

AGREED TO:

Date: December 4, 2016

By: 
Miya Xu, President
Green Crystal Aromas Inc.