

SETTLEMENT AGREEMENT

Sara Hammond (“Hammond”) and Argento SC by Sicura Inc. (“Argento”), with Hammond and Argento each individually referred to as a “Party” and collectively as the “Parties”, enter into this Agreement (“Settlement Agreement” or “Agreement”) for the purpose of avoiding prolonged and costly litigation to settle Hammond’s allegations that Argento violated Proposition 65, which allegations Argento expressly denies. The effective date of this Settlement Agreement shall be the date upon which it is fully executed by all Parties hereto (“Effective Date”).

1. Introduction

- 1.1. Hammond is an individual who seeks to promote awareness of exposures to toxic chemicals and improve human health by reducing or eliminating hazardous substances contained in consumer and industrial products.
- 1.2. Argento sold, imported, distributed, or manufactured weighted exercise balls (for example, the TKO 6 lb Medicine Ball, the TKO 8 lb Medicine Ball and the TKO 10 lb Medicine ball) (the TKO weighted Medicine Balls and/or weighted Exercise Balls of **any** weight are referred to throughout this Agreement as the “Covered Products”).
- 1.3. Hammond alleges that the Covered Product contains Di(2-ethylhexyl)phthalate (“DEHP”), also known as Diethyl Hexyl Phthalate and Bis (2-ethylhexyl) phthalate, and that Argento did not provide a required Proposition 65 warning in compliance with the California Safe Drinking Water and Toxic Enforcement Act of 1986 (Cal. Health & Safety Code § 25249.5, *et seq.* (“Proposition 65”).
- 1.4. On January 1, 1988 the Governor of California added DEHP to the list of chemicals known to the State to cause cancer, and on October 24, 2003, the Governor added DEHP to the list of chemicals known to the State to cause developmental male reproductive toxicity.
- 1.5. DEHP is referred to hereafter as the “Listed Chemical.”

- 1.6. On or about February 9 and March 2, 2017, Hammond alleges she served Argento, TJX Companies, Inc., Marmaxx Operating Corp., Marshalls and related entities (the “Covered Parties”) and certain relevant public enforcement agencies with Sixty-Day Notices of Violation that were sent pursuant to California Health & Safety Code § 25249.7(d) alleging the Covered Products contained the Listed Chemical (the “Notices”).
- 1.7. The Notices alleged that Argento violated Proposition 65 by failing to warn consumers in California that use of the Covered Products expose persons to the Listed Chemical.
- 1.8. The Parties enter into this Settlement Agreement to settle disputed claims between them concerning the Parties’ and the Covered Products’ compliance with Proposition 65 (the “Dispute”).
- 1.9. Argento expressly denies Hammond’s allegations described in this Settlement Agreement and in the Notices.
- 1.10. Argento denies the material, factual and legal allegations in the Notice, and maintains that all of the products that it has manufactured, sold and distributed for sale in California, including the Covered Products, have been and are, in compliance with all laws. By execution of this Settlement Agreement, Argento does not admit any facts or conclusions of law, including, but not limited to, any facts or conclusions of law regarding any violation of Proposition 65, or any other statutory, regulatory, common law, or equitable doctrine. Nothing in this Settlement Agreement shall be construed as an admission by Argento of any fact, finding, conclusion, issue of law, or violation of law, such being specifically denied by Argento. Nothing in this Settlement Agreement, nor compliance with its terms, shall constitute or be construed, considered, offered, or admitted as evidence of an admission or evidence of fault, wrongdoing, or liability by Argento, its officers, directors, employees, agents or parents, subsidiaries or affiliated corporations or companies, lawyers, insurers, licensees, licensors, suppliers, distributors

or retailers of its products, in any administrative or judicial proceeding or litigation in any court, agency, or forum. Except as to the Parties' obligations, responsibilities and duties under this Settlement Agreement, nothing in this Settlement Agreement shall prejudice, waive, or impair any right, remedy, argument, or defense that Argento may have in any other legal proceeding.

2. Release

- 2.1. This Settlement Agreement is a full, final, and binding resolution between Hammond, acting in her individual capacity, on the one hand, and (a) Argento, and its owners, parents, subsidiaries, affiliates, sister and related companies, licensees, licensors, suppliers, employees, shareholders, members, officers, directors, insurers, attorneys, predecessors, successors, and assigns (collectively "Releasees") and (b) all entities to whom Releasees directly or indirectly provide, distribute, or sell the Covered Products, including, but not limited, to TJX Companies, Inc., Marmaxx Operating Corp. Marshalls and related entities and affiliated entities, distributors, wholesalers, customers, retailers, franchisees, and cooperative members ("Downstream Releasees"), on the other hand, of any violation(s) or claimed violation(s) of Proposition 65 or any statutory or common law claim that has been, could have been or may in the future be asserted against the Releasees and Downstream Releasees regarding exposing persons to any Proposition 65 listed chemical or the failure to warn about exposure to any Proposition 65 listed chemical arising in connection with the Covered Products sold or otherwise distributed by Argento prior to the Effective Date, even if sold by Downstream Releasees after the Effective Date.
- 2.2. Hammond, on behalf of herself and her past and current agents, representatives, attorneys, successors, and/or assignees, hereby waives and releases with respect to the Covered Products all rights to institute or participate in, directly or indirectly, any form of

legal action, 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) (collectively "Claims"), against Releasees and the Downstream Releasees that arise under Proposition 65 or any other statutory or common law claims that were or could have been asserted in connection with the Covered Products sold or otherwise distributed by Argento up to the Effective Date, including without limitation to the extent that such claims relate to Releasees' or Downstream Releasees' alleged exposure of persons to any Proposition 65 listed chemicals contained in the Covered Products or any failure by Releasees or Downstream Releasees to warn about exposures to any Proposition 65 listed chemical contained in the Covered Products.

- 2.3. Hammond acknowledges that she is familiar with Section 1542 of Civil Code, which provides as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

Hammond, on behalf of herself and her past and current agents, representatives, attorneys, successors, and/or assignees expressly waives and relinquishes any and all rights and benefits which she may have under, or which may be conferred on her by the provisions of California Civil Code § 1542 as well as under any other state or federal statute or common law principle of similar effect, to the fullest extent that she may lawfully waive such rights or benefits pertaining to the released matters. The release in this section shall have no force or effect until the full amount of payments set forth below are paid in full.

2.4. Argento's release of Hammond

Argento, 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 Hammond and her attorneys and other representatives, whether in the course of investigating claims or seeking to enforce Proposition 65 against it in this matter, or with respect to the Covered Products.

3. Argento's Duties

3.1. Argento shall not sell the Covered Products for distribution in California in the future unless the product meets the reformulation standard set forth in Paragraph 3.2 or unless Argento provides a clear and reasonable warning for any non-reformulated Covered Products that it ships, sells, or offers to ship or sell in California.

3.2. For purposes of this Settlement Agreement, "Reformulated Covered Products" are Covered Products containing no more than 1,000 parts per million (0.1%) DEHP in any accessible component (i.e., any component that may be touched during use). In order to determine compliance with this reformulation standard, Argento may rely on third party testing from an accredited laboratory.

4. Payments

4.1. Argento agrees to pay a total of twenty eight thousand dollars (\$28,000), no later than five (5) days from the Effective Date. All payments shall be made by check and sent via overnight mail to plaintiff's counsel and addressed as follows:

Law Office of Joseph D. Agliozzo
18314 S. Broadway
Gardena, CA 90248

and further specified as follows:

4.1.1. Civil Penalty: Argento shall issue two separate checks for a total amount of one thousand dollars (\$1,000) as penalties pursuant to California Health & Safety Code § 25249.12 as follows: (a) one check made payable to the State of California's Office of Environmental Health Hazard Assessment (OEHHA) in the amount of seven hundred and fifty dollars (\$750), representing 75% of the total penalty; and (b) one check to Sara Hammond in the amount of two hundred fifty dollars (\$250), representing 25% of the total penalty. Additionally, two separate 1099's shall be issued for the above payments. The first 1099 shall be issued to OEHHA, PO Box 4010, Sacramento, CA 95184 (EIN: 68-0284486) in the amount of \$750. The second 1099 shall be issued in the amount of \$250 to Sara Hammond be addressed to Sara Hammond C/O The Law Office of Joseph D. Agliozzo and shall be delivered to the Law Office of Joseph D. Agliozzo, PO Box 3582, Manhattan Beach, CA 90266. Hammond shall provide Argento with her Social Security Number for completion of the Form 1099 by providing Argento with a W-9 for herself as further stated below.

4.1.2. Attorneys' Fees and Costs: Twenty seven thousand dollars (\$27,000) shall be paid to The Law Office of Joseph D. Agliozzo as Hammond's attorney, for reasonable investigation fees and costs, attorneys' fees, and other costs incurred as a result of investigating and bringing this matter to Argento's attention. On or before the Effective Date, Hammond shall provide Argento with a W-9 for The Law Office of Joseph D. Agliozzo.

5. Authority to Enter Into Settlement Agreement

5.1. Hammond represents that she has full authority to enter into and legally bind Hammond to this Settlement Agreement.

5.2. The person signing this Settlement Agreement on behalf of Argento represents and warrants that he/she has been granted full authority to enter into and legally bind Argento to this Settlement Agreement.

6. Report of the Settlement Agreement to the Office of the Attorney General of California

Hammond shall report this Settlement Agreement to the Attorney General's Office within five (5) days of the Parties' execution of this Settlement Agreement.

7. Execution in Counterparts and Facsimile

This Settlement Agreement may be executed in counterparts, which taken together shall be deemed to constitute the same document. A facsimile or portable document format (PDF) signature shall be as valid as the original as an electronic record executed and adopted by a Party with the intent to sign the electronic record pursuant to California Civil Code §§ 1633.1-1633.17.

8. Entire Agreement

This Settlement Agreement contains the sole and entire agreement and understanding of the Parties with respect to the subject matter hereof, and all related prior discussions, negotiations, commitments, and understandings. No other promises or agreements, oral or otherwise, exist to bind any of the Parties or are being relied on by any of the Parties in connection with the execution of this Settlement Agreement.

9. Modification of Settlement Agreement

Any modification to this Settlement Agreement shall be in writing and signed by the Parties.

10. Application of Settlement Agreement

This Settlement Agreement shall apply to, be binding upon, and inure to the benefit of, Hammond and the Releasees and Downstream Releasees identified in Section 2 above.

11. Enforcement of Settlement Agreement

Any party may file suit before the Superior Court of the County of Los Angeles, consistent with the terms and conditions set forth in this Settlement Agreement, to enforce the terms and conditions contained in this Settlement Agreement.

12. Notification Requirements

Any notice required or permitted hereunder shall be effective only if given in writing and delivered in person, certified or registered mail return receipt requested, or traceable overnight delivery service, to the following designees:

For Hammond:

Joseph D. Aglio.
Law Office of Joseph D. Aglio
PO Box 3582
Manhattan Beach, CA 90266

For Argento:

Jack Scaba
President and CEO
Argento SC by Sicura Inc.
1407 Broadway, Suite 2201
New York, NY 10018

With a copy to counsel for Argento:

Mark C. Levy, Esq.
Eckert Seamans Cherin & Mellott, LLC
50 South 16th Street, 22nd Floor
Philadelphia PA 19102

Any party may change its designee(s) for purposes of notification by providing written notice of such change pursuant to this section.

13. Severability

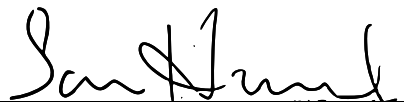
If, subsequent to the execution of this Settlement Agreement, any of the provisions of this Settlement Agreement are held by a court to be unenforceable, the validity of the enforceable provisions remaining shall not be adversely affected.

14. Governing Law

The terms of this Settlement Agreement shall be governed by the laws of the State of California. In the event that Proposition 65 is repealed, preempted or is otherwise rendered inapplicable by reason of law generally, or as to the Listed Chemical and/or the Covered Products, then Argento shall provide written notice to Hammond 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 Covered Products are so affected.

SARA HAMMOND

Date: November 10, 2017

By: 
Printed Name: Sara Hammond

Argento SC by Sicura Inc.

Date: _____

By: _____

Printed Name: _____

Title: _____

13. **Severability**

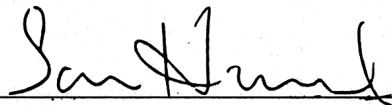
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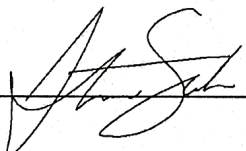
SARA HAMMOND

Date: November 10, 2017

By: 
Printed Name: Sara Hammond

Argento SC by Sicura Inc.

Date: 11/20/2017

By: 
Printed Name: Steven Scaba

Title: Vice President