

## SETTLEMENT AGREEMENT

### **1. INTRODUCTION**

#### **1.1 Parties**

This Settlement Agreement is entered into by and between Ecological Alliance, LLC (“Ecological”), on the one hand, and Do it Best Corp. (“Do it Best”), on the other hand, with Ecological and Do it Best each individually referred to as a “Party” and collectively as the “Parties.” Ecological is a California limited liability company that seeks to promote awareness of exposures to toxic chemicals and to improve human health by reducing or eliminating hazardous substances used in consumer products. Do it Best employs ten or more individuals 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 and Safety Code § 25249.6 *et seq.* (“Proposition 65”).

#### **1.2 General Allegations**

Ecological alleges that Do it Best manufactures, sells, and distributes for sale in California, certain plumbing products that contain lead and that it does so without first providing the health hazard warning required by Proposition 65. Lead is listed pursuant to Proposition 65 as a chemical known to cause cancer and birth defects or other reproductive harm.

#### **1.3 Product Description**

The products covered by this Settlement Agreement are defined as, and expressly limited to, brass compression elbows that contain lead and that are manufactured, sold or distributed for sale in California by Do it Best, including but not limited to the ¼” compression elbow bearing SKU No. 458436 (the “Products”).

#### **1.4 Notice of Violation**

On January 11, 2018, Ecological served Do it Best, the California Attorney General and other requisite public enforcers with a 60-Day Notice of Violation (“Notice”), alleging that Do it Best violated Proposition 65 when it failed to warn its customers and consumers in California of the health risks associated with exposures to lead from the Products. 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**

Do it Best denies the material, factual, and legal allegations in the Notice and maintains that all of the products it sold and/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 Do it Best 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 Do it Best of any fact, finding, conclusion, issue of law or violation of law, such being specifically denied by Do it Best.

### **1.6 Effective Date**

For purposes of this Settlement Agreement, the term "Effective Date" shall mean ninety (90) days following the execution of this Settlement Agreement by the Parties.

## **2. INJUNCTIVE RELIEF**

### **2.1 Clear and Reasonable Warnings**

Commencing on the Effective Date, and continuing thereafter, Do it Best agrees to only manufacture for sale, purchase for sale, import for sale, or distribute for sale in or into California Products that are sold with a health hazard warning as provided for in Section 2.2.

### **2.2 General Warning Requirements**

Do it Best agrees that 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 for the Products shall consist of a warning affixed to the packaging, label, tag, or directly to each Product sold in California by Do it Best that contains one of the following statements:

- (a) **WARNING:** This product contains chemicals known to the State of California to cause cancer and birth defects or other reproductive harm.

Or

- (b) **WARNING:** This product can expose you to lead, which is known to the State of California to cause cancer, birth defects or other reproductive harm. For more information go to [www.P65Warnings.ca.gov](http://www.P65Warnings.ca.gov).

Or

- (c) **WARNING:** Cancer and Reproductive Harm – [www.P65Warnings.ca.gov](http://www.P65Warnings.ca.gov).

If Do it Best elects to use the warning statements identified in 2.2(b) or (c), it shall also include a symbol consisting of a black exclamation point in a yellow equilateral triangle with a bold black outline. Where the packaging or label for the product is not printed using the color yellow, the symbol may be printed in black and white. The symbol shall be placed to the left of the text of the warning, in a size no smaller than the height of the word “WARNING”.

The Parties acknowledge that effective August 30, 2018, the warning identified in 2.2(a) will not be considered a “clear and reasonable” warning by the California Office of Environmental Health Hazard Assessment (“OEHHA”) for purposes of compliance with California Health and Safety Code section 25249.6.

### **2.3 Grace Period for Existing Inventory of Products**

The injunctive requirements of Section 2 shall not apply to Products that are already in the stream of commerce as of the Effective Date, which Products are expressly subject to the releases provided in Section 4.1.

## **3. MONETARY SETTLEMENT TERMS**

### **3.1 Civil Penalty Payment**

Pursuant to Health and Safety Code § 25249.7(b)(2), and in settlement of all claims alleged in the Notice or referred to in this Settlement Agreement, Do it Best agrees to pay \$200 in civil penalties. The penalty payment will be allocated in accordance with California Health and Safety Code §§ 25249.12(c)(1) & (d), with 75% of the penalty amount paid to OEHHA and the remaining 25% of the penalty amount retained by Ecological. Within ten (10) days of the date this Settlement

Agreement is executed by the Parties, Do it Best shall issue two separate checks for the civil penalty payment to (a) "OEHHA" in the amount of \$150.00 and (b) "Ecological Alliance LLC" in the amount of \$50.00.

All payments owed to OEHHA (EIN: 68-0284486), pursuant to this Section 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

All penalty payments owed to Ecological shall be sent to:

Vineet Dubey  
Custodio & Dubey, LLP  
448 S. Hill Street, Suite 612  
Los Angeles, CA 90013

### **3.2 Attorney Fees and Costs**

The Parties reached an accord on the compensation due to Ecological and its counsel under the private attorney general doctrine and principles of contract law. Under these legal principles, within ten (10) days of the date this Settlement Agreement is executed by the Parties, Do it Best agrees to pay \$5,800 to Ecological and its counsel for all fees and costs incurred in investigating, bringing this matter to the attention of Do it Best's management and negotiating a settlement. Do it Best's payment shall be delivered in the form of one check for \$5,800, made payable to "Custodio & Dubey, LLP," to the following address: Vineet Dubey, Custodio & Dubey, LLP, 448 S. Hill

Street, Suite 612, Los Angeles, CA 90013.

#### **4. CLAIMS COVERED AND RELEASED**

##### **4.1 Ecological's Release of Do it Best**

This Settlement Agreement is a full, final, and binding resolution between Ecological, on its own behalf and not on behalf of the public, and Do it Best of any violation of Proposition 65 that was or could have been asserted by Ecological, on its own behalf, on behalf of its past and current agents, representatives, attorneys, successors and assignees, against Do it Best and each of its respective parents, subsidiaries, affiliated entities under common ownership, directors, officers, members, employees, attorneys, each upstream entity from whom the Products were purchased by Do it Best, and each entity to whom Do it Best directly or indirectly distributes or sells the Products, including, but not limited to, its downstream distributors, wholesalers, customers, retailers, franchisees, cooperative members and licensees ("Releasees"), based on the failure to warn about exposures to lead in Products manufactured, sold or distributed for sale in California by Do it Best before the Effective Date, as alleged in the Notice. For purposes of clarification, as set forth in Section 2.3, the injunctive requirements of Section 2 shall not apply to Products that are already in the stream of commerce as of the Effective Date, and any such Products are expressly subject to the releases provided in this section.

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

#### **4.2 Do it Best's Release of Ecological**

Do it Best, 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 Ecological and its attorneys and other representatives, for any and all actions taken or statements made by Ecological and its 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.

#### **4.3 California Civil Code Section 1542**

It is possible that other claims not known to the Parties arising out of the facts alleged in the Notice and relating to the Products will develop or be discovered. Ecological on behalf of itself only, on one hand, and Do it Best on behalf of itself only, on the other hand, acknowledge that this Settlement Agreement is expressly intended to cover and include all such claims up through the Effective Date. The Parties acknowledge that the claims released in Sections 4.1 and 4.2 may include unknown claims, and nevertheless waive California Civil Code section 1542 as to any such unknown claims. California Civil Code section 1542 reads 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.**

#### **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.

#### **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 Do it Best:

Gary C. Furst  
Vice President of Human Resources and  
General Counsel  
Do It Best Corp.  
6502 Nelson Road  
Fort Wayne, IN 46803

with a copy to:

Levi W. Heath  
Barnes & Thornburg LLP  
2029 Century Park East, Suite 300  
Los Angeles, CA 90067

For Ecological:

Vineet Dubey  
Custodio & Dubey, LLP  
448 S. Hill Street, Suite 612  
Los Angeles, CA 90013

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)**

Ecological and its 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.

**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: 3/13/18

Date: 3/14/18

By:   
Ecological Alliance, LLC

By:   
Steve Markley  
Vice President of Merchandising  
DO IT BEST CORP.