

SETTLEMENT AGREEMENT

1. INTRODUCTION

1.1 Parties

This Settlement Agreement is entered into by and between Environmental Health Advocates, Inc. (“EHA”), on the one hand, and Gravitron, LLC (“GRAV”), on the other hand, with EHA and GRAV each individually referred to as a “Party” and collectively as the “Parties.” EHA is a corporation in the State of California seeking to promote awareness of exposures to toxic chemicals and to improve human health by reducing or eliminating hazardous substances used in consumer products. GRAV is alleged to be 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

EHA alleges that GRAV manufactures, sells, and distributes for sale in California, paraphernalia that, through reasonably foreseeable use, expose users to cannabis (marijuana) smoke and that it does so without first providing the health hazard warning required by Proposition 65. Marijuana smoke is listed pursuant to Proposition 65 as a chemical known to cause cancer and birth defects or other reproductive harm. GRAV denies the foregoing allegations in their entirety.

1.3 Product Description

The products covered by this Settlement Agreement include any products sold by or on behalf of GRAV, or subsidiaries or affiliates thereof, that require the warning required by Proposition 65, including, without limitation, paraphernalia that, through reasonably foreseeable use, expose users to marijuana smoke and that are manufactured, sold or distributed for sale in California by or on behalf of GRAV, or subsidiaries or affiliates thereof (collectively, the “Products”).

1.4 Notice of Violation

On May 28, 2020, EHA served GRAV, the California Attorney General and other requisite public enforcers with a 60-Day Notice of Violation (“Notice”), alleging that GRAV violated Proposition 65 when it failed to warn its customers and consumers in California of the health risks

associated with exposures to marijuana smoke 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

GRAV denies the material, factual, and legal allegations in the Notice and maintains that 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 GRAV 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 GRAV of any fact, finding, conclusion, issue of law or violation of law, such being specifically denied by GRAV. This Section shall not, however, diminish or otherwise affect GRAV'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 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, GRAV agrees to only manufacture for sale, purchase for sale, import for sale, or distribute for sale in or into California the Products sold with a health hazard warning as provided for in Section 2.2.

2.2 General Warning Requirements

GRAV 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 the Products sold in

California by GRAV that contains either of the following statements:

- 1) **WARNING:** This product can expose you to chemicals including Cannabis (Marijuana) Smoke, 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.
- 2) **WARNING:** Cancer and Reproductive Harm – www.P65Warnings.ca.gov

The warning shall also include a symbol consisting of a black exclamation point in a yellow equilateral triangle with a bold black outline. 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 warning shall be posted on any websites where the Products are sold in California.

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. In addition, all Products that are already in the stream of commerce as of the Effective Date 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, GRAV agrees to pay two thousand five hundred dollars (\$2,500.00) 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 the California Office of Environmental Health Hazard Assessment (“OEHHHA”) and the remaining 25% of the penalty amount retained by EHA. Within ten (10) days of the date this Settlement Agreement is executed by the Parties, GRAV shall issue the following two, separate checks for the civil penalty payment: (a) to “OEHHHA,” in the amount of one thousand eight hundred and seventy-five dollars (\$1,875.00) and (b) to EHA, in the amount of six hundred and twenty-five dollars (\$625.00).

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 EHA shall be sent to:

Environmental Health Advocates
 225 Broadway, Suite 2100
 San Diego, CA 92101

3.2 Attorney Fees and Costs

The Parties reached an accord on the compensation due to EHA and its counsel under the private attorney general doctrine and principles of contract law. Under these legal principles, and in accordance with the payment schedule set forth below: GRAV agrees to pay a total of twenty-two thousand and five hundred dollars (\$22,500.00) to EHA and its counsel for all fees and costs incurred in investigating, bringing this matter to the attention of GRAV, and negotiating a settlement:

Payment Date	Amount	Recipient
Within ten (10) days of the date this Settlement Agreement is executed by the Parties.	\$6,250	Glick Law Group
Within ten (10) days of the date	\$6,250	Nicholas & Tomasevic LLP

Payment Date	Amount	Recipient
this Settlement Agreement is executed by the Parties.		
Within thirty (30) days of the date this Settlement Agreement is executed by the Parties.	\$2,500	Glick Law Group
Within thirty (30) days of the date this Settlement Agreement is executed by the Parties.	\$2,500	Nicholas & Tomasevic LLP
Within sixty (60) days of the date this Settlement Agreement is executed by the Parties.	\$2,500	Glick Law Group
Within sixty (60) days of the date this Settlement Agreement is executed by the Parties.	\$2,500	Nicholas & Tomasevic LLP

3.3 Payment Address

All payments required under this Section 3.2 shall be delivered to:

Noam Glick
Glick Law Group
225 Broadway, Suite 2100
San Diego, CA 92101

Craig Nicholas
Nicholas & Tomasevic, LLP
225 Broadway, Suite 1900
San Diego, CA 92101

3.4 Tax Documentation

GRAV agrees to provide a completed IRS 1099 for its payments to, and EHA agrees to provide IRS W-9 forms for, each of the payees under this Settlement Agreement. The Parties acknowledge that GRAV cannot issue any settlement payments pursuant to Section 3.1 and 3.2 above until after GRAV receives the requisite W-9 forms from EHA's counsel.

4. CLAIMS COVERED AND RELEASED

4.1 EHA's Release of GRAV

This Settlement Agreement is a full, final, and binding resolution between EHA, on its own behalf and not on behalf of the public, and GRAV of or relating to any violation of Proposition 65 that was or could have been asserted by EHA (whether on EHA's own behalf or on behalf of EHA's past and current agents, representatives, attorneys, successors, assignees, affiliated entities under common ownership, directors, officers, members, or employees) against (i) GRAV, (ii) each of GRAV's respective parents, subsidiaries, affiliated entities under common ownership, directors, officers, members, employees, attorneys, (iii) each upstream entity from whom the Products were purchased by GRAV, and (iv) each entity to whom GRAV directly or indirectly distributes or sells the Products, including, but not limited to, GRAV's downstream distributors, wholesalers, customers, retailers, franchisees, cooperative members and licensees (prongs (i) through (iv) collectively referred to as the "Releasees"), based on the failure to warn about exposures to marijuana smoke in the Products manufactured, sold or distributed for sale in California by the Releasees before the Effective Date, as alleged in the Notice.

In further consideration of the promises and agreements herein contained, EHA on its own behalf and on behalf of EHA's past and current agents, representatives, attorneys, successors assignees, affiliated entities under common ownership, directors, officers, members, or employees, but not on behalf of the public, 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 the 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 marijuana smoke in the Products manufactured, distributed, sold or offered for sale by or on behalf of the Releasees, before the Effective Date.

4.2 GRAV Release of EHA

GRAV, on its own behalf and on behalf of its past and current agents, representatives, attorneys, successors, assignees, affiliated entities under common ownership, directors, officers,

members, or employees hereby waives any and all claims against EHA and its attorneys and other representatives, for any and all actions taken or statements made by EHA 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. EHA on behalf of itself (and its past and current agents, representatives, attorneys, successors, assignees, affiliated entities under common ownership, directors, officers, members, or employees) on the one hand, and GRAV (on behalf of itself and its past and current agents, representatives, attorneys, successors assignees, affiliated entities under common ownership, directors, officers, members, or employees) 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 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. In the event of any dispute between the Parties regarding the enforcement or interpretation of this Settlement Agreement, the prevailing party in said dispute shall be entitled to all of its reasonable attorneys' fees, expert costs and litigation costs

incurred in said dispute.

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 GRAV:

David Kramer
Vicente Sederberg LLP
633 West 5th Street, 26th Floor
Los Angeles, CA 90071

For EHA:

Jake Schulte
Nicholas & Tomasevic, LLP
225 Broadway, Suite 1900
San Diego, CA 92101

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)

EHA 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: August 18, 2020

Date: 8/18/2020

By: *Ron Bleib*
ENVIRONMENTAL HEATH
ADVOCATES, INC.

DocuSigned by:
By: *Dave Daily*
GRAVITRON, LLC