SETTLEMENT AGREEMENT BETWEEN APS&EE, LLC AND HUNTER TRADING COMPANY, LLC

1. <u>RECITALS</u>

1.1 The Parties

1.1.1 This Settlement Agreement ("Agreement") is entered into by and between APS&EE, LLC ("APS&EE") and Hunter Trading Company, LLC ("Hunter Trading"). APS&EE and Hunter Trading shall hereinafter collectively be referred to as the "Parties".

1.1.2 APS&EE is an organization based in California with an interest in protecting the environment, improving human health and the health of ecosystems, and supporting environmentally sound practices, which includes promoting awareness of exposure to toxic chemicals and reducing exposure to hazardous substances found in consumer products.

1.1.3 APS&EE alleges that Hunter Trading is a company in the course of doing business as the term is defined in California *Health & Safety Code* section 25249.6 et seq. ("Proposition 65").

1.2 Allegations

1.2.1 APS&EE alleges that Hunter Trading sold Drake's Team Gun Dog Retrieve-Rite bumpers, including puppy bumper, DW9500-BKW, 6-59601-10769-6, (hereinafter the "Products") in the State of California causing users in California to be exposed to unsafe levels of Di (2-ethylhexyl) Phthalate ("DEHP") and Di-n-Butyl Phthalate ("DBP"), without providing "clear and reasonable warnings", in violation of Proposition 65. DEHP and DBP are potentially subject to Proposition 65 warning requirements because they are listed by the State of California as known to cause cancer and reproductive toxicity.

1.2.2 On September 21, 2020, APS&EE provided a Sixty-Day Notice of Violation (the "Notice"), along with a Certificate of Merit, to Hunter Trading, BPS

Direct, LLC, and the various public enforcement agencies regarding the alleged violation of Proposition 65 with respect to the Products.

1.3 No Admissions

Hunter Trading denies all allegations in APS&EE's Notice and maintains that the Products have been, and are, in compliance with all laws, and that Hunter Trading has not violated Proposition 65. This Agreement shall not be construed as an admission of liability by Hunter Trading but to the contrary as a compromise of claims that are expressly contested and denied. However, nothing in this section shall affect the Parties' obligations, duties, and responsibilities under this Agreement.

1.4 Compromise

The Parties enter into this Agreement in order to resolve the controversy described above in a manner consistent with prior Proposition 65 settlements and consent judgments that were entered in the public interest and to avoid prolonged and costly litigation between them.

1.5 Effective Date

The "Effective Date" shall be the date upon which a complete and fully executed copy of the Agreement is delivered to each Party or its counsel.

2. <u>INJUNCTIVE RELIEF AND REFORMULATION</u>

2.1 Reformulation

As of the Effective Date, Hunter Trading shall not distribute, sell or offer for sale Products in California unless (a) the Products contain no more than 1,000 parts per million (0.1%) of DEHP and DBP ("Reformulated Products"), or (b) the Products are distributed, sold, or offered for sale with a clear and reasonable warning as described below in Section 2.2.

2.2 Clear And Reasonable Warnings

2.2.1 For any Products that are not Reformulated Products, such Products shall be accompanied by a clear and reasonable warning. Hunter Trading shall provide the following warning statement:

WARNING: This product can expose you to chemicals, including [Di (2-ethylhexyl) Phthalate and/or Di-n-Butyl Phthalate]¹, which are known to the State of California to cause cancer and birth defects or other reproductive harm. For more information go to <u>www.P65Warnings.ca.gov</u>.

The warning shall be accompanied by a symbol consisting of a black exclamation point in a yellow equilateral triangle with a bold black outline. Where the 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".

Short-Form Warning. Hunter Trading may, but is not required to, use the following short-form warning as set forth in this subsection (Short-Form Warning):

WARNING: Reproductive Harm – <u>www.P65Warnings.ca.gov</u>

2.2.2 Each unit shall carry said warning directly on each unit or its label or package, with such conspicuousness as compared with other words, statements or designs as to render it likely to be read and understood by an ordinary consumer prior to sale. A Product that is sold by Hunter Trading on the internet shall also provide the warning message by a clearly marked hyperlink on the product display page, or otherwise prominently displayed to the purchaser before the purchaser completes his or her purchase of the Product. For Products that Hunter Trading provides for another entity to sell on the internet, Hunter Trading shall include an instruction that the retailer provide the warning message by a clearly marked hyperlink on the product display page, or otherwise prominently displayed to the purchaser before the purchaser completes his or her purchase of the Product. For Products that Hunter Trading provides for another entity to sell on the internet, Hunter Trading shall include an instruction that the retailer provide the warning message by a clearly marked hyperlink on the product display page, or otherwise prominently displayed to the purchaser before the purchaser completes his or her purchase of the Product.

¹ In accordance with 27 Cal. Code Regs., section 25603, operative Aug. 30, 2018, the warning must expressly identify at least one of the Listed Chemicals present in the Product, as applicable. Language within the brackets is optional.

3. <u>PAYMENTS</u>

3.1 Civil Penalty Pursuant To Proposition 65

In settlement of all claims referred to in this Agreement, Hunter Trading shall pay a total civil penalty of one thousand five hundred dollars (\$1,500.00) to be apportioned in accordance with *Health and Safety Code* section 25249.12(c)(1) and (d), with 75% (\$1,125.00) for State of California Office of Environmental Health Hazard Assessment ("OEHHA"), and the remaining 25% (\$375.00) for APS&EE.

Hunter Trading shall issue two (2) checks for the civil penalty: (1) a check or money order made payable to "OEHHA" in the amount of \$1,125.00; and (2) a check or money order made payable to "Law Offices of Lucas T. Novak" in the amount of \$375.00. Hunter Trading shall remit the payments within ten (10) business days of the Effective Date, to:

Lucas T. Novak, Esq. LAW OFFICES OF LUCAS T. NOVAK 8335 W Sunset Blvd., Suite 217 Los Angeles, CA 90069

3.2 Reimbursement Of APS&EE's Fees And Costs

Hunter Trading shall reimburse APS&EE's reasonable experts' and attorney's fees and costs incurred in prosecuting the instant action, for all work performed through execution of this Agreement. Accordingly, Hunter Trading shall issue a check or money order made payable to "Law Offices of Lucas T. Novak" in the amount of eighteen thousand dollars (\$18,000.00). Hunter Trading shall remit the payment within ten (10) business days of the Effective Date, to:

Lucas T. Novak, Esq. LAW OFFICES OF LUCAS T. NOVAK 8335 W Sunset Blvd., Suite 217 Los Angeles, CA 90069

4. <u>RELEASES</u>

4.1 APS&EE's Release Of Hunter Trading

APS&EE, in consideration of the promises and monetary payments contained herein, hereby releases Hunter Trading, its parents, subsidiaries, affiliated companies under common ownership or control, shareholders, directors, members, officers, employees, attorneys, successors and assignees, and each entity in the downstream distribution chain of the Products, including, but not limited to, BPS Direct, LLC, Bass Pro Outdoor World, L.L.C., Bass Pro, LLC, Cabela's Wholesale, L.L.C., and, Cabela's LLC (collectively "Releasees"), from all Proposition 65 violation claims regarding failure to warn about exposure to DEHP and/or DBP from the Products that were distributed or sold by Hunter Trading in California, or that Hunter Trading made available for sale in California, before and up to the Effective Date.

4.2 Hunter Trading's Release Of APS&EE

Hunter Trading, by this Agreement, waives all rights to institute any form of legal action against APS&EE, its shareholders, directors, members, officers, employees, attorneys, experts, successors and assignees for actions or statements made or undertaken, whether in the course of investigating claims or seeking enforcement of Proposition 65 against Hunter Trading in this matter. If any Releasee should institute any such action, then APS&EE's release of said Releasee in this Agreement shall be rendered void and unenforceable.

4.3 Waiver Of Unknown Claims

Each of the Parties acknowledges that it is familiar with Section 1542 of California Civil Code which provides as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY. Each of the Parties waives and relinquishes any right or benefit it has or may have under Section 1542 of California Civil Code or any similar provision under the statutory or non-statutory law of any other jurisdiction to the full extent that it may lawfully waive all such rights and benefits. The Parties acknowledge that each may subsequently discover facts in addition to, or different from, those that it believes to be true with respect to the claims released herein. The Parties agree that this Agreement and the releases contained herein shall be and remain effective in all respects notwithstanding the discovery of such additional or different facts.

5. <u>SEVERABILITY</u>

Should any part or provision of this Agreement for any reason be declared by a Court to be invalid, void or unenforceable, the remaining portions and provisions shall continue in full force and effect.

6. <u>GOVERNING LAW</u>

The terms of this Agreement shall be governed by the laws of the State of California.

7. <u>NOTICE</u>

All correspondence and notice required to be provided under this Agreement shall be in writing and delivered personally or sent by first class or certified mail addressed as follows:

TO HUNTER TRADING:	TO APS&EE:
Michael Stump, Esq.	Lucas T. Novak, Esq.
Law Offices of Borton Petrini, LLP	Law Offices of Lucas T. Novak
5060 California Ave, Suite 700	8335 W Sunset Blvd., Suite 217
Bakersfield, CA 93309	Los Angeles, CA 90069

8. <u>COUNTERPARTS</u>

This Agreement may be executed in counterparts, each of which shall be deemed an original, and all of which, when taken together, shall constitute the same document. Execution and delivery of this Agreement by e-mail, facsimile, or other electronic means shall constitute legal and binding execution and delivery. Any photocopy of the executed Agreement shall have the same force and effect as the originals.

9. <u>AUTHORIZATION</u>

The undersigned are authorized to execute this Agreement on behalf of their respective Parties. Each Party has read, understood, and agrees to all of the terms and conditions of this Agreement. Each Party warrants to the other that it is free to enter into this Agreement and is not subject to any conflicting obligation that will or might prevent or interfere with the execution or performance of this Agreement by said Party.

AGREED TO:

Date:

By:

12/22/20 Authorized Representative of APS&EE, LLC

AGREED TO:

Date:

By:

December 16, 2020

Bobby Windham, Co-Founder and Authorized Representative Hunter Trading Company, LLC