

SETTLEMENT AND RELEASE AGREEMENT

1. INTRODUCTION

1.1. Ecological Alliance, LLC and Sasha Handbags

This Settlement Agreement is entered into by and between Ecological Alliance, LLC ("Ecological"), on the one hand, and Sasha Handbags ("Sasha"), on the other hand, with Ecological and Sasha collectively referred to as the "Parties."

1.2. General Allegations

Ecological alleges that Sasha manufactured and/or distributed and/or offered for sale in the State of California crossbody bags, train cases, wallets, Betty Boop pouch sets & Betty Boop handbags containing Di(2-ethylhexyl)phthalate ("DEHP") and/or Diisononyl phthalate ("DINP") and that such sales have not included warnings pursuant to the Safe Drinking Water and Toxic Enforcement Act of 1986, California Health & Safety Code sections 25249.6 *et seq.* ("Proposition 65"). California has identified and listed DEHP and DINP under Proposition 65 as chemicals known to the State of California to cause cancer, birth defects or other reproductive harm.

1.3. Product Description

The products that are covered by this Settlement Agreement are defined as crossbody bags, train cases, Betty Boop pouch sets & Betty Boop handbags, and wallets that contain DEHP and/or DINP that Sasha has sold, offered for sale or distributed in California. All such items shall be referred to herein as the "Products."

1.4. Notices of Violation

On February 4, 2021, Ecological served BHPC Associates LLC and Burlington Coat Factory Direct Corporation for products described as Style # BHVC2724BN [crossbody bag]; on

September 8, 2021 Ecological served Sasha and Ross Stores, Inc. for products described as Betty Boop pouch sets, including but not limited to Item #400220481069; and Betty Boop handbags, including but not limited to Item #400224584827; on October 1, 2021 Ecological served Burlington Coat Factory Direct Corporation for products described as Style #VC6MSR [train case]; and on January 19, 2022 Ecological served Dolgen California, LLC for products described as UPC #608508003327 & 608508003303 [wallets] (all entities collectively, "Noticed Entities"), and the requisite public enforcement agencies eligible to initiate Proposition 65 actions on behalf of the People of the State of California with documents entitled "60-Day Notice of Violation" ("Notices") that provided Noticed Entities and such public enforcers with notice that Noticed Entities were allegedly in violation of California Health & Safety Code section 25249.6 for failing to warn consumers and customers that the Products exposed users in California to DEHP and/or DINP. To the best of the Parties' knowledge, no public enforcer has commenced or is diligently prosecuting the allegations set forth in the Notices.

1.5. No Admission

The parties enter into this Settlement Agreement to settle disputed claims between them as set forth herein and in the Notice concerning Sasha's compliance with Proposition 65. Specifically, Sasha denies the material factual and legal allegations contained in Ecological's Notices and maintains that all products that it has manufactured for sale and distribution in California, including the Products, have been and are in compliance with Proposition 65 or any other statutory, regulatory, common law or equitable doctrine. Nothing in this Settlement Agreement shall be construed as an admission by Sasha of any fact, finding, issue of law, or violation of law; nor shall compliance with this Settlement Agreement constitute or be construed as an admission by Sasha of any fact, finding, conclusion, issue of law, or violation of law, such

being specifically denied by Sasha. However, nothing in this section shall diminish or otherwise affect the obligations, responsibilities, and duties of Sasha under this Settlement Agreement.

1.6. Effective Date

For purposes of this Settlement Agreement, the term "Effective Date" shall mean the date this Settlement Agreement is fully executed.

2. INJUNCTIVE RELIEF: WARNING

2.1. Warning and Reformulation Requirements

All Products manufactured six months after the Effective Date for sale in California shall either be (1) accompanied by a warning as described in Section 2.2 below, or (2) reformulated to contain no more than 1,000 parts per million of DEHP or DINP. The warning and reformulation requirements shall apply only to Products that are distributed, marketed, sold or shipped for sale in the State of California. Products with less than 1,000 parts per million DEHP or DINP shall be considered compliant with Proposition 65. The warning requirement shall not apply to Products that are already in the stream of commerce or in Sasha's inventory as of the Effective Date or that Sasha places into the stream of commerce within six months of the Effective Date.

2.2. Warning Language

Where required, Sasha shall provide Proposition 65 warnings as follows:

(a) Sasha may use any of the following warning statements in full compliance with this Section:

- (1) **WARNING:** This product can expose you to DINP [DEHP], 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.

(2) **WARNING:** Cancer [and Reproductive]Harm –
www.P65Warnings.ca.gov.

(b) If Sasha elects to use the warning statements identified in either 2.2(a)(1) or (2), it may also include a symbol consisting of a black exclamation point in a yellow equilateral triangle with a bold black outline. Where the sign, label or shelf tag 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".

(c) The requirements for warnings, set forth in subsection (a) above are imposed pursuant to the terms of this Settlement Agreement. The Parties recognize that these are not the exclusive methods of providing a warning under Proposition 65 and its implementing regulations.

(d) If Proposition 65 warnings for DEHP or DINP should no longer be required, Sasha shall have no further obligations pursuant to this Settlement Agreement.

(e) In the event that the California Office of Environmental Health Hazard Assessment ("OEHHA") promulgates one or more regulations requiring or permitting warning text and/or methods of transmission different than those set forth above, Sasha shall be entitled to use, at their discretion, such other warning text and/or method of transmission without being deemed in breach of this Agreement.

2.3 Compliance with Proposition 65.

Releasees' (as defined in Section 6.1) material compliance with this Settlement Agreement shall constitute compliance with Proposition 65 with respect to alleged exposures to DEHP and/or DINP from the Products sold by Releasees in California after the Effective Date.

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

In settlement of all the claims referred to in this Settlement Agreement, Sasha shall pay a total of \$500 in civil penalties in accordance with this Section. The penalty payment will be allocated in accordance with California Health & Safety Code section 25249.12(c)(1) & (d), with 75% of the funds remitted to OEHHA and the remaining 25% of the penalty remitted to Ecological. Ecological's counsel shall be responsible for delivering OEHHA's portion of any penalty payment made under this Settlement Agreement within fifteen (15) business days after receipt of such payment from Sasha.

4. REIMBURSEMENT OF 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, Sasha shall reimburse Ecological's counsel for fees and costs, incurred as a result of investigating and bringing this matter to Sasha's attention. Sasha shall pay Ecological's counsel \$12,000 for all attorneys' fees, expert and investigation fees, and related costs associated with this matter and the Notice.

5. PAYMENT INFORMATION

Within fifteen (15) business days of the Effective Date, Sasha shall make a total payment of Twelve Thousand Five Hundred Dollars (\$12,500) for the civil penalties and attorney's fees / costs by wire transfer to Plaintiff's counsel Custodio & Dubey LLP:

Bank: Bank of America, N.A.

Routing No.: 026009593

Account No.: 325149324377

Beneficiary: Custodio & Dubey LLP

Other than this payment, each side is to bear its own attorneys' fees and costs.

6. RELEASE OF ALL CLAIMS

6.1. Release of Sasha and Downstream Entities

In further consideration of the promises and agreements herein contained, and for the payments to be made pursuant to Sections 3 and 4 above, Ecological, on behalf of itself, its past and current agents, representatives, attorneys, successors and/or assignees, hereby waives all rights to institute or participate in, directly or indirectly, any form of legal action and releases all claims relating to the Products, 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) of any nature whatsoever, whether known or unknown, fixed or contingent (collectively "Claims"), against (a) Sasha; (b) each of Sasha's downstream distributors (including but not limited to Burlington Coat Factory Direct Corporation, Ross Stores, Inc., and Dolgen California, LLC), wholesalers, vendors, licensors, licensees, auctioneers, retailers, franchisees, dealers, shareholders, cooperative members, customers, owners, purchasers, users (collectively, "Downstream Entities"); and (c) Sasha's parent companies, corporate affiliates, subsidiaries, and their respective officers, directors, attorneys, representatives, shareholders, agents, and employees, and sister and parent entities (all categories collectively, "Releasees").

Ecological also, in its individual capacity, on behalf of itself, its past and current agents, representatives, attorneys, successors, and/or assignees, provides a general release herein which shall be effective as a full and final accord and satisfaction, as a bar to all actions, causes of action, obligations, costs, expenses, attorneys' fees, damages, losses, claims, liabilities and demands of any nature, character or kind, known or unknown, suspected or unsuspected, against Sasha and the Releasees. Ecological acknowledges that it is familiar with California Civil Code section 1542, 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.

Ecological, in its capacity only, and on behalf of itself, its past and current agents, representatives, attorneys, successors, and/or assignees expressly waives and relinquishes any and all rights and benefits which it may have under, or which may be conferred on it by the provisions of California Civil Code section 1542 as well as under any other state or federal statute or common law principle of similar effect, to the fullest extent that it may lawfully waive such rights or benefits pertaining to the released matters.

6.2. Sasha's Release of Ecological

Sasha waives any and all claims against Ecological, its attorneys and other representatives, for any and all actions taken or statements made (or those that could have been taken or made) by Ecological and its attorneys and other representatives, whether in the course of investigating claims or otherwise seeking enforcement of Proposition 65 against it in this matter, and/or with respect to the Products.

7. PUBLIC BENEFIT

It is Sasha's understanding that the commitments it has agreed to herein, and actions to be taken by Sasha under this Settlement Agreement, would confer a significant benefit to the general public, as set forth in Code of Civil Procedure § 1021.5 and Cal. Admin. Code tit. 11, § 3201. As such, it is the intent of Sasha that to the extent any other private party initiates an action alleging a violation of Proposition 65 with respect to Sasha's failure to provide a warning concerning exposure to DEHP or DINP prior to use or sale of the Products it has manufactured, distributed, sold, or offered for sale in California, or will manufacture, distribute, sell, or offer for sale in California, such private party action would not confer a significant benefit on the general public as to those Products addressed in this Settlement Agreement, provided that Sasha is in material compliance with this Settlement Agreement.

8. 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 that Proposition 65 is repealed or is otherwise rendered inapplicable by reason of law generally, or as to the Products, then Sasha shall have no further obligations pursuant to this Settlement Agreement.

9. NOTICES

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

For Sasha: Beth Koh
 Bay Law Group LLP
 P.O. Box 8554
 Berkeley, CA 94707

For Ecological: Vineet Dubey, Esq.
Custodio & Dubey LLP
445 S. Figueroa St., Suite 2520
Los Angeles, CA 90071

Any party, from time to time, may specify in writing to the other party a change of address to which all notices and other communications shall be sent.

10. COUNTERPARTS; FACSIMILE/E-SIGNATURES

This Settlement Agreement may be executed in counterparts and by facsimile or e-signatures, each of which shall be deemed an original, and all of which, when taken together, shall constitute one and the same document.

11. COMPLIANCE WITH HEALTH & SAFETY CODE SECTION 25249.7(f)

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

12. ENTIRE AGREEMENT

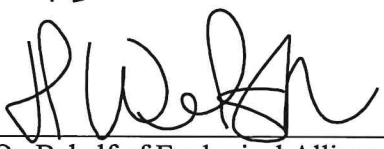
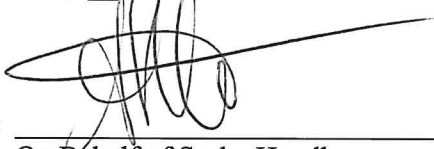
This Settlement Agreement contains the sole and entire agreement and understanding of the Parties with respect to the entire subject matter hereof, and all related prior discussions, negotiations, commitments and understandings. No other agreements, oral or otherwise, exist to bind either of the Parties.

13. MODIFICATION

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

14. **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.

<p style="text-align: center;">AGREED TO:</p> <p>Date: July 13 2022</p> <p>By:  On Behalf of Ecological Alliance, LLC</p>	<p style="text-align: center;">AGREED TO:</p> <p>Date: July 20 2022</p> <p>By:  On Behalf of Sasha Handbags</p>
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