

SETTLEMENT AGREEMENT

1. INTRODUCTION

1.1 Parties

This Settlement Agreement is entered into by and between Michael DiPirro (“DiPirro”) and his attorneys Law Office of David R. Bush and Jeremy Fietz, Attorney-at-Law (collectively, “DiPirro’s Counsel”), on the one hand, and InterMetro Industries Incorporated (“InterMetro”), with DiPirro and InterMetro individually referred to as a “Party” and collectively as the “Parties.” DiPirro alleges he is an individual residing in California who seeks to promote awareness of exposures to toxic chemicals and to improve human health by reducing or eliminating hazardous substances contained in consumer products. InterMetro employs ten or more persons and is a person in the course of doing business for purposes of the Safe Drinking Water and Toxic Enforcement Act of 1986, Health and Safety Code section 25249.6 *et seq.* (“Proposition 65”).

1.2 General Allegations

DiPirro alleges that InterMetro manufacture, import, sell, or distribute for sale, in the State of California equipment covers containing Di(2-ethylhexyl)phthalate (“DEHP”) without first providing the clear and reasonable exposure warning required by Proposition 65. DEHP is listed pursuant to Proposition 65 as a chemical that is known to the State of California to cause cancer and reproductive harm (hereinafter the “Listed Chemical”).

1.3 Product Description

The products covered by this Settlement Agreement are equipment covers containing the Listed Chemical that are manufactured, sold, or distributed for sale in California by InterMetro, including, but not limited to the *Metro PCDV9 Dish Dolly Cover* (the “Products”).

1.4 Notice of Violation

On or about April 21, 2022, DiPirro served InterMetro and certain requisite public enforcement agencies with a 60-Day Notice of Violation (the “Notice”), a document that

informed the recipients of DiPirro's allegation that InterMetro violated Proposition 65 by failing to warn its customers and consumers in California that the Products expose users to the Listed Chemical. To the best of the Parties' knowledge, no public enforcer has commenced and is diligently prosecuting the allegations set forth in the Notice.

1.5 No Admission

InterMetro denies the material, factual, and legal allegations contained in the Notice and maintains that all of the products it has manufactured, sold, 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 InterMetro of any fact, finding, conclusion of law, issue of law, or violation of law; nor shall compliance with this Settlement Agreement constitute or be construed as an admission by InterMetro of any fact, finding, conclusion of law, issue of law, or violation of law, the same being specifically denied by InterMetro. This section shall not, however, diminish or otherwise affect InterMetro'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 July 1, 2022 or the date that is five (5) calendar days after this Agreement has been fully executed by the Parties and by DiPirro's Counsel, whichever is later.

2. INJUNCTIVE RELIEF: PRODUCT WARNINGS


2.1 Reformulation Standard. For purposes of this Settlement Agreement, "Reformulated Products" are Covered Products containing no more than 1,000 parts per million (0.1%) DEHP when analyzed pursuant to EPA testing methodologies 3580A and 8270C or, at the option of Defendant, equivalent methodologies utilized by and/or approved by State or federal agencies for the purpose of determining DEHP content in a solid substance.

2.2 Product Warnings. On or before the Effective Date, for all Products that are not

Reformulated Products that are shipped to a California address for sale by InterMetro, or any agent, distributor, or affiliated company working on behalf of InterMetro, InterMetro shall provide a clear and reasonable warning on each Product as set forth below in Section 2.3. 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.


2.3 Internet Warnings. For all Products that InterMetro offers for sale directly to consumers in California via the internet, they shall provide a warning for such Products by including the warning set forth below in Section 2.4 on one or more of the following: a) on the product display page; b) on the product or its packaging, or c) by including a warning in the shipment to the California consumer.

2.3 Text of the Warning. The text of the warning shall be printed in black ink on a light background, in a font that is easy to read and legible, but in no case less than a size 10 font. InterMetro shall use the warning language as set forth below, which shall include a symbol consisting of a black exclamation point in a yellow equilateral triangle with a bold black outline as shown below (the symbol may be black or white if the color yellow is otherwise not used on the Product's packaging).

 **WARNING:** This product can expose you to chemicals, including DEHP, which are known to the State of California to cause cancer and reproductive harm. For more information go to www.P65Warnings.ca.gov.

Alternatively, InterMetro shall use the warning language as set forth below, which shall

include a symbol consisting of a black exclamation point in a yellow equilateral triangle with a bold black outline as shown below (the symbol may be black or white if the color yellow is otherwise not used on the Product's packaging).

 **WARNING:** Cancer and reproductive harm.
www.P65Warnings.ca.gov

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

3.1 Civil Penalty Payment Pursuant to Health & Safety Code § 25249.7(b).

InterMetro shall make a civil penalty payment of \$400.00 in accordance with this section, on or before the Effective Date. The penalty payment will be allocated in accordance with California Health & Safety Code § 25249.12(c)(1) & (d), with 75% of the funds remitted to the California Office of Environmental Health Hazard Assessment (“OEHHA”) and the remaining 25% of the penalty remitted to DiPirro in accordance with Section 3.2 below. The penalty payment shall be remitted in accordance with the procedure set out in Section 3.2.

3.2 Payments. All payments shall be delivered on or before the Effective Date to the office of Jeremy Fietz, Attorney at Law, 1510 Fourth Street, Santa Rosa CA 95404, and shall be in the form of three checks for the following amounts made payable to:

- (a) “Jeremy Fietz, Attorney at Law” in the amount of \$300.00 for payment of civil penalty to OEHHA. Alternatively, at InterMetro’s option, it can choose to deliver a certified or cashier’s check made payable to “Office of Environmental Health Hazard Assessment.” DiPirro’s Counsel agree to forward such funds to OEHHA in a timely manner.

- (b) “Jeremy Fietz, Attorney at Law ” in the amount of \$100.00 as payment of civil penalty to Michael DiPirro. Alternatively, at InterMetro’s option, it can choose to deliver a certified or cashier’s check made payable to

“Michael DiPirro.” DiPirro’s Counsel agree to forward such funds to OEHHA in a timely manner.

- (c) “Jeremy Fietz, Attorney at Law” in the amount of \$ 9,600.00 as payment for attorneys’ fees and costs pursuant to Section 4 below.

In the alternative, Intermetro shall make the foregoing payment by Automated Clearing House (ACH) transfer. The information necessary to accomplish an ACH transfer will be provided by DiPirro’s Counsel on request.

For any payment that is returned for any reason, including insufficient funds, a payment must be made by InterMetro in form of a cashier’s check within three (3) calendar days of notification of insufficient funds, plus a 10% service fee paid to DiPirro’s attorneys. Any payment that is not actually received by the due date will also be subject to a 10% late fee.

3.3 Issuance of 1099 Forms. The Noticed Parties shall provide DiPirro’s counsel with a separate 1099 form for each of its payments under this Agreement to:

- (a) “Office of Environmental Health Hazard Assessment”, P.O. Box 4010, Sacramento, CA 95814 (EIN: 68-0284486) for civil penalties paid;
- (b) “Michael DiPirro,” whose address and tax identification number shall be furnished upon request after this Agreement has been fully executed by the Parties for his portion of the civil penalties paid; and
- (c) “Jeremy Fietz, Attorney at Law” whose address and tax identification number shall be furnished upon request after this Agreement has been fully executed by the Parties, for fees and costs reimbursed pursuant to Section 4.

4. REIMBURSEMENT OF FEES AND COSTS

The Parties acknowledge that DiPirro and DiPirro’s Counsel offered to resolve this dispute without reaching terms on the amount of fees and costs to be reimbursed to them, thereby leaving this fee issue to be resolved after the material terms of the agreement had been settled.

InterMetro then expressed a desire to resolve the fee and cost issue shortly after the other settlement terms had been finalized. The parties then attempted to (and did) reach an accord on the compensation due to DiPirro and his counsel under general contract principles and the private attorney general doctrine codified at California Code of Civil Procedure § 1021.5, for all work performed through the mutual execution of this agreement and thereafter. InterMetro shall pay a total of \$ 9,600.00 for fees and costs incurred as a result of investigating, bringing this matter to InterMetro's attention, and negotiating a settlement. The Noticed Parties shall issue a separate 1099 for fees and costs, shall make the check payable to "Jeremy Fietz, Attorney at Law" and shall deliver payment on or before the Effective Date to the address provided, or by ACH transfer, pursuant to Section 3.2 above.

5. CLAIMS COVERED AND RELEASED

5.1 DiPirro's Release of InterMetro

This Settlement Agreement is a full, final, and binding resolution between DiPirro and InterMetro of any violation of Proposition 65 that was or could have been asserted by DiPirro, on behalf of himself, or on behalf of his past and current agents, representatives, attorneys, successors, and assignees, against InterMetro, its parents, subsidiaries, affiliated entities under common ownership, directors, officers, employees, attorneys, and each entity to whom InterMetro directly or indirectly distributes or sells the Products, including its downstream distributors and retailers including, without limitation, Central Restaurant Supply, and including its upstream suppliers and manufacturers (collectively "Releasees"), for unwarned exposures to the Listed Chemical, and for exposures to any other chemical listed under Proposition 65, from the Products manufactured, distributed, sold or distributed for sale in California by InterMetro prior to the Effective Date.

In further consideration of the promises and agreements herein contained, DiPirro, on his own behalf and on behalf of his 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 that he may have against Releasees, including,

without limitation, all actions and causes of action, suits, liabilities, demands, obligations, damages, costs, fines, penalties, losses, or expenses, including, without limitation, investigation fees, expert fees, and attorneys' fees arising under Proposition 65 or otherwise, for exposures to the Listed Chemical, and for exposures to any other chemical listed under Proposition 65, from Products distributed, sold, or distributed for sale in California by InterMetro prior to the Effective Date.

5.2 Noticed Parties Release of DiPirro

Each Noticed Party, on its own behalf and on behalf of its past and current agents, representatives, attorneys, successors, and assignees, hereby waives any and all claims that it may have against DiPirro and his attorneys and other representatives, for any and all actions taken or statements made (or those that could have been taken or made) by DiPirro and his 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.

6. 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.

7. 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 InterMetro may provide written notice to DiPirro of any asserted change in the law, and have no further obligations pursuant to this Settlement Agreement, with respect to, and to the extent that, the Products are so affected. Nothing in this Consent Judgment shall be interpreted to relieve Defendant from any obligation to comply with any pertinent state or federal toxics control laws.

8. NOTICES

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

For InterMetro:

David A. Reppert
Vice President, Product Engineering
InterMetro Industries Corporation
Building 3
90 Gardner Ave.
Wilkes-Barre, PA 18705

With a copy to:

Peter McGaw, Esq.
BUCHALTER
425 Market Street, Ste. 2900
San Francisco, CA 94104

For DiPirro:

Jeremy Fietz, Attorney-at-Law
1510 Fourth Street
Santa Rosa CA 95404

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

9. 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.

10. POST-EXECUTION ACTIVITIES

DiPirro agrees to comply with the reporting form requirements referenced in Health and Safety Code section 25249.7(f).

11. MODIFICATION

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

12. 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:

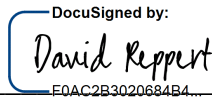
AGREED TO:

Date: 07/01/2022

7/1/2022


Date: _____

By:  _____
Michael DiPirro

By:  _____
InterMetro Industries Incorporated
Print Name: David A. Reppert
Title: Vice President, Product
Engineering

AGREED TO (TO THE EXTENT APPLICABLE TO THE UNDERSIGNED):

Date: 07/01/2022

By:  _____
David R. Bush
Attorneys for MICHAEL DIPIRRO