

SETTLEMENT AGREEMENT

1. INTRODUCTION

1.1 Parties

This Settlement Agreement is entered into by and between EnviroProtect, LLC ("EP") on the one hand and Creative Brands LLC, having an address at 2250 59th Street 4th Fl., Brooklyn, New York 11228 ("CREATIVE BRANDS") on the other hand, with CREATIVE BRANDS and EP each individually referred to as a "Party" and collectively as the "Parties."

1.2 Introduction and General Allegations.

1.2.1 EP is a limited liability company duly organized and existing in the State of California, which seeks to promote awareness of exposures to toxic chemicals and to improve human health by reducing or eliminating hazardous substances used in consumer products.

1.2.2 EP alleges that CREATIVE BRANDS and/or Ross Stores, Inc. ("Ross") employs ten or more persons, and EP alleges that CREATIVE BRANDS 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 section 25249.6 *et seq.* ("Proposition 65").

1.2.3 EP alleges that CREATIVE BRANDS imported, sold, and/or distributed for sale in California Covered Products, as defined below, that contain Di-(2-ethylhexyl) phthalate ("DEHP"), a chemical pursuant to Proposition 65 listed by the State of California to cause cancer and reproductive toxicity. EP further alleges that CREATIVE BRANDS failed to provide the health hazard warning required by Proposition 65 for exposures to DEHP from the Covered Products.

1.3 Product Description.

The products covered by this Settlement Agreement are the CREATIVE BRANDS Bungee Cords Sets and Bags, which were imported, sold and/or distributed for sale in California by CREATIVE BRANDS ("Covered Products").

1.4 60 Day Notices of Violation and Exchange of Information.

On October 12, 2023, EP served CREATIVE BRANDS, Ross, and the requisite public enforcement agencies with a 60-Day Notice of Violation ("Notice"), related to the Covered Products, alleging that CREATIVE BRANDS and Ross violated Proposition 65. The Notices alleged that CREATIVE BRANDS and Ross had failed to warn their customers and consumers in California of the health hazards associated with exposures to DEHP from the import, sale and/or distribution of the Covered Products.

EP subsequently provided CREATIVE BRANDS with test results in EP's possession concerning its allegations. CREATIVE BRANDS provided EP with sales data related to the Covered Products. To the best of the Parties' knowledge, no public enforcer has commenced and 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 the Parties as set forth below concerning the Parties' and the Covered Products' compliance with Proposition 65. Specifically, EP alleges that CREATIVE BRANDS imported, manufactured, sold or distributed for sale in the state of California, Covered Products which contained DEHP without first providing the clear and reasonable exposure warning required by Proposition 65. CREATIVE BRANDS denies that such a warning is required under Proposition 65 or any otherwise applicable law.

CREATIVE BRANDS further denies the material, factual, and legal allegations contained in the Notices and maintains that all of the products that it has imported, manufactured and/or sold and distributed in California, including the Covered Products, have been, and are, in compliance with all laws. Nothing in this Settlement Agreement shall be construed as an admission by CREATIVE BRANDS 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 CREATIVE BRANDS of any fact, finding, conclusion, issue of law, or violation of law, such being specifically denied by CREATIVE BRANDS. This Section shall not, however, diminish or

otherwise affect CREATIVE BRANDS' obligations, responsibilities, and duties under this Settlement Agreement.

1.6 Effective Date.

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

2. INJUNCTIVE RELIEF: REFORMULATED PRODUCTS

2.1 Reformulation Standard. Commencing on the Effective Date, and continuing thereafter, Covered Products that CREATIVE BRANDS imports, manufactures, ships to be sold or offers for sale or purchase in or into California, or sells in California shall be deemed to comply with Proposition 65, and be exempt from any Proposition 65 warning requirements with respect to DEHP if the Products meet the standard of "Reformulated Products." "Reformulated Products" shall mean Covered Products containing less than or equal to 1,000 parts per million (0.1%) DEHP in each Accessible Component when analyzed pursuant to Environmental Protection Agency testing methodologies 3580A and 8270C, CPSC-CH-C1001-09.3 or equivalent methodologies utilized by federal or state agencies for the purpose of determining DEHP content in a solid substance ("Reformulation Standard"). Covered Products, currently in the channels of distribution with distributors and retailers may continue to be sold-through. However, as of the Effective Date, CREATIVE BRANDS may not distribute or sell new Covered Products in California that are not Reformulated Products or do not contain the warnings set forth in Paragraph 2.3.

2.2 Warning Option. Covered Products that do not meet the Reformulation Standard set forth in Section 2.1 above shall be accompanied by a warning as described in Section 2.3 below. This warning shall only be required as to Covered Products that are sold or shipped to consumers in California after the Effective Date, or that are sold or shipped to retailers or distributors for sale to California consumers. No Proposition 65 warning for DEHP shall be required as to any Covered Products that are already in the stream of commerce as of the Effective Date.

2.3 Warning Language. Commencing on the Effective Date, CREATIVE BRANDS shall ensure that any unreformulated Covered Products that it ships to California retailers or for sale in California include a clear and reasonable warning. The warning shall include a triangle

with a yellow body and black exclamation point and be affixed to the packaging or labeling using the language in the warnings below:

⚠ **WARNING:** This product can expose you to chemicals including Di-(2-ethylhexyl) phthalate (DEHP), 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.

OR

⚠ **WARNING:** Cancer and Reproductive Harm - www.P65Warnings.ca.gov.

The warning shall be prominently displayed 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 is reasonably likely to understand to which specific Product the warning applies, so as to minimize the risk of consumer confusion. In the event that the Office of Environmental Health Hazard Assessment promulgates one or more regulations requiring or permitting warning text and/or methods of transmission different than those set forth above, CREATIVE BRANDS shall be entitled to use, at its discretion, such other warning text and/or methods of transmission without being deemed in breach of this Agreement

2.4 Internet Warnings. For any Covered Products sold by JAHIE through the internet, the relevant warnings shall comply with the requirements of 27 Cal. Code Regs. § 25602(b), effective August 30, 2018

2.5 Accessible Component. The term “Accessible Component” shall mean any component of the Covered Product that could be touched by a person during reasonably foreseeable use.

2.6 Compliance with Warning Regulations. CREATIVE BRANDS shall be deemed to be in compliance with this Settlement Agreement by either adhering to §§ 2.1 and/or 2.2-2.4 of this Settlement Agreement or by complying with warning requirements adopted by the State of California’s Office of Environmental Health Hazard Assessment (“OEHHA”) after the Effective Date.

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

CREATIVE BRANDS shall pay a civil penalty of \$500 to be apportioned in accordance with California Health & Safety Code §§25249.12(c) & (d), with 75% of these funds remitted to the State of California's Office of Environmental Health Hazard Assessment ("OEHHA") and the remaining 25% of the penalty remitted to EP. CREATIVE BRANDS or an affiliate thereof shall issue two separate checks for the penalty payment: (a) one check made payable to the Kawahito Law Group in Trust for the State of California's Office of Environmental Health Hazard Assessment ("in Trust for OEHHA") in the amount of \$375 representing 75% of the initial civil penalty and (b) one check to "Kawahito Law Group in Trust for EnviroProtect" in the amount of \$125, representing 25% of the initial civil penalty. Two separate 1099s shall be issued for the above payments: The first 1099 shall be issued to OEHHA, P.O. Box 4010, Sacramento, CA 95814 (EIN: 68-0284486). The payment shall be delivered on or before June 15, 2024 to the following address:

James Kawahito, Esq.
Kawahito Law Group APC
6080 Center Dr., Suite 210
Los Angeles, CA 90045

Payment may also be made by wire or ACH or wire transfer. Instructions will be provided separately upon request.

4. REIMBURSEMENT OF FEES AND COSTS

The Parties acknowledge that EP and its counsel offered to resolve this dispute without reaching terms on the amount of fees and costs to be reimbursed to them, thereby leaving any fee reimbursement issue to be resolved by and between EP and its counsel after the material terms of the agreement had been settled, which agreement or lack thereof will not in any way affect this Settlement Agreement. The parties reached an accord on the compensation due to EP and its counsel under general contract principles and the private attorney general doctrine codified at California Code of Civil Procedure (CCP) § 1021.5, for all work performed through the mutual execution of this agreement. More specifically, CREATIVE BRANDS shall pay the total amount of \$16,500 for fees and costs incurred by EP as a result of investigating, bringing this matter to the attention of CREATIVE BRANDS, and negotiating a settlement. Except as set forth herein,

CREATIVE BRANDS shall not owe any amount to EP or its counsel. CREATIVE BRANDS or an affiliate thereof shall wire the funds (instructions will be provided upon request) or make payment by check payable to "Kawahito Law Group APC." The payment shall be made as follows: \$8,500 shall be paid on or before June 15, 2024 by either check or wire transfer (wire instructions shall be provided separately). CREATIVE BRANDS shall also provide eight post-dated checks of \$1000 each, with dates starting on July 15, 2024 and continuing each month on through February 2025. The checks and/or payment shall be delivered to the following address:

James Kawahito, Esq.
Kawahito Law Group APC
6080 Center Dr., Suite 210
Los Angeles, CA 90045

5. RELEASE OF ALL CLAIMS

5.1 Full, Final and Binding Resolution of Proposition 65 Allegations.

EP, on behalf of itself, its past and current agents, representatives, attorneys, successors and/or assignees, releases CREATIVE BRANDS of any violation of Proposition 65 that was or could have been asserted by EP against CREATIVE BRANDS, Ross, and their owners, parents, subsidiaries, affiliated entities that are under common ownership, members, directors, officers, employees, agents, principals, insurers, accountants, representatives, attorneys, predecessors, successors, assignees, licensors, each manufacturer or other entity supplying CREATIVE BRANDS with the Covered Products, and each entity to which CREATIVE BRANDS directly or indirectly distributes, ships or sells the Covered Products, including, but not limited to Ross, its downstream distributors, wholesalers, customers, retailers, franchisees, cooperative members, and licensees and their owners, members, directors, officers, employees, agents, principals, insurers, accountants, representatives, attorneys, predecessors, successors, and assignees (collectively "Releasees") for any and all claims, whether known or unknown, based on their alleged or actual failure to comply with Proposition 65 or to otherwise warn about alleged exposures to DEHP contained in the Covered Products that were allegedly manufactured, imported, distributed, sold and/or offered for sale by CREATIVE BRANDS and Ross either directly or through the Releasees) in California before the Effective Date. The Release shall also cover any Covered Products that were in the stream of commerce prior to the Effective Date. However, as of the Effective Date, no new Products shall be shipped to or distributed in California that are not Reformulated Products

or contain the warnings set forth in Sections 2.2 and 2.3. This release is provided in EP's individual capacity and is not a release on behalf of the public.

In further consideration of the promises and agreements herein contained, EP on behalf of itself, its past and current agents, representatives, attorneys, successors and/or assignees, also hereby waives all of its rights to institute or participate in, directly or indirectly, any form of legal action and releases all claims against CREATIVE BRANDS and Releasees including, but not limited to Ross, that it or they may have including, without limitation, all actions, and causes of action, suits, liabilities, demands, obligations, damages, costs, fines, penalties, losses, expenses, investigative fees, expert fees, and attorneys' fees for any and all claims arising under Proposition 65, and regarding the alleged or actual failure to warn about exposures to DEHP in the Covered Products allegedly manufactured, sold, or distributed for sale before the Effective Date by CREATIVE BRANDS or Releasees.

5.2 CREATIVE BRANDS' Release of EP.

CREATIVE BRANDS on behalf of itself, its past and current agents, representatives, attorneys, successors, and/or assignees, hereby waives any and all claims against EP, its attorneys and other representatives, for any and all actions taken or statements made by EP and its attorneys and other representatives, whether in the course of investigating claims or otherwise seeking to enforce Proposition 65 against it in this matter with respect to the Covered Products.

5.3 Public Benefit.

It is CREATIVE BRANDS' contention that the commitments it has agreed to herein, and actions to be taken by CREATIVE BRANDS 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 CREATIVE BRANDS that to the extent any other private party initiates any action alleging a violation of Proposition 65 with respect to CREATIVE BRANDS and/or the Releasees relating to the Covered Products they have manufactured, distributed, sold, or offered for sale in California and that are subject to this Settlement, such private party action would not confer a significant benefit on the general public provided that CREATIVE BRANDS is in material compliance with this Settlement Agreement.

5.4 **California Civil Code § 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 Covered Products or alleged Proposition 65 violations relating to the Covered Products will develop or be discovered. CREATIVE BRANDS, on one hand, and EP, on the other hand in its individual capacity, acknowledge that this Settlement Agreement is expressly intended to cover and include all such claims up through the Effective Date, including all rights of action therefor. The Parties acknowledge that the claims released in §§ 5.1 and 5.2, above, may include unknown claims, and nevertheless waive California Civil Code § 1542 as to any such unknown claims. California Civil Code § 1542 reads 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.

CREATIVE BRANDS and EP each acknowledge and understand the significance and consequences of this specific waiver of California Civil Code § 1542.

5.5 **Enforcement of Settlement Agreement.**

Any party may file suit before the Superior Court of the County of Los Angeles to enforce the terms and conditions contained in this Settlement Agreement. The prevailing party shall be entitled to its reasonable attorneys' fees and costs associated with such enforcement.

5.6 **Deemed Compliance.** Compliance by CREATIVE BRANDS with this Settlement Agreement constitutes compliance with Proposition 65 with respect to exposure to DEHP from use of the Covered Products.

6. SEVERABILITY

If, subsequent to the execution of this Settlement Agreement, any provision of this Settlement Agreement is deemed 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.

8. 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; (c) a recognized overnight courier; or (d) by email to designated agent of Party indicated below, to the other Party at the following addresses:

For Notices to CREATIVE BRANDS: Creative Brands, LLC
2250 59th Street 4th Fl.
Brooklyn, NY 11228

with a copy to: Robert Salame, Esq.
K&L Gates LLP
599 Lexington Avenue, 32nd Floor
New York, New York 10022
robert.salame@klgates.com

For Notices to EP: EnviroProtect, LLC.
3142 W. 59th Pl.
Los Angeles, CA 90043
Email: enviroprotectca@gmail.com

with a copy to: James K. Kawahito, Esq.
Kawahito Law Group APC
Attn. EP v. CREATIVE BRANDS
300 Corporate Pointe Ste 340
Culver City, CA 90230
jkawahito@kawahitolaw.com

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.

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. COMPLIANCE WITH HEALTH & SAFETY CODE § 25249.7(f)

EP and its attorneys agree to comply with the reporting form requirements referenced in California Health and Safety Code section 25249.7(f).

11. MODIFICATION

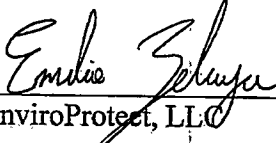
This Settlement Agreement may be modified only by written agreement of the Parties.

12. AUTHORIZATION

The undersigned are authorized to execute this Settlement Agreement on behalf of their respective Parties and have read, understand, and agreed to all of the terms and conditions of this Settlement Agreement.


AGREED TO:

Date: 6/11/24

By: 
EnviroProtect, LLC

AGREED TO:

Date: 6/7/2024

By: 
Creative Brands, LLC