

SETTLEMENT AGREEMENT

1. INTRODUCTION

1.1 Parties

This Settlement Agreement is entered into by and between CalSafe Research Center, Inc. ("CRC"), on the one hand, and Amazon.com Services LLC ("Amazon") on the other hand, with CRC and Amazon each individually referred to as a "Party" and collectively as the "Parties."

1.2 General Allegations

CRC alleges that certain products, specified in Section 1.3 below, are sold on www.amazon.com containing lead but without a warning as required by Health and Safety Code §§ 25249.5 *et seq.* ("Proposition 65"). Lead is listed pursuant to Proposition 65 as a chemical known to cause cancer and birth defects or other reproductive harm. Amazon denies these allegations.

1.3 Product Descriptions

The products covered by this Settlement Agreement are defined as, and expressly limited to, the following products: (a) 4lb Lead Hammer and 10 Sided Bullet Wrench for Lowrider Wire Wheels, identified on amazon.com via Amazon Standard Identification Number ("ASIN") B08WYXD7JS; (b) CH-113 1lb Lead Alloy Hammer with Steel Handle, UPC#N/A, identified on amazon.com via ASIN B07QW8ZMB9; (c) CH-114 2lb Lead Alloy Hammer with Steel Handle, UPC#N/A, identified on amazon.com via ASIN B07QY8SMGB; (d) CH-116 4lb Lead Alloy Hammer with Steel Handle, UPC#N/A, identified on amazon.com via ASIN B07QZGCQWW; (e) Cook 115 1-5/8" Face 3 Lbs Non-Marring Lead Hammer, identified on amazon.com via ASIN B00018ADZI; and (f) Barra Bowie, Air Rifle Pellets, Hollow Tipped Point (5.5 mm lead, 125 count), identified on amazon.com via ASIN B0CH5QB9VB (collectively, the "Covered Products").

1.4 Notice of Violation

On June 28, 2024, July 3, 2024, and October 18, 2024, CRC served four 60-Day Notices of Violation (AG Nos. 2024-02651, 2024-02739, 2024-02743, and 2024-04392) ("the Notices") on Amazon, the California Attorney General, and the other requisite public enforcers, alleging that Amazon and others violated Proposition 65 when they failed to warn consumers in California of alleged exposures to lead from the Covered Products. CRC will not pursue any other Notices of Violation related to hammers alleged to contain lead that are or may be pending as of the Effective Date of this Settlement Agreement.

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 Notices.

1.5 No Admission

Amazon denies the material, factual and legal allegations in the Notices and maintains that all of the products it sold and/or distributed for sale 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 Amazon or any of its officers, directors, shareholders, employees, agents, parent companies, subsidiaries, divisions, affiliates, franchisees, licensees, customers, suppliers, distributors, wholesalers, or retailers 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 Amazon or any of its officers, directors, shareholders, employees, agents, parent companies, subsidiaries, divisions, affiliates, franchisees, licensees, customers, suppliers, distributors, wholesalers, or retailers of any fact, finding, conclusion, issue

of law or violation of law, such being specifically denied by Amazon. This Section shall not, however, diminish or otherwise affect Amazon'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 the date this Settlement Agreement is fully executed.


2. INJUNCTIVE RELIEF

2.1 Clear and Reasonable Warnings


Commencing thirty (30) days after the Effective Date, for any Covered Products identified in Section 1.3 of this Settlement Agreement that are offered for sale in California on amazon.com, Amazon will (a) place the Section 2.2 warning on each Covered Product's online product page on amazon.com; or (b) cease offering the Covered Product for sale in California on amazon.com.

2.2 Text of the Warning

Amazon shall use the warning set forth below, which shall include a symbol consisting of a black exclamation point in a yellow equilateral triangle with a black outline as shown below:

 **WARNING:** This product can expose you to chemicals including lead, 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.

Amazon may alternatively use the following short form warning language so long as it is allowed under Proposition 65's implementing regulations:

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

Any warning must be provided by including either the warning or a clearly marked hyperlink using the word "**WARNING**" on the Product display page, or by otherwise prominently displaying the warning to the purchaser prior to completing the purchase.

2.3 Foreign Language Requirement

To the extent that product information for any Covered Product appears in language(s) other than English (e.g., if a potential purchaser chooses to review amazon.com's website in Spanish, using a browser's translation feature), the Proposition 65 warning must also be provided in the same language(s).

2.4 Compliance

The Parties agree that placement of the warnings set forth above on each Covered Product's online product page on amazon.com shall constitute compliance by Amazon with Proposition 65 with respect to any Covered Products.

2.5 Changes in Warning Regulations or Statutes

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, Amazon shall be entitled to use, at its discretion, such other warning text and/or method of

transmission without being deemed in breach of this Settlement Agreement. If regulations or legislation are enacted or issued providing that a Proposition 65 warning for any of the Product is no longer required, a lack of warning will not thereafter be a breach of this Settlement Agreement.

2.6 Cure Period

If CRC, his agents, or his attorneys identify in the future any Covered Product being sold on www.amazon.com without the warning required by this Settlement Agreement, CRC agrees to advise Amazon of such potential violation in writing (pursuant to Section 7) with supporting information sufficient for Amazon to identify the product with specificity, and to provide Amazon with forty-five (45) calendar days (calculated from the date written notice is provided electronically) to cure any alleged violation, including by providing the required Proposition 65 online warning or restricting sale of the product in California. If the alleged non-compliance is cured within forty-five (45) calendar days, then Amazon shall not be deemed in breach of this Agreement and CRC shall take no further action to enforce this Agreement. If the alleged non-compliance is not cured within that time period, CRC may seek to enforce this Settlement Agreement in a court of law.

3. MONETARY SETTLEMENT TERMS

3.1 Total Settlement Payment

In full satisfaction of all potential civil penalties, attorneys' fees, and costs, Amazon shall make a total settlement payment of Nineteen Thousand Dollars **(\$19,000)** ("Total Settlement Amount"). The Total Settlement Amount shall be apportioned into a Civil Penalty and Attorney's Fees and Costs as set forth in Sections 3.2 and 3.3 below.

3.2 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, Amazon agrees to pay One Thousand Nine Hundred Dollars **(\$1,900.00)** 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 ("OEHHA") and the remaining 25% of the penalty amount retained by CRC. Within forty five (45) calendar days of the Effective Date and Amazon's receipt of a current W-9 form from CRC and CRC's attorney, whichever date is later, Amazon shall issue a check to "OEHHA" in the amount of One Thousand Four Hundred Twenty-Five Dollars **(\$1,425.00)** and shall, pursuant to the instructions below, wire to CRC's counsel the amount of Four Hundred Seventy Five Dollars **(\$475.00)**.

All payments owed to OEHHA (EIN: 68-0284486) pursuant to this Section shall be delivered directly to OEHHA (Memo Line "Prop 65 Penalties" if possible) at the following addresses:

For United States Postal Delivery Service:

Mike Gyurics
Fiscal Operations Branch Chief
Office of Environmental Health Hazard Assessment
P.O. Box 4010, MS 19B
Sacramento, CA 95812-4010

For Non-United States Postal Delivery Service:

Mike Gyurics
Fiscal Operations Branch Chief
Office of Environmental Health Hazard Assessment
1001 I Street MS #19B
Sacramento, CA 95814

All penalty payments owed to CRC shall be sent via wire to:

Wire Instructions:

Account Name: The Law Offices of Joseph R. Manning
Bank Name: J.P. Morgan Chase Bank, N.A.
Bank Address: 2967 Michelson Dr, Ste A, Irvine, CA 92612
Wire Routing / ABA Number: 021000021
Swift Code: CHASUS33
Account Number: 579068902

For further benefit of: Civil Penalty Payment File No. P65-0872

3.3 Attorney Fees and Costs

The Parties reached an accord on the compensation due to CRC and its counsel under the private attorney general doctrine and principles of contract law. Under these legal principles, within forty five (45) calendar days of the Effective Date and Amazon's receipt of a current W-9 form from CRC and CRC's attorney, whichever date is later, Amazon agrees to pay Seventeen Thousand One Hundred Dollars **(\$17,100.00)** to CRC's counsel for all fees and costs incurred in investigating, bringing this matter to the attention of Amazon, and negotiating a settlement.

The payment shall be sent via wire to:

Wire Instructions:

Account Name: The Law Offices of Joseph R. Manning
Bank Name: J.P. Morgan Chase Bank, N.A.
Bank Address: 2967 Michelson Dr, Ste A, Irvine, CA 92612
Wire Routing / ABA Number: 021000021
Swift Code: CHASUS33
Account Number: 579068902
For further benefit of: Attorney's Fees and Costs File No. P65-0872

3.4 Tax Documentation

Amazon agrees to issue 1099-MISCs in accordance with its standard accounting practices and applicable law. CRC and Manning Law agree to provide IRS W-9 forms as payees under this Settlement Agreement.

4. CLAIMS COVERED AND RELEASED

4.1 CRC's Release of Noticed and Related Parties

This Settlement Agreement is a full, final, and binding resolution between CRC and Amazon of any violation of Proposition 65 that was or could have been asserted by CRC, on behalf of itself, or on behalf of its past, current, and future agents, representatives, attorneys, successors, and/or assignees, against Amazon or its parents, subsidiaries, affiliated entities under common ownership, directors, officers, employees, attorneys, and each entity to whom Amazon directly or indirectly distributes or sells the Covered Products (collectively, "Releasees"), including its downstream distributors and retailers, but not including its upstream suppliers and manufacturers, for unwarned exposures to lead from the Covered Products manufactured, distributed, sold or distributed for sale in California on amazon.com prior to the Effective Date.

CRC, acting on its own behalf and not on behalf of the public, fully releases and discharges Amazon and Releasees (collectively, the "Released Parties" and individually, a "Released Party"). CRC, on behalf of itself and its officers, directors, shareholders, employees, agents, parent companies, subsidiaries and divisions hereby fully releases and discharges the Released Parties from any and all claims, actions, causes of action, suits, demands, liabilities, damages, penalties, fees, costs, and expenses asserted, or that could have been asserted based on or related to the handling, use, sale, distribution or consumption of the Covered Products in California, as to any alleged violation of Proposition 65 or its implementing regulations, including without limitation any failure to provide Proposition 65 warnings on the Covered Products with respect to exposures to lead.

4.2 Amazon's Release of CRC

Amazon, on behalf of its past and current agents, representatives, attorneys, successors and assignees, hereby waives any and all claims against CRC and its attorneys and other representatives, for any and all actions taken, or statements made by CRC 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 Covered Products.

4.3 California Civil Code Section 1542

It is possible that other claims not known to the Parties, arising out of the Notices or relating to the Covered Products, will develop or be discovered. CRC on behalf of itself only, and Amazon on behalf of itself only, acknowledge that this Settlement Agreement is expressly intended to cover and include all such claims up through and including the Effective Date, including all rights of action therefore. CRC and Amazon acknowledge that the claims released in Sections 4.1 and 4.2 above may include unknown claims, and nevertheless 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 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.

CRC understands and acknowledges the significance and consequences of these waivers of California Civil Code Section 1542 and similar federal and state statutes, case law, rules, or regulations relating to limitations on releases. In connection with such waivers and relinquishment, CRC acknowledges and agrees

that it may hereafter discover facts in addition to, or different from, those facts known to it or which it now believes to be true with respect to the subject matter of this Settlement Agreement. Nevertheless, CRC agrees that it is its intention to release, fully, finally, and forever, all claims, demands, suits, or causes of action of any kind against the Amazon as of the Effective Date of this Settlement Agreement, and, in furtherance of such intention, the releases will be and remain in effect notwithstanding the discovery or existence of any such additional or different facts. CRC assumes full responsibility for any and all damages, losses, costs, and expenses of any kind that it may incur hereafter as a result of any such additional or different facts. CRC does not, however, waive or release any claim that may arise in the future for breach of this Settlement Agreement or any provisions herein. This release of Amazon by CRC extends only to potential claims arising out of the Covered Products and in no way restricts CRC's right to enforcement of Proposition 65 relating to other products.

5. SEVERABILITY

In the event that any of the provisions of this Settlement Agreement are held by a court of competent jurisdiction to be unenforceable, the validity of the remaining enforceable 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, without regard to its conflicts of law principals. In the event that Proposition 65 is repealed or is otherwise rendered inapplicable by reason of law generally, or as to the Covered Products specifically, or the Covered Products are reformulated so as not to contain any chemicals requiring a Proposition 65 warning, then Amazon may provide written notice to CRC of any such changes and have no further obligations pursuant to this Settlement Agreement with respect to, and to the extent that, the Covered Products are so affected. Nothing in this Settlement Agreement shall be interpreted to relieve Amazon from any obligation to comply with any pertinent state or federal toxics control laws.

7. NOTICE

When any Party is entitled to receive any notice under this Settlement Agreement, the notice shall be sent by first class mail or electronic mail to the address set forth in this paragraph. Any Party may modify the person and address to whom the notice is to be sent by sending the other Party notice by electronic mail and any of the following: (i) personal delivery; (2) first-class, registered, or certified mail, return receipt requested; or (3) a registered overnight courier on any Party by the other Party at the following addresses:

Notices shall be sent to:

For CRC

Joseph R. Manning, Jr.
Manning Law, APC
26100 Towne Center Drive
Foothill Ranch, CA 92610
Tel: Office (949) 200-8757 Fax: (866) 843-8309
p65@manninglawoffice.com

For Amazon
Gregory L. Doll
Jamie O. Kendall
Doll Amir & Eley LLP
515 Flower St., Suite 1812
Los Angeles, CA 90071
gdoll@dollamir.com
jkendall@dollamir.com

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. Signatures by scanned and emailed image or facsimile transmission shall have the same force and effect as original signature and as an electronic record adopted and executed by a Party with the intent to sign the electronic record pursuant to Civil Code §§ 1633.1 *et seq.*

9. COMPLIANCE WITH HEALTH AND SAFETY CODE §25249.7(f)

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

10. MODIFICATION

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

11. ENTIRE AGREEMENT

This Settlement Agreement contains the sole and entire agreement and understanding of the Parties and any and all prior negotiations and understandings related hereto shall be deemed to have been merged within it. No representations or terms of agreement other than those contained herein exist or have been made by any Party with respect to the other Party or the subject matter hereof. No representations, oral or otherwise, express or implied, other than those specifically referred to in this Settlement Agreement have been made by, or relied on, any Party.

12. INTERPRETATION

No inference, assumption or presumption shall be drawn, and no provision of this Settlement Agreement shall be construed against any Party, based upon the fact that one of the Parties and/or their counsel prepared or drafted any portion of this Settlement Agreement. The Parties waive the provisions of Civil Code § 1654. It is conclusively presumed that the Parties participated equally in the drafting of this Settlement Agreement.

13. PUBLIC BENEFIT

It is CRC's and Amazon's understanding that the commitments Amazon has agreed to herein, and the actions to be taken by Amazon under this Settlement Agreement, 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 the Parties that, to the extent any other private party serves a notice and/or initiates an action alleging a violation of Proposition 65 with respect to Amazon's alleged failure to provide a warning concerning actual or alleged exposure to lead from any Covered Product manufactured, distributed, sold, or offered for sale in California previously or in the future, such private party action would not confer a significant benefit on the general public as to the Covered Products addressed in this Settlement

Agreement, provided that Amazon is in material compliance with this Settlement Agreement.

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.

AGREED TO:

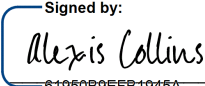
Date: 1/9/2025

By:  4D7E7F1FE86247B...

CalSafe Research Center, Inc.

AGREED TO:

Date: January 15, 2025

By:  61950B9EFB1945A...

Amazon.com Services LLC
Authorized Representative