

SETTLEMENT AGREEMENT

1. INTRODUCTION

1.1 The Parties. This Settlement Agreement is entered into by and between Ema Bell (“Bell”) and Active Items LLC and Creative Home Products LLC (collectively “Active Items”). Together, Bell and Active Items are collectively referred to as the “Parties.” Bell is an individual who resides in the State of California, and seeks to promote awareness of exposures to toxic chemicals and to improve human health by reducing or eliminating hazardous substances contained in consumer products.

1.2 General Allegations. Bell alleges that Active Items, Creative Home Products LLC, Macy’s, Inc. and Macys.com manufactured, distributed, sold and/or offered for sale Liba USA shower curtains, in the State of California allegedly containing perfluorooctanoic acid (“PFOA”) without first providing users and consumers of the product with a “clear and reasonable” health hazard exposure warning as required pursuant to the Safe Drinking Water and Toxic Enforcement Act of 1986, Health & Safety Code § 25249.6, et seq. (“Proposition 65”). California has identified and listed PFOA under Proposition 65 as a chemical known to the State of California to cause cancer and birth defects or other reproductive harm.

1.3 Product Description. The products covered by this Settlement Agreement are curtains containing PFOA including but not limited to Liba USA Shower Curtain X002KEFSJX (the “Products”) that have been imported, distributed, offered for sale and/or sold in California by Active Items.

1.4 Notice of Violation. Bell served Macy’s, Inc., Macys.com, LLC (collectively, “Macy’s”), Creative Home Products LLC, Active Items, the California Attorney General, and various public enforcement agencies eligible to initiate Proposition 65 actions on behalf of the People of the State of California with a document entitled “Notice of Violation of California Health & Safety Code § 25249.6, et seq.” and dated December 9, 2024, (the “Notice”). The Notice provided Active Items and such others, including public enforcers, with notice that alleged that Active Items was in violation of California Health & Safety Code § 25249.6, for failing to sufficiently warn California consumers

and customers of exposure to PFOA that may potentially result from use of the Products. No public enforcer has diligently prosecuted the allegations set forth in the Notice.

1.5 No Admission. Active Items denies the material factual and legal allegations contained in the Notice and maintains that all products that are or have been manufactured, offered for sale, sold and/or distributed in California, including the Products, have been and are in compliance with all laws, including Proposition 65. By execution of this Settlement Agreement, Active Items and its affiliates and subsidiaries, parents, directors, officers, agents, employees, attorneys, representatives, shareholders, successors, and assigns do not admit any facts or conclusions of law, including, but not limited to, any facts or conclusions of law regarding any violation of Proposition 65, or any other statutory, regulatory, common law, or equitable doctrine. Nothing in this Settlement Agreement shall be construed as an admission by the Active Items of any fact, conclusion of law, issue of law, or violation of law. Nothing in this Settlement Agreement, nor compliance with its terms, shall constitute or be admitted as evidence or construed as an admission of fault, wrongdoing, or liability by Active Items in any administrative or judicial proceeding or litigation in any court, agency or forum of any fact, finding, issue of law, or violation of law. However, this § 1.5 shall not diminish or otherwise affect the obligations, responsibilities and duties under this Settlement Agreement. Notwithstanding the allegations in the Notice, Active Items maintains that it has not knowingly manufactured, or caused to be manufactured, the Products for sale in California in violation of Proposition 65.

1.6 Effective Date. For purposes of this Settlement Agreement, the term “Effective Date” shall mean the date this Agreement is last executed by the Parties and Active Items receives a fully executed version.

2. INJUNCTIVE RELIEF: REFORMULATION AND/OR WARNINGS

2.1 Reformulation of Products. Commencing within sixty (60) days after the Effective Date, and continuing thereafter, Products that Active Items directly manufactures, imports, distributes, sells, or offers for sale in California shall either be: (a) reformulated Products pursuant to § 2.2, below; or (b) labeled with a clear and reasonable exposure warning pursuant to §§ 2.3 and 2.4, below. For purposes of this Settlement Agreement, a “Reformulated Product” is a Product that is in compliance

with the standard set forth in § 2.2, below. The warning requirement set forth in §§ 2.3 and 2.4 shall not apply to any Reformulated Products.

2.2 Reformulation Standard. “Reformulated Products” shall mean Products that do not contain any intentionally added PFOA.

2.3 Clear and Reasonable Warning. Commencing within 60 days after the Effective Date, and continuing thereafter, a clear and reasonable exposure warning as set forth in this §§ 2.3 and 2.4 must be provided for all Products that Active Items manufacturers, imports, distributes, sells, or offers for sale in California that is not a Reformulated Product. There shall be no obligation for Active Items to provide an exposure warning for Products that entered the stream of commerce within 60 days after the Effective Date. The warning shall consist of one of the following warnings, as may be modified per section 2.4:

⚠ **WARNING:** This product can expose you to chemicals including perfluorooctanoic acid (PFOA), 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:** Risk of cancer and reproductive harm from exposure to perfluorooctanoic acid (PFOA). See www.P65Warnings.ca.gov.

Or

⚠ **WARNING:** Can expose you to perfluorooctanoic acid (PFOA), a carcinogen and reproductive toxicant. See www.P65Warnings.ca.gov.

2.4 A warning provided pursuant to § 2.3 must print the word “**WARNING:**” in all capital letters and in bold font, followed by a colon. The warning symbol to the left of the word “**WARNING:**” must be a black exclamation point in a yellow equilateral triangle with a black outline, except that if the sign or label for the Products does not use the color yellow, the symbol may be in black and white. The symbol must be in a size no smaller than the height of the word “**WARNING:**”. The warning shall be affixed to or printed on the Products’ packaging or labeling, or on a placard, shelf tag, sign or electronic device or automatic process only if such electronic device or automatic

process provides the warning without the purchaser having to seek it out, provided that the warning is displayed 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 under customary conditions of purchase or use. The warning may be contained in the same section of the packaging, labeling, or instruction booklet that states other safety warnings, if any, concerning the use of the Product and shall be at least the same size as those other safety warnings. If “consumer information,” as that term is defined in Title 27, California Code of Regulations, Section 25600.1(c) as it may be amended from time to time, is provided in a foreign language, Active Items shall provide the warning in the foreign language in accordance with applicable warning regulations adopted by the State of California’s Office of Environmental Health Hazard Assessment (“OEHHA”). Active Items may, at its option, use the words “**CA WARNING:**” or “**CALIFORNIA WARNING:**” instead of the word “**WARNING:**”

In addition to affixing the warning to the Product’s packaging or labeling, the warning shall be posted on websites where Active Items offers Products for sale to consumers in California. The requirements of this Section shall be satisfied if the warning, or a clearly marked hyperlink using the word “**WARNING:**”, “**CA WARNING:**” or “**CALIFORNIA WARNING:**” appears on the product display page, or by otherwise prominently displaying the warning to the purchaser prior to completing the purchase. To comply with this Section, Active Items shall post the warning on websites under its direct control. There shall be no obligation for Active Items to provide a warning for Products that entered the stream of commerce prior to the Effective Date, and the Section 5 release applies to all such Products.

2.5 Compliance with Warning Regulations. The Parties agree that Active Items shall be deemed to be in compliance with this Settlement Agreement by either adhering to § 2 of this Settlement Agreement or by complying with warning regulations adopted by the State of California’s OEHHA applicable to the Products and the exposures at issue within 60 days after the Effective Date.

2.6 Changes in Warning Regulations or Statutes. In the event that OEHHA promulgates one or more regulations requiring or permitting Proposition 65 warning text and/or methods of transmission applicable to the Product or the chemical at issue, which are different than

those set forth above, Active Items shall be entitled to use, at its discretion, such other warning text and/or method of transmission without being deemed in breach of this Agreement. If regulations or legislation are enacted that modify the current safe harbor regulations, Active Items is and will be considered in compliance with Proposition 65 if the warning meets the provisions of this Agreement. Moreover, if regulations or legislation are enacted providing that a Proposition 65 warning is no longer required, a lack of warning by Active Items will not thereafter be a breach of this Agreement.

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

Within thirty (30) days of the Effective Date of this Settlement Agreement, Active Items shall make a total payment of five thousand dollars (\$5,000.00) for the civil penalties and attorney's fees/coss to Bell's counsel, Brodsky Smith, by check or wire transfer. Plaintiff's counsel will provide Active Items with wire instructions and tax forms prior to payment. The Parties acknowledge that Active Items cannot issue any settlement payments pursuant to Sections 3 and 4 until after Active Items receives the requisite tax forms from Bell's counsel. Other than this payment, each side is to bear its own attorneys' fees and costs.

3.1 Penalty Payment. In settlement of all the claims referred to in this Settlement Agreement, Active Items shall pay five hundred dollars (\$500.00) as a Civil Penalty in accordance with this Section. The Civil Penalty payment shall be allocated in accordance with California Health & Safety Code §§ 25249.12(c)(1) and (d), with 75% (\$375.00) of the Penalty remitted to OEHHA and the remaining 25% (\$125.00) of the Penalty remitted to Bell. Bell's counsel shall be responsible for delivering OEHHA's portion and Bell's portion of any penalty payment made under this Settlement Agreement. For all amounts due and owing that are not received within the payment times set forth below, Active Items shall pay a late civil penalty payment fee equal to \$100/day to be allocated in accordance with California Health & Safety Code § 25249.12(c)(1) and (d).

3.2 Payment Procedures.

(a) **Issuance of Payments.** Payments shall be delivered as follows:

All payments owed to Bell, pursuant to §§ 3 and 4 shall be delivered to the following address:

Evan J. Smith, Esquire
Brodsky Smith
Two Bala Plaza, Suite 805
Bala Cynwyd, PA 19004

(b) **Tax Documentation.** Active Items agrees to provide a completed IRS 1099 for its payments to, and Bell agrees to provide IRS W-9 forms for, each of the following payees under this Settlement Agreement:

(i) “Ema Bell” whose address and tax identification number shall be provided within five (5) days after this Settlement Agreement is fully executed by the Parties;

(ii) “Brodsky Smith” (EIN: 23-2971061) at the address provided in Section 3.2(a)(i); and

(iii) “Office of Environmental Health Hazard Assessment” 1001 I Street, Sacramento, CA 95814.

4. **REIMBURSEMENT OF FEES AND COSTS**

The Parties acknowledge that Bell and her counsel offered to reach preliminary agreement on the material terms of this dispute before reaching terms on the amount of fees and costs to be reimbursed to them. The Parties thereafter reached an accord on the compensation due to Bell and her counsel under general contract principles and the private attorney general doctrine and principles codified at California Code of Civil Procedure § 1021.5, for all work performed through the mutual execution of this agreement. Under these legal principles, Active Items shall reimburse Bell’s counsel for fees and costs incurred as a result of investigating and bringing this matter to the attention of Active Items, and negotiating a settlement in the public interest. Within thirty (30) days of the Effective Date, Active Items shall pay Bell’s counsel four thousand five hundred dollars (\$4,500.00) for all attorneys’

fees, expert and investigation fees, and related costs associated with this matter and the Notice subject to section 3.2(c) regarding tax documentation.

5. RELEASE OF ALL CLAIMS

5.1 Release of Active Items and Downstream Customers and Entities. This Settlement Agreement is a full, final and binding resolution between Bell, acting on her own behalf, and Active Items, of any violation of Proposition 65 that was or could have been asserted by Bell or on behalf of her past and current agents, representatives, attorneys, successors, and/or assigns (“Releasors”) for failure to provide warnings for alleged exposures to PFOA from the Products, and Releasors hereby release any such claims against Active Items and its parents, subsidiaries, affiliated entities, shareholders, marketplaces, directors, officers, agents, employees, attorneys, successors and assignees, and each entity to whom Active Items directly or indirectly distributes or sells the Products, including but not limited to, downstream distributors, wholesalers, customers, retailers, including but not limited to Creative Home Products LLC, and Macy’s, and their respective subsidiaries, affiliates and parents, franchisees, cooperative members and licensees (collectively, the “Releasees”), from all claims for violations of Proposition 65 through 60 days after the Effective Date based on exposure to PFOA from the Products.

In further consideration of the promises and agreements herein contained, and for the payments to be made pursuant to §§ 3 and 4 above, Bell, on behalf of herself, her past and current agents, representatives, attorneys, successors and/or assignees, hereby covenants not to sue and waives any right to institute, participate in, directly or indirectly, any form of legal action and releases all claims that she may have, including without limitation, all actions and causes of action in law and in equity, all obligations, expenses (including without limitation all attorneys’ fees, expert fees, and investigation fees, and costs), damages, losses, liabilities and demands against any of the Releasees of any nature, character, or kind, whether known or unknown, suspected or unsuspected, limited to and arising out of the alleged or actual exposure to PFOA from use of the Products.

5.2 Active Items’ Release of Bell. Active Items, on behalf of itself, its past and current agents, representatives, attorneys, successors and/or assignees, hereby waives any and all claims

against Bell, her attorneys and other representatives, for any and all actions taken or statements made (or those that could have been taken or made) by Bell and/or her attorneys and other representatives, whether in the course of investigating claims or otherwise seeking to enforce Proposition 65 against it in this matter or with respect to exposure to PFOA from use of the Products.

5.3 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 Products will develop or be discovered. Bell on behalf of herself only, on one hand, and Active Items, on the other hand, acknowledge that this Settlement Agreement is expressly intended to cover and include all such claims up through 60 days after 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 HIS FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HIS, WOULD HAVE MATERIALLY AFFECTED HIS OR HIS SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

Bell and Active Items each acknowledge and understand the significance and consequences of this specific waiver of California Civil Code § 1542.

5.4 Deemed Compliance with Proposition 65. The Parties agree that compliance by Active Items with this Settlement Agreement constitutes compliance by Active Items with Proposition 65 with respect to exposure to PFOA from use of the Products.

5.5. Public Benefit. It is the Parties' understanding that the commitments Active Items has agreed to herein, and actions to be taken by Active Items 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 initiates an action alleging a violation of Proposition 65 with respect to Active Items' failure to provide a warning concerning exposure to from the Products it has manufactured, distributed, sold, or

offered for sale in California, or which Active Items 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 Active Items is in material compliance with this Settlement Agreement.

6. SEVERABILITY

If, subsequent to the execution of this Settlement Agreement, any of the provisions of this Settlement Agreement are deemed by a court to be unenforceable, the validity of the enforceable provisions remaining shall not be adversely affected but only to the extent the deletion of the provision deemed unenforceable does not materially affect, or otherwise result in the effect of the Settlement Agreement being contrary to the intent of the Parties in entering into this Settlement Agreement.

7. GOVERNING LAW

The terms of this Settlement Agreement shall be governed by the law of the State of California and apply within the State of California.

8. 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; (ii) overnight or two-day courier, or (iii) email on any party by the other party to the following addresses:

For Active Items and Creative Home Products LLC:

Malcolm Weiss
mweiss@hunton.com
Hunton Andrews Kurth LLP
550 S. Hope St., Ste. 2000
Los Angeles, CA 90071
and
Abigail Contreras
acontreras@hunton.com
Hunton Andrews Kurth LLP
50 California Street, Suite 1700
San Francisco, CA 94111

For Bell:

Evan J. Smith
esmith@brodskysmith.com
Brodsky Smith
Two Bala Plaza, Suite 805
Bala Cynwyd, PA 19004

Either 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.

9. COUNTERPARTS: SIGNATURES

This Settlement Agreement may be executed in counterparts and by facsimile or .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)

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

11. MODIFICATION

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

12. ENTIRE AGREEMENT

This Settlement Agreement contains the sole and entire agreement 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.

13. AUTHORIZATION

The undersigned are authorized to execute this Settlement Agreement and have read, understood and agree to all of the terms and conditions contained of this Settlement Agreement.

AGREED TO:

AGREED TO:

Date: 1 / 30 / 26

Date: 1/26/2026

By:  _____
Emma Bell

By: Raunak Nirmal _____
Active Items LLC

Date: 1/26/2026

By: Raunak Nrmal
Creative Home Products LLC