

SETTLEMENT AGREEMENT AND MUTUAL RELEASES

1. RECITALS

1.1 The Parties

1.1.1 This Settlement Agreement (“Agreement”) is entered into by and between APS&EE, LLC (“APS&EE”) and Travel Plus International, LLC (“Travel Plus”). APS&EE and Travel Plus shall hereinafter collectively be referred to as the “Parties”.

1.1.2 APS&EE is an organization based in California with an interest in protecting the environment, improving human health and the health of ecosystems, and supporting environmentally sound practices, which includes promoting awareness of exposure to toxic chemicals and reducing exposure to hazardous substances found in consumer products.

1.1.3 APS&EE alleges that Travel Plus is a person in the course of doing business as the term is defined in California *Health & Safety Code* section 25249.6 et seq. (“Proposition 65”).

1.2 Allegations

1.2.1 APS&EE alleges that Travel Plus sold Field & Stream Dry Bags, including CEH01902, 8-89751-38266-1 (hereinafter collectively the “Products”) in the State of California causing users in California to be exposed to Di (2-ethylhexyl) Phthalate (“DEHP”) without providing “clear and reasonable warnings”, in violation of Proposition 65. DEHP is potentially subject to Proposition 65 warning requirements because it is listed as known to cause cancer and reproductive toxicity.

1.2.2 On June 6, 2018, APS&EE served a Sixty-Day Notice of Violation (“60-Day Notice”) on American Sports Licensing, Inc. (“ASLI”), Dick’s Sporting Goods, Inc. (“DSG”), and the various public enforcement agencies regarding the alleged violation of Proposition 65 with respect to the Products. Subsequently, APS&EE filed a Proposition 65 complaint based on that notice against ASLI and DSG (“the Complaint”)

in the matter entitled APS&EE v. American Sports Licensing, Inc., et al., Los Angeles Superior Court, Case No. BC720115 (“Action”). On December 10, 2018, APS&EE served a Supplemental Sixty-Day Notice of Violation (“Supplemental Notice”), to Travel Plus, ASLI, DSG, and the various public enforcement agencies regarding the alleged violation of Proposition 65 with respect to the Products. The 60-Day Notice and the Supplemental Notice shall hereinafter collectively be referred to as the “Notices.”

1.3 No Admissions

Travel Plus denies all allegations in APS&EE’s Notices and maintains that the Products have been, and are, in compliance with all laws, and that Travel Plus has not violated Proposition 65. This Agreement shall not be construed as an admission of liability by Travel Plus but to the contrary as a compromise of claims that are expressly contested and denied. However, nothing in this section shall affect the Parties’ obligations, duties, and responsibilities under this Agreement.

1.4 Compromise

The Parties enter into this Agreement in order to resolve the controversy described above in a manner consistent with prior Proposition 65 settlements and consent judgments that were entered in the public interest and to avoid prolonged and costly litigation between them.

1.5 Effective Date

The “Effective Date” shall be the date upon which a complete and fully executed copy of the Agreement is delivered to each Party or its counsel.

1.6 Dismissal of the Action

In consideration of the promises and payments required to be made by Travel Plus as set forth herein, APS&EE shall file a dismissal of the Action with prejudice within ten (10) business days of receipt of said payments from Travel Plus, including any and all claims asserted against DSG and ASLI regarding violations of Proposition 65 related to the Products. The parties hereby agree that, if APS&EE does not file a dismissal of the

Action with prejudice within ten (10) business days of receipt of said payments from Travel Plus, DSG shall have the right to file a motion for dismissal of the Action with prejudice.

2. INJUNCTIVE RELIEF

2.1 Reformulation

As of the Effective Date, Travel Plus shall not distribute, sell or offer for sale the Products in California unless (a) the Products contain no more than 1,000 parts per million (0.1%) of DEHP (“Reformulated Product”), or (b) the Products is distributed, sold, or offered for sale with a clear and reasonable warning as described below in Section 2.2.

2.2 Clear And Reasonable Warnings

2.2.1 For any Product that is not a Reformulated Product, such Product shall be accompanied by a clear and reasonable warning. Travel Plus shall use a warning with the capitalized and emboldened wording substantially similar to the following:

WARNING: This product can expose you to chemicals, including DEHP, which are 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.

The warning shall be accompanied by a symbol consisting of a black exclamation point in a yellow equilateral triangle with a bold black outline. Where the label 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”.

2.2.2 Each unit shall carry said warning directly on each unit or its label or package, 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 prior to sale.

2.2.3 The Products sold by Travel Plus on the internet shall also provide the warning message by a clearly marked hyperlink on the product display page, or otherwise prominently displayed to the purchaser before the purchaser completes his or her purchase of the Products.

2.3 Changes In Warning Requirements

If modification or amendments to Proposition 65 or its regulations after the effective date are inconsistent with, or provide warning requirements different from those set forth above, Travel Plus may modify the content and delivery methods of its warnings to conform to the modified or amended provisions of Proposition 65 or its regulations.

3. PAYMENTS

3.1 Civil Penalty Pursuant To Proposition 65

In settlement of all claims referred to in this Agreement, Travel Plus shall pay a total civil penalty of two thousand dollars (\$2,000.00) to be apportioned in accordance with *Health and Safety Code* section 25249.12(c)(1) and (d), with 75% (\$1,500.00) for State of California Office of Environmental Health Hazard Assessment (“OEHHA”), and the remaining 25% (\$500.00) for APS&EE.

Travel Plus shall issue two (2) checks for the civil penalty: (1) a check or money order made payable to “OEHHA” in the amount of \$1,500.00; and (2) a check or money order made payable to “Law Offices of Lucas T. Novak” in the amount of \$500.00.

Travel Plus shall remit the payments within ten (10) business days of the Effective Date, to:

Lucas T. Novak, Esq.
LAW OFFICES OF LUCAS T. NOVAK
8335 W Sunset Blvd., Suite 217
Los Angeles, CA 90069

3.2 Reimbursement Of APS&EE’s Fees And Costs

Travel Plus shall reimburse APS&EE’s reasonable experts’ and attorney’s fees

and costs incurred in prosecuting the instant action, for all work performed through execution of this Agreement. Accordingly, Travel Plus shall issue a check or money order made payable to “Law Offices of Lucas T. Novak” in the amount of twenty thousand dollars (\$20,000.00). Travel Plus shall remit the payment within ten (10) business days of the Effective Date, to:

Lucas T. Novak, Esq.
LAW OFFICES OF LUCAS T. NOVAK
8335 W Sunset Blvd., Suite 217
Los Angeles, CA 90069

4. RELEASES

4.1 APS&EE’s Release Of Travel Plus

APS&EE, in consideration of the promises and monetary payments contained herein, hereby releases Travel Plus, its parents, subsidiaries, shareholders, directors, members, officers, employees, attorneys, successors and assignees, as well as its downstream entities in the distribution chain of the Products, including ASLI and DSG (collectively “Released Parties”), from any violation of Proposition 65 regarding the failure to warn about exposure to DEHP from the Products distributed or sold by Travel Plus prior to the Effective Date. Although APS&EE has not filed a complaint against Travel Plus in this matter, it previously filed a complaint and has the pending Action against ASLI and DSG in Los Angeles Superior Court, Case No. BC720115, and as described above in section 1.6, APS&EE agrees to file a dismissal of the Action after Travel Plus successfully makes all payments as described in this Agreement.

4.2 Travel Plus’ Release Of APS&EE

Travel Plus, and on behalf of the Released Parties, by this Agreement, waives all rights to institute any form of legal action against APS&EE, its shareholders, directors, members, officers, employees, attorneys, experts, successors and assignees for actions or statements made or undertaken, whether in the course of investigating claims or seeking enforcement of Proposition 65 against Travel Plus in this matter.

4.3 Waiver Of Unknown Claims

Each of the Parties acknowledges that it is familiar with Section 1542 of California Civil Code which provides 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.

Each of the Parties waives and relinquishes any right or benefit it has or may have under Section 1542 of California Civil Code or any similar provision under the statutory or non-statutory law of any other jurisdiction to the full extent that it may lawfully waive all such rights and benefits. The Parties acknowledge that each may subsequently discover facts in addition to, or different from, those that it believes to be true with respect to the claims released herein. The Parties agree that this Agreement and the releases contained herein shall be and remain effective in all respects notwithstanding the discovery of such additional or different facts.

5. SEVERABILITY

Should any part or provision of this Agreement for any reason be declared by a Court to be invalid, void or unenforceable, the remaining portions and provisions shall continue in full force and effect.

6. GOVERNING LAW

The terms of this Agreement shall be governed by the laws of the State of California.

7. NOTICE

All correspondence and notice required to be provided under this Agreement shall be in writing and delivered personally or sent by first class or certified mail addressed as follows:

TO TRAVEL PLUS: Ching Chiao, Esq. Alexei Brenot, Esq. Chiao & Wu, LLP 600 S. Lake Avenue, Suite 405 Pasadena, CA 91106	TO APS&EE: Lucas T. Novak, Esq. Law Offices of Lucas T. Novak 8335 W Sunset Blvd., Suite 217 Los Angeles, CA 90069
TO DSG: Maureen Gorsen, Esq. ALSTON & BIRD 1121 L Street, Suite 700 Sacramento, CA 95814	

8. **COUNTERPARTS**

This Agreement may be executed in counterparts, each of which shall be deemed an original, and all of which, when taken together, shall constitute the same document. Execution and delivery of this Agreement by e-mail, facsimile, or other electronic means shall constitute legal and binding execution and delivery. Any photocopy of the executed Agreement shall have the same force and effect as the originals.

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9. AUTHORIZATION

The undersigned are authorized to execute this Agreement on behalf of their respective Parties. Each Party has read, understood, and agrees to all of the terms and conditions of this Agreement. Each Party warrants to the other that it is free to enter into this Agreement and is not subject to any conflicting obligation that will or might prevent or interfere with the execution or performance of this Agreement by said Party.

AGREED TO:

Date: _____

By: _____
Authorized Representative of APS&EE, LLC

AGREED TO:

Date: _____ 4/22/19

By: _____
Authorized Representative of Travel Plus International, LLC

9. **AUTHORIZATION**

The undersigned are authorized to execute this Agreement on behalf of their respective Parties. Each Party has read, understood, and agrees to all of the terms and conditions of this Agreement. Each Party warrants to the other that it is free to enter into this Agreement and is not subject to any conflicting obligation that will or might prevent or interfere with the execution or performance of this Agreement by said Party.

AGREED TO:

Date:

4/22/19

By:

[Signature]

Authorized Representative of APS&EE, LLC

AGREED TO:

Date:

By:

Authorized Representative of Travel Plus International, LLC