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By Selina Gillen
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SAUDER WOODWORKING CO.

SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF SAN FRANCISCO

KEEP AMERICA SAFE AND BEAUTIFUL, Plaintiff, v. SAUDER WOODWORKING CO.; and DOES 1-30, inclusive, Defendants.	Case No. CGC-23-606284 ~~[PROPOSED]~~ **CONSENT JUDGMENT** (Health & Safety Code § 25249.6 et seq. and Code of Civil Procedure § 664.6) Filed: May 3, 2023 Trial: Vacated (Notice of Settlement Filed)

1. INTRODUCTION

This Consent Judgment is entered into by and between plaintiff Keep America Safe and Beautiful ("KASB") and defendant Sauder Woodworking Co. ("Sauder"), with KASB and Sauder each individually referred to as a "Party" and collectively, as the "Parties," to resolve the allegations in the March 17, 2023, 60-Day Notice of Violation ("Notice") in compliance with the Safe Drinking Water and Toxic Enforcement Act of 1986, Health & Safety Code § 25249.6 *et seq.* ("Proposition 65").

1.1 The Parties

KASB is a California-based non-profit organization proceeding in the public interest pursuant to California Health & Safety Code § 25249.7(d) to ensure that the presence of chemicals known to the State of California to cause cancer and birth defects, or other reproductive harm is disclosed to California consumers or such chemicals are eliminated from consumer products sold in California. Sauder is a person in the course of doing business for purposes of California Health & Safety Code § 25249.11(b).

1.2 Consumer Product Description

KASB alleges Sauder manufactures, imports, sells, or distributes for sale, in or into California, Seats with Vinyl Upholstery containing di(2-ethylhexyl) phthalate ("DEHP") including, but not limited to, the *Sauder DuraPlush® Task Chair, Model: 418935, UPC: 0 42666 00756 6*, and that Sauder does so without providing the warning required by California Health & Safety Code § 25249.5 *et seq.* ("Proposition 65"). DEHP is listed pursuant to Proposition 65 as a chemical known to cause birth defects or other reproductive harm. All such Seats with Vinyl Upholstery manufactured, distributed sold and/or offered for sale by Sauder shall be referred to hereinafter as the "Products."

1.3 Notice of Violation

On May 27, 2022, KASB served Sauder, the Office of the Attorney General of the State of California ("OAG"), and all requisite public enforcement agencies with a 60-Day Notice of Violation ("Notice"). In the Notice, KASB alleges Sauder violated Proposition 65 by failing to warn its customers and consumers in California that the Products can expose users and other individuals to DEHP. No public enforcer has commenced and is diligently prosecuting an action to enforce the allegations set forth in the Notice.

1.4 Complaint

On May 3, 2023, KASB filed the captioned lawsuit ("Complaint"). The Complaint names Sauder as a defendant and states a single cause of action for the alleged violations of Proposition 65 that are the subject of the Notice.

1.5 No Admission

Sauder denies the material, factual and legal allegations contained in the Notice and Complaint and maintains all products it sold or distributed for sale in California, including the Products, comply with all laws. No term of this Consent Judgment nor Sauder's compliance with its terms shall be deemed an admission by Sauder of any fact, finding, legal issue or conclusion, or violation of any law. This Section shall not, however, diminish or otherwise affect Sauder's obligations, responsibilities, and duties under this Consent Judgment.

1.6 Jurisdiction

For purposes of this Consent Judgment only, the Parties stipulate this Court has jurisdiction over Sauder as to the allegations in the Complaint. Venue is proper in the San Francisco Superior Court, and that the Court has jurisdiction to enter and enforce the terms and provisions of this Consent Judgment pursuant to Proposition 65 and Code of Civil Procedure section 664.6.

1.7 Effective Date

The term "Effective Date" means the date on which the Court approves this Consent Judgment and enters Judgment in accordance with its terms.

2. INJUNCTIVE RELIEF: REFORMULATION & WARNINGS

2.1 Agreement to Provide Reformulated Products or Warnings

Sauder does not currently sell or distribute the Products into California. Should Sauder resume sale and/or distribution of the Products into California after the Effective Date, the Sauder will meet the Reformulation Standard for Reformulated Products defined in Section 2.2, below, or comply with the warning requirements set forth in Section 2.3, below.

2.2 Reformulation Standard

For purposes of this Consent Judgment, "Reformulated Products" are defined as Products containing DEHP in a maximum concentration of no more than 0.1 percent (1,000 parts per million)

in any "accessible component" (i.e., any component that may be touched, handled or otherwise contacted by an individual during a reasonably foreseeable use of the Products) when analyzed by a laboratory accredited by the State of California, a federal agency, or a nationally recognized accrediting organization (the "Reformulation Standard").

For purposes of compliance with the Reformulation Standard, testing samples shall be prepared and extracted using Consumer Product Safety Commission ("CPSC") methodology CPSC CH-C1001.09.4 and analyzed using U.S. Environmental Protection Agency methodology 8270D, or other methodologies utilized by federal or state government agencies to determine phthalate content in a solid substance.

2.3 Clear and Reasonable Warnings

Commencing on the Effective Date and continuing thereafter, all Products, that are not Reformulated Products, provided for sale by Sauder in or into California shall have warnings in accordance with this Section pursuant to Title 27, California Code of Regulations § 25600, et seq. Each warning shall be prominently placed with such conspicuousness as compared with other words, statements, or designs as to render it likely to be read and understood by an ordinary individual under customary conditions before purchase or use and shall be provided in a manner such that it is clearly associated with the specific Product to which the warning applies. Where a consumer product sign, label or shelf tag used to provide a warning includes consumer information in language(s) other than English, the warning or notice must also be provided in the other language(s) in addition to English.

(a) Warning Language Content. The Warning for DEHP in excess of the Reformulation Standard set forth in Section 2.2 shall consist of the following statement:

> ⚠**WARNING** [or] **CA WARNING** [or] **CALIFORNIA WARNING:** This product can expose you to chemicals including di(2-ethylhexyl) phthalate (DEHP), 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/furniture

A warning provided pursuant to this Section 2.4(a) must print the word "**WARNING:**" in all capital letters and in bold font. 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 if the labeling does not use the color yellow, then the symbol may be in black and white.

(b) Product Label Warnings

Sauder shall include the warning statement in Section 2.2(a) on the Product label affixed to the Products in the same manner as other consumer information or warning materials on the Products. The entire warning shall appear in a type size of at least 6-point type and no smaller than the largest type size used for other consumer information on the Products. For purposes of this Consent Judgment, "Product label" means a display of written, printed or graphic material that is printed on or affixed to a Product or its immediate container or wrapper.

(c) Internet Warnings

Sauder shall also provide the warning statement in Section 2.2(a) and 2.2(b) by prominently displaying, or requesting the warning to be prominently displayed on authorized third-party websites or by authorized downstream retailers or distributors with e-commerce platforms, to the consumer during the purchase of any of the Products without requiring customers to seek out the warning. However, Sauder shall not assume any duty to monitor any third-party websites for compliance. The warning or a clearly marked hyperlink to the warning using the word "**WARNING**" given in conjunction with the sale of Products via the internet shall appear (i) on the same web page on which each Product is displayed; (ii) on the same web page as the virtual cart displaying each Product; (iii) on the same page as the price for each Product; or (iv) on one or more web pages displayed to a purchaser during the checkout process. For third-party websites where Sauder knows the Products will be sold in or into California, Sauder will provide such online sellers of the Products with the warning content and transmission methods as set forth under Section 2.3. To comply with this Section, Sauder shall (a) post the Warning above on any website it owns and from which consumers in California can directly purchase the Covered Product and, if it has the ability to do so, on the websites of its known third-party internet sellers; and (b) if it does not have the ability to post the Warning on the websites of its known third-party internet sellers, provide such sellers, that sell the Covered Product to consumers in California from their website,s with written notice in accordance with Title 27, California Code of Regulations, Section 25600.2, subdivisions (b) and (c). Third-party

internet sellers of the Covered Products that have been provided with written notice in accordance with Title 27, California Code of Regulations, Section 25600.2 are not released in Section 5 of this Agreement if they fail to meet the warning requirements of this Section.

(d) Catalog Warning

If, after the Effective Date, Sauder prints new catalogs and sells Products, that are not Reformulated Products, via mail order through such catalogs to customers located in California, Sauder shall also provide the warning statement in Section 2.2(a) for each Product in the catalog in a manner that clearly associates the warning with the *specific* Product being purchased. Any warning provided in a mail order catalog shall be in the same type size or larger than other consumer information provided for the Product within the catalog and shall be provided on the same page and in the same location as the display and/or description of each Products.

(e) Compliance with Regulations

Per Title 27 California Code of Regulations § 25600.2.(b), Sauder may comply with these Section 2 requirements for providing warnings under this Consent Judgment either by providing a warning on the product label or labeling that satisfies Section 25249.6 of the Act, or by providing a written notice directly to the authorized agent for the business to which they are selling or transferring the product or to the authorized agent for a retail seller, so long as the business to which they are providing the notice is subject to Section 25249.6 of the Act. The written notice shall: (1) State that the product may result in an exposure to one or more listed chemicals; (2) Include the exact name or description of the product or specific identifying information for the product such as a Universal Product Code or other identifying designation; (3) Include all necessary warning materials such as labels, labeling, shelf signs or tags, and warning language for products sold on the internet, that satisfies Section 25249.6 of the Act; and (4) Be renewed annually during the period in which the product is sold in California by a retail seller. If Sauder is complying with any warning obligations by availing itself of 26500.2 then it will also follow 25600.2(c)

(f) Posted Notice Sign

To the extent that Sauder intends to require its downstream retailers to post an in-store sign required in accordance with this Section 2.3(f), Sauder agrees to comply with the requirements of Tit.

27 Cal. Code Regs. § 25600.2(b). Sauder shall inform its authorized downstream retailers or distributors to inform customers that, if the customer sells, uses or offers the product for sale or use in a business establishment in the State of California, a sign no smaller than 8 1/2 by 11 inches must be displayed at each public entrance and at each point of usage, and printed in no smaller than 28-point type which contains the following warning statement:

NOTICE:

> Some furniture products with vinyl upholstery in this establishment can expose you to chemicals known to the State of California to cause cancer and birth defects or other reproductive harm. Please check the product label for warning information. For more information go to: www.P65Warnings.ca.gov/furniture.

(g) Compliance

In the event that the Office of Environmental Health Hazard Assessment promulgates one or more regulations requiring or permitting Proposition 65 warning text and/or methods of transmission applicable to the Covered Products and the chemical at issue, which are different than those set forth above, Sauder and any Releasees 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, legislation, or judicial rulings are enacted or issued providing that a Proposition 65 warning for the product is no longer required, Sauder and KASB shall make a good faith effort meet and confer for a period of not less than thirty (30) days before the Parties, or a Party seek(s) to modify this Consent Judgment pursuant to Sections 7 and 12, below.

3. MONETARY SETTLEMENT TERMS

3.1 Civil Penalty

Pursuant to Health and Safety Code § 25249.7(b), Sauder agrees to pay a civil penalty of $2,000 within fifteen (15) days of the Effective Date. Sauder's civil penalty payment will be allocated according to Health and Safety Code § 25249.12(c)(1) and (d), with seventy-five percent (75%) of the penalty paid to the California Office of Environmental Health Hazard Assessment ("OEHHA"), and the remaining twenty-five percent (25%) retained by KASB. Sauder shall issue its payment in two checks made payable to: (a) "OEHHA" in the amount of $1,875; and (b) "Seven Hills in Trust for

Keep America Safe and Beautiful" in the amount of $625. KASB's counsel shall remit and disburse to OEHHA and KASB their respective portions of Sauder's civil penalty payment.

3.2 Reimbursement of Attorneys' Fees and Costs

After the Parties finalized all other material settlement terms, they negotiated Sauder's reimbursement to KASB and its counsel under general contract principles and the private attorney general doctrine codified at California Code of Civil Procedure section 1021.5. Sauder's payment under this Section covers all work performed through the mutual execution and reporting of this Consent Judgment to the OAG and obtaining an entry of judgment pursuant its terms, but excludes all fees and costs incurred on appeal, if any. Within fifteen (15) days of the Effective Date, Sauder shall issue a check in the amount of $22,000 payable to "Seven Hills LLP" for all fees and other costs incurred investigating, bringing this matter to Sauder's attention, litigating, negotiating a settlement in the public interest, obtaining the Court's approval and entry of judgment according to its terms pursuant to Section 5, and reporting the settlement to the OAG.

3.3 Payments

All payments due under this Consent Judgment shall be delivered to KASB's counsel at the following address:

Seven Hills LLP
Attn: Laralei Paras, Esq.
4 Embarcadero Center, Suite 1400
San Francisco, CA 94111

4. CLAIMS COVERED AND RELEASED

4.1 KASB's Public Release of Proposition 65 Claims

This Consent Judgment is a full, final, and binding resolution of all claims for violations of Proposition 65 KASB alleged or could have alleged arising out of the allegations in the Notice and Complaint. KASB, acting on its own behalf, in the public interest, and on behalf of its past and current agents, representatives, attorneys, successors and assignees ("Releasors") releases Sauder, its past and present parents, subsidiaries, affiliated entities under common ownership, directors, officers, employees, attorneys, and each entity to whom Sauder directly or indirectly distributes or sells the Products including its downstream distributors, wholesalers, marketplace hosts, customers,

retailers, franchisees, cooperative members, and licensees ("Releasees"), if any, from all clams for violations of Proposition 65 based on Sauder's alleged failure to provide a clear and reasonable warning regarding alleged or actual exposures to DEHP in Products manufactured, processed, distributed, sold and/or offered for sale in California before the Effective Date, as set forth in the Notice and Complaint. The Parties agree compliance with Section 2 of this Consent Judgment shall be deemed compliance with Proposition 65 with respect to alleged or actual exposures to DEHP in Products. The Parties further understand and agree this Section 4.1 release shall not extend to upstream to any entity who manufactured, distributed, or otherwise supplied the Products, or any component part(s) thereof, to Sauder. Nor shall this release extend downstream to any Releasee Sauder instructs, pursuant to Section 2.3, to provide a warning on Products that are not Reformulated Products and who and fails to do so. Nothing in this Section affects KASB's right to commence or prosecute an action under Proposition 65 against a Releasee that does not involve Sauder's Products.

4.2 KASB's Private Release of Proposition 65 Claims

In further consideration of the promises and agreements set forth herein, KASB on its own behalf as an individual nonprofit corporation and *not* on behalf of the public in California, and on behalf of its past and current agents, representatives, attorneys, successors, and/or assignees, hereby waives all rights it may have to institute or participate, directly or indirectly, in any form of legal action, and it releases all claims it may have, including, without limitation, all actions, and causes of action, in law or in equity, suits, liabilities, demands, obligations, damages, costs, fines, penalties, losses, or expenses including, but not exclusively, investigation fees, expert fees, and attorneys' fees arising under Proposition 65 with respect to DEHP in Products manufactured, distributed, sold and/or offered for sale by Sauder and/or Releasees prior to the Effective Date. As with the Section 4.1 release, above, the Parties understand and agree this Section 4.2 release shall not extend to upstream to any entity who manufactured, distributed, or otherwise supplied the Products or any component party thereof to Sauder. Nor shall this extend downstream to any Releasees who have been instructed by Sauder, pursuant to Section 2.3, to provide a warning on Products that are not Reformulated Products and fail to do so. Nothing in this Section affects KASB's right to commence

or prosecute an action under Proposition 65 against a Releasee that does not involve Sauder's Products.

4.3 Sauder's Release of KASB

Sauder, on its own behalf and on behalf of its past and current agents, representatives, attorneys, successors, and assignees, hereby waives any claim against KASB and its attorneys and other representatives, for any action taken or statement made (or those that could have been taken or made) by KASB 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 Products.

4.4 Mutual Waiver of California Civil Code § 1542

KASB on its own behalf as a nonprofit corporation, and *not* in the public interest, on the one hand, and Sauder, on the other hand, each acknowledge that the claims in this Consent Judgment include all known and unknown claims pertaining to the failure to warn of exposures to DEHP in Products sold in California before the Effective Date, except as provided in Section 4.1, above, and each waives the provisions of California Civil Code section 1542 as to any unknown claims pertaining to the failure to warn of exposures to DEHP in the Products sold in California that may have existed prior to and including the Effective Date, except as provided in Section 4.2. 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.

The Parties acknowledge and understand the significance and consequences of this specific waiver of California Civil Code section 1542 and agree to waive the same as well as any statute of similar import or meaning of any other jurisdiction.

5. COURT APPROVAL

Pursuant to California Health and Safety Code § 25249.7(f)(4), KASB shall file a motion for judicial approval of this Consent Judgment. The Parties agree to mutually employ their best efforts, and those of their counsel, to support the entry of this agreement as a judgment pursuant to the terms

of this Consent Judgment, and to seek judicial approval of the settlement in a timely manner. For purposes of this section, "best efforts" shall include, at a minimum, supporting the motion for approval, responding to any third-party objection, and appearing at the hearing before the Court if so requested.

6. SEVERABILITY

If, subsequent to the Court's approval and entry of this Consent Judgment as a judgment, any provision of this Consent Judgment 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 Agreement shall be governed by the laws of the State of California and apply within California. If Proposition 65 is repealed, preempted, or is otherwise rendered inapplicable by reason of law generally, or as to the Products, then Sauder may notify KASB and the Parties shall meet and confer in good faith for a period of no less than thirty (30) days to enter a modified judgment pursuant to Section 12, below. In the event the Parties seek to modify this agreement KASB and its counsel further agree to comply with the "Reporting Requirements" set forth in Section 10, below. Nothing in this Agreement shall be interpreted to relieve Sauder from its obligation to comply with any state or federal law or regulation.

8. NOTICE

Unless specified herein, all correspondence and notice required by this Consent Judgment shall be in writing and sent by: (i) first-class registered or certified mail, return receipt requested; or (ii) a recognized overnight courier to any Party by the other at the following addresses:

For Sauder:

Kevin Sauder, President
Sauder Woodworking Co.
502 Middle Street
Archbold, OH 43502

For KASB:

Laralei Paras, Esq.
SEVEN HILLS LLP
4 Embarcadero Center, Suite 1400
San Francisco, CA 94111

With a copy to:

Eric D. Sentlinger, Esq.
GORDON REES SCULLY MANSUKHANI
275 Battery Street, Suite 2000

San Francisco, CA 94111

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 AND ELECTRONIC SIGNATURES

This Consent Judgment may be executed in counterparts and by electronic or facsimile signature(s), 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 REPORTING REQUIREMENTS

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

11. ENTIRE AGREEMENT

This Consent Judgment contains the sole and entire agreement and understanding of the Parties with respect to the subject matter hereof, and all prior discussions, negotiations, commitments, or understandings, if any, are hereby merged herein. No warranty, representation, or other agreement exists between the Parties except those expressly set forth herein. No representation, oral or otherwise, express or implied, other than those specifically referred to in this Consent Judgment have been made by either Party. No other agreement not specifically contained herein shall be deemed to exist or bind either Party or the Releasees and Releasors defined herein.

12. MODIFICATION

This Consent Judgment may be modified only by: (i) a written agreement of the Parties (which agreement shall not be unreasonably withheld) and the entry of a modified Consent Judgment by the Court thereon; or (ii) upon a successful motion of any party and the entry of a modified Consent Judgment by the Court thereon. No Party shall seek modification of this Consent Judgment without first providing written notice to the other Party of the basis for the modification sought, and

meeting and conferring in good faith prior to moving the Court for an order modifying the Consent Judgment.

In the event the Parties or either Party seek(s) modification of this Consent Judgment by written agreement or on noticed motion by the Court, the Party or Parties shall provide the OAG with no less than 45 days' notice of their intended revision(s) to the Consent Judgment prior to any hearing by the Court on a motion for approval of such modification.

13. PUBLIC BENEFIT.

It is the Parties' understanding that the commitments Sauder has agreed to herein, and actions to be taken by Sauder 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 the parties that to the extent any other private party initiates an action alleging a violation of Proposition 65 with respect to Sauder's failure to provide a warning concerning exposure to DEHP prior to use of the Products it has manufactured, distributed, sold, or offered for sale in California, or 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 Sauder is in material compliance with this Settlement Agreement.

14. AUTHORIZATION

The undersigned are authorized to execute this Consent Judgment on behalf of their respective Parties and have read, understand, and agree to all the terms and conditions of this Consent Judgment.

4/14/2026

AGREED TO

Dated: _____

By: _____
Lance Nguyen, CEO
KEEP AMERICAN SAFE AND BEAUTIFUL

AGREED TO:

Dated: March 17, 2026

By: _____
David Rogalski
Executive Vice-President and CFO
SAUDER WOODWORKING CO.

IT IS HEREBY ORDERED, ADJUDGED AND DECREED that, pursuant to California Health & Safety Code § 25249.7(f)(4) and California Code of Civil Procedure § 664.6, Judgment is entered in accordance with the terms of the Consent Judgment. By stipulation of the parties, the Court will retain jurisdiction to enforce the settlement under Code of Civil Procedure §664.6.

IT IS SO ORDERED.

Dated: June 22, 2026

Hon. Joseph M. Quinn
JUDGE OF THE SUPERIOR COURT