

PROPOSITION 65 SETTLEMENT AGREEMENT

1. INTRODUCTION

1.1 The Parties

This Settlement Agreement (“Agreement”) is entered into by and between Blue Sky Forever (“BSF”) and Ameziel Inc. (“Ameziel”), with BSF and Ameziel each individually referred to as a “Party” and, collectively, the “Parties.” BSF is a California-based non-profit organization proceeding in the public interest pursuant to California Health & Safety Code § 25249.7(d) to ensure that chemicals known to the State of California to cause cancer, birth defects or other reproductive harm are disclosed in or eliminated from consumer products sold in California. Ameziel is a person in the course of doing business for purposes of California Health & Safety Code § 25249.11(b).

1.2 Consumer Product Description

BSF alleges Ameziel manufactures, imports, sells, and distributes for sale, in or into California, laundry hampers with vinyl straps containing di(2ethylhexyl) phthalate (“DEHP”), including, but not limited to, the *SONGMICS Gray Laundry Hamper on Wheels with Sorter SKU: ULCB083G02 UPC: 194343005355 ASIN: B08BFGWHHZ*, without providing the health hazard warning required by California Health & Safety Code § 25249.5 *et seq.* (“Proposition 65”). All such laundry hampers with vinyl straps are referred to, hereinafter, as the “Products.” DEHP is listed pursuant to Proposition 65 as a chemical known to the State of California to cause birth defects or other reproductive harm.

1.3 Notice of Violation

On July 23, 2024, BSF served Ameziel, the California Attorney General, and the requisite public enforcement agencies with a 60-Day Notice of Violation (“Notice”), alleging Ameziel violated Proposition 65 by failing to warn its customers and consumers in California its Products can expose users to DEHP. No public enforcer has commenced and is diligently prosecuting an action to enforce the allegations in the Notice.

1.4 No Admission

Ameziel denies the factual and legal allegations contained in the Notice and maintains all products it sold or distributed for sale in California, including the Products, have been, and are, in compliance with all laws. Nothing in this Agreement shall constitute or be construed as, nor shall compliance with this Agreement constitute or be construed as, an admission by Ameziel of any fact, finding, conclusion of law, issue of law, or violation of law. This section shall not, however, diminish or otherwise affect Ameziel's obligations, responsibilities, and duties under this Agreement.

1.5 Effective Date

For purposes of this Agreement, "**Effective Date**" shall mean the date this Agreement is fully executed by all parties.

2. INJUNCTIVE RELIEF: REFORMULATION & WARNINGS

2.1 Commitment to Reformulate or Warn

Commencing on the Effective Date and continuing thereafter, all Products Ameziel manufactures, imports, sells, ships, or distributes for sale, in or into California, directly or through one or more third party retailers or e-commerce marketplaces, shall either: (1) meet the Reformulation Standard for Reformulated Products, as set forth in and defined by Section 2.2; or (2) bear a clear and reasonable health hazard warning pursuant to Section 2.3.

2.2 Reformulation Standard & Reformulated Products Defined

For purposes of this Agreement, "Reformulated Products" are defined as Products containing di(2-ethylhexyl) phthalate ("DEHP") in a maximum concentration of less than 0.1 percent (1,000 parts per million) in any "accessible component" (i.e., any component that may be touched during a reasonably foreseeable use) when analyzed by a laboratory certified or accredited by the State of California, the United States Food and Drug Administration/Environmental Protection Agency, the National Environmental Laboratory Accreditation Program, or a member accreditation body of the International Laboratory Accreditation Cooperation ("ILAC"). For purposes of compliance with this 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. (“Reformulation Standard.”)

2.3 Clear and Reasonable Warnings

Commencing on the Effective Date, for all Products manufactured, imported, or packaged prior to the Effective Date, that are not Reformulated Products, sold to consumers in California or offered for sale in California, Ameziel shall provide clear and reasonable warnings to customers in California in accordance with this Section pursuant to Title 27 California Code of Regulations § 25600, et seq. Ameziel shall provide one of the following warning statements, pursuant to Cal. Code Regs. tit. 27 § 25603, as it exists as of the date of execution of this Agreement, or as it may be amended in the future.

For purposes of this Agreement, the following warnings shall be deemed clear and reasonable:

(a) Warning Content:

Option 1:

⚠️ WARNING [or] CA WARNING [or] CALIFORNIA 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

Option 2:

⚠️ WARNING [or] CA WARNING [or] CALIFORNIA WARNING: This product can expose you to chemicals including 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, for Products manufactured and labeled prior to January 1, 2028:

⚠️ WARNING: This product can expose you to 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.

(b) Short-Form Warning Content: As an alternative to the warning set forth in the preceding subsection (a), Ameziel may, but is not required to, use one of the following short-form warnings (“Short-Form”), subject to the additional requirements set forth in the following Sections (c) through (e):

Option 1:

⚠ **WARNING** [or] **CA WARNING** [or] **CALIFORNIA WARNING:** Can expose you to DEHP, a carcinogen and reproductive toxicant. See

Or

Option 2:

⚠ **WARNING** [or] **CA WARNING** [or] **CALIFORNIA WARNING:** Risk of cancer or reproductive harm from exposure to DEHP. See www.P65Warnings.ca.gov.

Or, for Products manufactured and labeled prior to January 1, 2028,

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

The warning requirements set forth herein are recognized by the Parties as not being the exclusive manner of providing a warning for the Products. Warnings may be provided as specified in the Prop. 65 regulations, in effect as of the Effective Date and/or as amended in the future. 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.

(c) Foreign Language Requirement.

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 must also be provided in the other language(s) in addition to English.

(d) On-Product Warnings.

Ameziel shall affix a warning to the Product label or otherwise directly on Products intended or provided for sale to consumers located in California and to customers with retail outlets in California, nationwide distribution, or e-commerce platforms. For the purposes of this Agreement, “Product label” means a display of written, printed, or graphic material printed on or affixed to each of the Products or its immediate container or wrapper. A warning provided pursuant to section 2.3(a) must print the words “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, the symbol may be in black and white. The entire warning shall be set off from other surrounding information, enclosed in a box and appear in at least 6-point type but no smaller than the largest type size used for other consumer information on the Products.

Warnings provided pursuant to Section 2.3 by Ameziel must print the words “WARNING:”, “CA WARNING:”, or “CALIFORNIA WARNING:” in all capital letters and in bold font, followed by a colon. The warning symbol to the left of the warning must be a black exclamation point in a yellow equilateral triangle with a black outline, except, if the sign or label for the Products does not use the color yellow, then the symbol may be in black and white. The symbol must be in a size no smaller than the height of the words “WARNING:”, “CA WARNING:”, or “CALIFORNIA WARNING:” 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 Products and shall be at least the same size as those other safety warnings.

(e) Internet Warnings.

For all Products manufactured, imported, distributed, sold or offered for sale via the internet to customers located in California, or sold in or into California by Ameziel or its customers, directly or through third-party websites over which Ameziel has the ability to control the application of warnings, Ameziel shall provide warnings for each Product, both on the Product label, in accordance with Section 2.4, and: (a) a warning on the Product display page; (b)

a clearly marked hyperlink using the word “WARNING” or words “CA WARNING” or “CALIFORNIA WARNING” on the product display page that links to the Product warning; or (c) by an otherwise prominently displayed warning provided to the purchaser prior to completing the purchase, such that the consumer does not have to seek out the information being provided. If the warning is provided using the Short-Form content, pursuant to Section 2.3(b), then the warning provided on the website may use the same content. “Prominently displayed” is defined to mean the consumer does not have to search for it in the general content of the website. Where Ameziel sells, ships, or distributes Products to third-party retailers, websites, or e-commerce marketplaces, Ameziel will advise them of the internet warning requirements under this Agreement as a condition of sale of the Products.

3. MONETARY SETTLEMENT TERMS

3.1 Civil Penalty

Pursuant to Health and Safety Code § 25249.7(b), Ameziel agrees to pay a civil penalty of \$2,000 within five (5) business days of the Effective Date. Ameziel’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 BSF. Ameziel shall issue its payment in two checks made payable to: (a) “OEHHA” in the amount of \$1,500; and (b) “Seven Hills LLP in Trust for Blue Sky Forever” in the amount of \$500. BSF’s counsel shall deliver to OEHHA and BSF their respective portions of the penalty payments.

3.2 Reimbursement of Attorneys’ Fees and Costs

BSF and its counsel offered to resolve the allegations in the Notice without reaching terms on the amount of reimbursement of attorneys’ fees and costs. Shortly after the Parties finalized the other material settlement terms, they negotiated and reached an accord on the amount of reimbursement to be paid to BSF’s counsel, under general contract principles and the private attorney general doctrine, codified at California Code of Civil Procedure § 1021.5, for all work performed through the mutual execution and reporting of this Agreement to the Office

of the California Attorney General. Within five (5) days of the Effective Date, Ameziel agrees to issue a check in the amount of \$17,000 payable to “Seven Hills LLP” for all fees and costs incurred in investigating, bringing this matter to Ameziel’s attention, negotiating a settlement in the public interest, and reporting its terms to Office of the California Attorney General pursuant to Section 9.

3.3 Payments

All payments payable and due under this Agreement shall be delivered to BSF’s counsel at following address:

Seven Hills LLP
Attn: Kimberly Gates Johnson
4 Embarcadero Center, Suite 1400
San Francisco, CA 94111

4. CLAIMS COVERED AND RELEASED

4.1 BSF’s Release of Ameziel

This Agreement is a full, final and binding resolution between BSF, as an individual and *not* on behalf of the public, and Ameziel, of any violation arising under Proposition 65 that was or could have been asserted by BSF on behalf of itself, its past and current agents, representatives, attorneys, successors, and/or assignees against Ameziel, its directors, officers, employees, attorneys, and each entity to whom Ameziel directly or indirectly distributes or sells Products, including, but not limited to, downstream distributors, wholesalers, customers, retailers, franchisees, cooperative members, and licensees (collectively, “Releasees”) from all claims for violations of Proposition 65 based on their failure to warn about alleged exposures to DEHP contained in Products that were manufactured, distributed, sold and/or offered for sale by Ameziel in California before the Effective Date, as alleged in the Notice.

In further consideration of the promises and agreements herein contained, BSF as an individual and *not* on behalf of the public, on behalf of itself, its past and current agents, representatives, attorneys, successors, and/or assignees, hereby waives all of BSF’s rights to institute or participate in, directly or indirectly, any form of legal action and releases all claims

that BSF 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, expenses, investigation fees, expert fees, and attorneys' fees arising under Proposition 65 for the failure to provide a warning with respect to DEHP in Products that were manufactured, distributed, sold and/or offered for sale by Ameziel, before the Effective Date (collectively, "Claims"), against Ameziel and Releasees.

The Parties further understand and agree this Section 4.1 release shall not extend upstream to any entities who manufactured the Products or any component parts thereof or to any distributors or suppliers who sold the Products or any component parts thereof to Ameziel. Nor shall this Section 4.1 extend to any downstream entities who fail to provide a warning pursuant to Section 2. Nothing in this Section affects BSF's right to commence or prosecute an action under Proposition 65 against a Releasee that does not involve Ameziel's Products.

4.2 Ameziel's Release of BSF

Ameziel, on behalf of itself, its past and current agents, representatives, attorneys, successors, and assignees, hereby waives any and all claims against BSF and its attorneys and other representatives, for any and all actions taken or statements made (or those that could have been taken or made) by BSF 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.

5. SEVERABILITY

If, subsequent to the execution of this Agreement, any provision of this Agreement is deemed by a court to be unenforceable, the validity of the remaining provisions shall not be adversely affected.

6. GOVERNING LAW

The terms of this Agreement shall be governed by the laws of the State of California and apply within California. Nothing in this Agreement shall be interpreted to relieve Ameziel from its obligation to comply with any pertinent state or federal law or regulation.

7. NOTICE

Unless specified herein, all correspondence and notice required by this Agreement 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 Ameziel:

Garth N. Ward
Lewis Brisbois
550 West C Street, Suite 1700
San Diego, CA 92101

For BSF:

Kimberly Gates Johnson, Partner
Seven Hills LLP
4 Embarcadero Center, Suite 1400
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.

8. COUNTERPARTS, FACSIMILE AND PDF SIGNATURES

This Agreement may be executed in counterparts and by 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.

9. COMPLIANCE WITH REPORTING REQUIREMENTS

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

10. ENTIRE AGREEMENT

This Agreement contains the sole and entire agreement and understanding of the Parties with respect to the entire subject matter hereof, and any and all prior discussions, negotiations, commitments, or understandings related thereto, if any, are hereby merged herein and therein. There are no warranties, representations, or other agreements between the Parties except as expressly set forth herein. No representations, oral or otherwise, express or implied, other than those specifically referred to in this Agreement have been made by any Party hereto. No other agreements not specifically contained or referenced herein, oral or otherwise, shall be deemed to exist or to bind any of the Parties hereto.

11. **MODIFICATION**


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

12. **AUTHORIZATION**

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


AGREED TO:

Date: 4/25/2025

By: 
Anthony Nguyen, CEO
Blue Sky Forever

AGREED TO:

Date: 04/11/2025

By: 
Ketao Huang, CEO
Ameziel Inc.