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STAN'S PERFORMANCE PRODUCTS, LLC

SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF SAN FRANCISCO

BLUE SKY FOREVER, Plaintiff, v. K.G. MOTORSPORTS, INC.; THE ZABEL COMPANIES LLC; STAN'S PERFORMANCE PRODUCTS LLC; and DOES 1-30, inclusive, Defendants.	Case No. CGC-24-618996 **[PROPOSED] CONSENT JUDGMENT** Case Filed: October 15, 2024 Trial Date: Not set

1. INTRODUCTION

1.1 The Parties

This Consent Judgment ("Settlement" or "Consent Judgment") is entered into by and between Blue Sky Forever ("BSF") on the one hand, and Stan's Performance Products LLC ("Settling Entity") on the other hand, with BSF and Settling Entity each individually referred to as a "Party" and, collectively, the "Parties." BSF is a California-based non-profit organization proceeding in the

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public interest pursuant to California Health & Safety Code § 25249.7(d) to ensure that chemicals known to the State of California to cause cancer and birth defects or other reproductive harm are disclosed to California consumers or removed from consumer products sold in California. The Settling Entity is a "person in the course of doing business" as that phrase is defined by California Health & Safety Code § 25249.11(b).

1.2 Consumer Product Description

BSF alleges that Settling Entity manufactured, imported, sold, and distributed for sale in California bicycle rim strips with brass components containing the heavy metal, Lead (Pb) including, but not limited to, the *Stan's No Tubes Flow Rim Strip, MPN: RS0033, UPC: 1 83720 00086 1, Store SKU: 87114*, and that Settling Entity did so, or has done so, without providing the health hazard warning that BSF alleges is required by California Health & Safety Code § 25249.5 et seq. ("Proposition 65"). These Bicycle rim strips with brass components are referred to hereinafter as the "Products." Lead is listed pursuant to Proposition 65 as a chemical known to the State of California as a known carcinogen and reproductive toxicant. As discussed further below, the Settling Entity denies BSF's allegations and nothing herein may be construed as an admission of such allegations.

1.3 Notice of Violation

On August 5, 2024, BSF served K.G. Motors, Inc. ("KGM"), The Zabel Companies LLC ("Zabel"), the California Attorney General, and all other requisite public enforcement agencies with a 60-Day Notice of Violation ("Notice"). In the Notice, BSF alleges that KGM and Zabel violated Proposition 65 by failing to warn their customers and consumers in California the Products can expose users to Lead. Lead is listed pursuant to Proposition 65 as a chemical known to the State of California as a known carcinogen and reproductive toxicant.

On October 14, 2024, BSF served KGM, Zabel, Settling Entity, the California Attorney General, and the requisite public enforcement agencies with a second 60-Day Notice of Violation ("Second Notice"). In the Second Notice, in addition to KGM and Zabel, BSF alleges that Settling Entity violated Proposition 65 by failing to warn its customers and consumers in California that the Products can expose users to Lead. The Notice and Second Notice are collectively referred to herein

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as the "Notices." Settling Entity alleges that the "Second Notice" was the first notice of violation it ever received—and that the Notice had no effect as to the Settling Entity given that it did not name Settling Entity, nor was it ever served on Settling Entity. No public enforcer has commenced and is diligently prosecuting an action to enforce the allegations in the Notices.

1.4 Complaint

On October 15, 2024, BSF commenced the instant action ("Complaint" or "Action"), naming KGM., and Zabel as defendants for the alleged violations of Proposition 65 that are the subject of the Notice. On March 24, 2025, BSF filed an Amendment to Complaint identifying Settling Entity as Doe 1 and naming Settling Entity as a defendant in the Action. On December 25, 2025, Settling Entity removed the Action to the United States District Court for the Northern District of California. The Settling Entity has moved the federal district court to dismiss the Complaint and Plaintiff has moved the district Court to remand the action to the California Superior Court based on justiciability grounds. Nonetheless, to avoid incurring further costs, the Parties have reached this settlement without any admission of liability. Settling Entity expressly preserves the grounds in its motion to dismiss. In addition, upon mutual agreement and stipulation of the Parties, the Action was remanded back to this Court for review and consideration of the Parties' desire to obtain court approval of the Consent Judgment and an entry of judgment in accordance with its terms.

1.5 No Admission

Settling Entity denies the factual and legal allegations contained in the Notices and Complaint and maintains that all products it has sold or distributed for sale in California, including the Products, comply with all laws. Nonetheless, the Settling Entity has agreed to a settlement due to the significant costs and uncertainty associated with litigation of the Action. Nothing in this Agreement shall constitute or be construed as, nor shall compliance with this Agreement constitute or be construed as, an admission by Settling Entity of any fact, finding, conclusion of law, issue of law, or violation of law. This Section shall not, however, diminish or otherwise affect Settling Entity obligations, responsibilities, and duties under this Agreement.

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1.5 Jurisdiction

For purposes of this Consent Judgment only, the Parties stipulate that this Court has jurisdiction over Stan's as to the allegations in the Complaint, venue is proper in the Superior Court for the County of San Francisco, and the Court has jurisdiction to enter and enforce the provisions of this Consent Judgment, pursuant to Proposition 65 and Code of Civil Procedure § 664.6. The Settling Entity reserves the right to seek removal again should this Consent Judgment not be approved and entered as a final judgment by this Court.

1.6 Effective Date

For purposes of this Agreement, "Effective Date" shall mean the date on which the Court approves this Consent Judgment and enters Judgment pursuant to its terms.

2. INJUNCTIVE RELIEF: REFORMULATION & WARNINGS

2.1 Commitment to Reformulate and/or Provide Warnings

Commencing on the Effective Date and continuing thereafter, all Products that Settling Entity 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 meet the Reformulation Standard for Reformulated Products, as defined by Section 2.2, or comply with the clear and reasonable warning requirements set forth in Section 2.3.

2.2 Reformulation Standard

For purposes of this Agreement, "Reformulated Products" are defined as those Products:

(a) containing no more than 0.009% or 90 parts per million ("ppm"). Lead in any decoration, description, artwork and/or design on the exterior surface when analyzed pursuant to U.S. Environmental Protection Agency ("EPA") testing methodologies 3050B and 6020A or equivalent methodologies utilized by federal or state agencies for the purpose of determining Lead content in a solid substance; and

(b) yielding a test result of no more than 1.0 microgram of Lead on any exterior surface when sampled pursuant to the NIOSH 9100 testing protocol and analyzed pursuant to EPA 3050B and 6020A.

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2.3 Clear and Reasonable Warnings

Commencing on the Effective Date and continuing thereafter, for all Products that are not Reformulated Products as defined by Section 2.2, above, Settling Entity shall provide clear and reasonable warnings in accordance with this Section and pursuant to Title 27 California Code of Regulations § 25600, *et seq*, as amended. Each warning shall be prominently placed with such conspicuousness when compared with other words, statements, designs, or devices 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.

(a) Long-Form Warnings. A Long-Form Warning provided pursuant to this Section 2.3 shall consist of the following statement:

> ⚠**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.

(b) Short-Form Warnings. Settling Entity may, but is not required to, use the following Short-Form warnings as set forth in this subsection 2.3(b), subject to the additional requirements in Sections 2.4 and 2.5, below, as follows:

> ⚠**WARNING [**or] **CA WARNING [**or] **CALIFORNIA WARNING:** Risk of cancer and reproductive harm from exposure to Lead. See www.P65Warnings.ca.gov.
>
> - Or -
>
> ⚠**WARNING** [or] **CA WARNING** [or] **CALIFORNIA WARNING:** Can expose you to Lead, a carcinogen and reproductive toxicant. See www.P65Warnings.ca.gov.
>
> - Or -

The following warning statement may be used on Products containing Lead manufactured and labeled prior to January 1, 2028:

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

(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

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

2.4 Product Warnings

Commencing on the Effective Date and continuing thereafter, for all Products sold and/or offered for sale in California that do not meet the definition of "Reformulated Products" established by Section 2.2, above. Settling Entity shall affix a warning to the Product label, packaging, or otherwise directly on Products provided for sale to consumers in California and to customers Settling Entity knows or reasonably should know offer internet sales, maintain retail outlets in California or engage in nationwide distribution. For purposes of this Agreement, "Product label" means any display of written, printed or graphic material printed on or affixed to a Product or its immediate container or packaging. A warning provided pursuant to section 2.3(a) or (b) 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 yellow, the symbol may be in black and white. The entire warning shall appear in at least 6-point type and no smaller than the largest type size used for other consumer information on the Products.

2.5 Internet Warnings

If, after the Effective Date, Settling Entity sells Products other than Reformulated Products via the internet, through its own website(s) or affiliated websites that it controls, Settling Entity shall provide warnings for each Product both on the Product label in accordance with Section 2.4, and by prominently displaying, or requiring the warning to be prominently displayed to the consumer during the purchase of the Product without requiring customers to seek out the warning. The warning or a clearly marked hyperlink to the warning using the word "**WARNING**" given in conjunction with the sale of the Products via the internet shall appear (a) on the same web page on which the Products are displayed; (b) via a clearly marked hyperlink using the word "**WARNING**" or the words "**CA WARNING**" or "**CALIFORNIA WARNING**" on the product display page that links to the warning; or (c) as an otherwise prominently displayed warning provided to the purchaser prior to completing the purchase (which does not include a warning in the general content section of the website).

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If, after the Effective Date, Settling Entity distributes or sells Products other than Reformulated Products through a third-party website Settling Entity knows or reasonably should know sells Products online directly to California consumers, or to customers with retail outlets located in California or that offer nationwide distribution where Settling Entity knows or reasonably should know the Products will be sold, as a condition of sale, Settling Entity shall notify such sellers the Covered Products must be accompanied by an online warning, prior to and as a condition of sale, in or into California, and shall supply the seller(s) with the warning message established by Section 2 and the requirements for providing the warning described above.

3. MONETARY SETTLEMENT TERMS

3.1 Civil Penalty

Pursuant to Health and Safety Code § 25249.7(b), Settling Entity agrees to pay a civil penalty of $2,500 within thirty (30) days of the Effective Date. Settling Entity 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. Settling Entity 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 BSF" in the amount of $625. BSF's counsel shall deliver to OEHHA and BSF their respective portion of the penalty payment.

3.2 Reimbursement of Attorneys' Fees and Costs

After the Parties finalized all other material settlement terms, they negotiated and reached an accord on the amount of reimbursement to be paid to BSF and its 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 thirty (30) days of the Effective Date, Settling Entity agrees to issue a check in the amount of $22,500 payable to "Seven Hills LLP" for all fees and costs incurred investigating, bringing this matter to Settling Entity's attention, negotiating a settlement in the public interest, and reporting its terms to Office of the California Attorney General pursuant to Section 11.

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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: Brian Johnson
1 Embarcadero Center, Suite 1200
San Francisco, CA 94111

4. CLAIMS COVERED AND RELEASED

4.1 BSF's Release of Settling Entity

This Consent Judgment is a full, final, and binding resolution of the claims that were or could have been asserted by BSF arising out of the alleged violations of Proposition 65 made in the Notice and in the Complaint. BSF, 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 Settling Entity, and each of its past and present subsidiaries, affiliated entities under common ownership, directors, officers, employees, attorneys, and each entity to whom the Settling Entity directly or indirectly distributes or sells the Products (including, but not limited to, KGM and Zabel) and their downstream distributors, wholesalers, customers, retailers, franchisee, cooperative members and licensees ("Releasees") based on the alleged or actual failure to provide a clear and reasonable warning under Proposition 65 regarding exposures to Lead in Products manufactured, processed, distributed, sold and/or offered for sale by Settling Entity or Releasees before the Effective Date, as set forth in the Notice and Complaint. The Parties also agree that compliance with Section 2 of this Consent Judgment shall be deemed compliance with Proposition 65 with respect to exposures to Lead in the Products.

This release, however, does not apply to downstream, third-party distributors if Settling Entity provides warnings to them as outlined in Section 2.5 but they fail to implement the required warnings. Nothing this this release shall affect BSF's to commence or prosecute an action under Proposition 65 against a Releasee that does not involve Settling Entities Products.

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4.2 BSF's Individual Release of Settling Entity

BSF, in its individual capacity only and not in its representative capacity, but acting on its own behalf and on behalf of its respective owners, principals, shareholders, officers, directors, employees, parents, subsidiaries, past and current agents, representatives, attorneys, successors and/or assignees, also hereby provides a release to Stans, KGM and Zabel, and their respective owners, principals, shareholders, officers, directors, employees, parents, subsidiaries, past and current agents, representatives, attorneys, successors and/or assignees, which shall be effective as a full and final accord and satisfaction, as a bar to all actions, causes of actions, obligations, costs, expenses, attorneys' fees, damages, losses, claims, liabilities and demands of BSF of any nature, character, or kind arising out of alleged or actual exposures to Lead in Products manufactured or distributed for sale in or into the state of California prior to the Effective Date. This Section 4.2 release does not apply to downstream, third-party distributors if Settling Entity provides warnings to them as outlined in Section 2.5 but they fail to implement the required warnings. Nothing in this section shall affect BSF's right to commence or prosecute an action under Proposition 65 against a Releasee that does not involve Settling Entity's Products.

4.3 Settling Entity's Release of BSF

Settling Entity, on its own behalf and on behalf of 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 by BSF and its attorneys and other representatives relating to alleged Lead in Settling Entity's Products, whether in the course of investigating claims, or otherwise seeking to enforce Proposition 65 against any defendant in this matter with respect to the Products.

4.4 Mutual Waiver of California Civil Code § 1542

BSF, on behalf and in its individual capacity only and *not* in the public interest, on the one hand, and Settling Entity on the other hand, each acknowledge that the claims in this Agreement include all known and unknown claims pertaining to Lead in the Products sold in California before the Effective Date, except as provided in Section 4.1 above, and BSF and Settling Entity each acknowledge and waive the provisions of California Civil Code § 1542 as to any unknown claim or

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claims pertaining to Lead in Products sold in California by Settling Entity and Releasees that may have existed prior to and including the Effective Date. California Civil Code § 1542 provides:

> 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, and each of them, acknowledge and understand the significance and consequences of this specific waiver of California Civil Code § 1542. BSF represents that it is not presently aware of any other alleged, planned, or potential claims relating in any way to Stan's, KGM, or Zabel (including regarding any other products or issues) as of the date of this Consent Judgment.

5. COURT APPROVAL

Pursuant to California Health and Safety Code § 25249.7(f)(4), BSF shall file a noticed 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 a judgment pursuant to the terms of this Consent Judgment and to judicial approval of their 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. Nothing in this Agreement shall be interpreted to relieve Settling Entity from its obligation to comply with any pertinent state or federal law or regulation.

8. BSF'S DISMISSAL OF KGM AND ZABEL

Within thirty (30) days of the Effective Date or BSF's confirmation of Settling Entity's compliance with sections 3.1 and 3.2 of this Agreement, whichever is later, BSF and its counsel will

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file a dismissal of its claims, without prejudice, as to defendants KGM and Zabel in the captioned matter, i.e., *Blue Sky Forever v. K.G. Motorsports, et al.*, U.S. District Court for the Northern District of California, Case No. 4:25-cv-10986 or the remanded action.

9. 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 Stan's Performance Products LLC:	For BSF:
Nicholas Hoffman, Esq. McGuireWoods LLP 1800 Century Park East, Floor 7 Los Angeles, CA 90067	Laralei Paras, Esq. Seven Hills LLP 1 Embarcadero Center, Suite 1200 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.

10. COUNTERPARTS AND ELECTRONIC SIGNATURES

This Agreement 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.

11. 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).

12. 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 prior discussions, negotiations, commitments, or understandings related thereto, if any, are hereby merged. No warranty, representation, or other agreement between the Parties exists except as expressly set forth herein. No representation, oral or otherwise, express or implied, other than those specifically referred to in this Agreement have been made by any Party hereto. No agreement not specifically contained herein shall be deemed to exist or to bind any of either of the Parties hereto.

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13. MODIFICATION

This Consent Judgment may be modified only by: (i) a written agreement of the Parties 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.

14. CONSENT JUDGMENT AND JURISDICTION

The Parties will file this executed Settlement Agreement as their proposed Consent Judgment in this Action. For purposes of the Consent Judgment, the Parties stipulate that this Court has jurisdiction as to the allegations contained in the Action filed in this matter, that venue is proper in the Superior Court for the County of San Francisco, and that the Court has jurisdiction to approve, enter, and oversee the enforcement of this Consent Judgment as a full and final binding resolution of all claims which were or could have been raised in the Action based on the facts alleged therein and in the Notices. Settling Entity reserves the right to seek removal or reinstatement in federal court if the Consent Judgment is not entered.

15. RETENTION OF JURISDICTION

The Court shall retain jurisdiction of this matter to implement or modify the Consent Judgment for three (3) years.

16 AUTHORIZATION

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

Date: 11/9/2026

By: _____
Anthony Nguyen, CEO
BLUE SKY FOREVER

Date: November 5, 2026 | 11:26 PM EST

By: Signed by: N McAdams 89CEFBA3A7584DF...
Nick McAdams, CEO
STAN'S PERFORMANCE PRODUCTS LLC

IT IS SO ORDERED, ADJUDGED AND DECREED:

Dated: _____

_____
Hon. _____
Judge of the Superior Court