

**SETTLEMENT AGREEMENT BETWEEN APS&EE, LLC AND
MASTER HALCO, INC.**

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 Master Halco, Inc. (“Master Halco”).

APS&EE and Master Halco 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 Master Halco is a company 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 Master Halco sold anchor bolts, including but not limited to 5/8” x 6”, (hereinafter the “Products”) in the State of California causing users in California to be exposed to unsafe levels of lead, without providing “clear and reasonable warnings”, in violation of Proposition 65. Lead is potentially subject to Proposition 65 warning requirements because it is listed by the State of California as known to cause cancer and birth defects or other reproductive harm.

1.2.2 On June 20, 2024, APS&EE provided a Sixty-Day Notice of Violation (the “June 20th Notice”), along with a Certificate of Merit, to Farm Supply Company, San Luis Obispo County Farm Supply Company, and the various public enforcement agencies regarding the alleged violation of Proposition 65 with respect to the Products. On October 17, 2024, APS&EE provided a Supplemental Sixty-Day Notice of

Violation (the “October 17th Notice”), along with a Certificate of Merit, to the aforementioned entities as well as to Master Halco and Itochu International, Inc. regarding the alleged violation of Proposition 65 with respect to the Products. The June 20th Notice and the October 17th Notice shall hereinafter collectively be referred to as the “Notices”.

1.3 No Admissions

Master Halco denies all allegations in APS&EE’s Notices and maintains that the Products have been, and are, in compliance with all laws, and that Master Halco has not violated Proposition 65. This Agreement shall not be construed as an admission of liability by Master Halco 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’s counsel.

2. INJUNCTIVE RELIEF AND REFORMULATION

2.1 Prior Settlement.

On January 30, 2020, the Parties executed a settlement agreement which included injunctive relief and reformulation standards pertaining to anchor bolts (AG #2019-01293). Master Halco reaffirms its agreement to comply with that agreement, as modified by this Agreement.

2.2 Reformulation

After the Sell-Through Period in Section 2.3, Master Halco shall not sell, distribute or offer the Products for sale in California unless (a) the finished Products produce test result no higher than 1.0 microgram of lead based on a wipe sample collected using NIOSH Method 9100 or equivalent (“Reformulated Products”), or (b) the Products are distributed, sold or offered for sale with a clear and reasonable warnings as described below in Section 2.4. Master Halco shall have the option to implement an alternate reformulation standard established by State of California legislation or regulation, pertaining to Proposition 65, and applicable to lead exposure from the Products.

2.3 Sell-Through Period

Products that Master Halco has sold, shipped from its warehouse, or otherwise placed in the stream of commerce before 3 months following the Effective Date, are exempt from the Reformulation and Warning provisions of this Section 2. Notwithstanding Section 2.2, above, if Master Halco elects to provide clear and reasonable warnings, such warnings may be included in the next print catalog published after the Sell-Through Period.

2.4 Clear and Reasonable Warnings

For any Products that are not Reformulated Products, such Products shall be accompanied by a clear and reasonable warning in conformance with Article 6 of Title 27 of the California Code of Regulations (27 Cal. Code Regs §§25600 et seq.). Master Halco shall provide either of the following standard warning or the “short-form” warning in Section 25603:

(a) Standard Warning

WARNING: This product can expose you to lead which is known to the State of California to cause cancer and birth defects and other reproductive harm. For more information go to www.P65Warnings.ca.gov.

In accordance with Section 25603, Master Halco may replace “WARNING” with “CA WARNING” OR “CALIFORNIA WARNING.” Additionally, Master Halco may add language limited to identifying the products subject to the warning such as, “galvanized products including electro-galvanized steel fencing products” to clarify “this product.”

(b) Short-form Warning. In conformance with Section 25603(b) or (c), the “short form” warning shall state:

“WARNING: Risk of cancer and reproductive harm from exposure to lead. See www.P65Warnings.ca.gov.”

Or:

“WARNING: Can expose you to lead, a carcinogen and reproductive toxicant. See www.P65Warnings.ca.gov.”

Or (for Products manufactured and labeled before January 1, 2028):

“WARNING: Cancer and Reproductive Harm.”

Both standard and short form warnings 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”. Additionally, if the Product contains consumer information in a foreign language, the warning must be provided in that foreign language.

The warning shall be provided directly on each Product or its label, shelf tag or sign with such conspicuousness as compared with other words, statements or designs as to render it likely to be seen, read and understood by an ordinary individual prior to purchase. However, where a “short form” warning is used, it shall also be provided on

each Product or its label.

Master Halco may also comply with this Agreement by using any other warning or transmission method(s) set forth in 27 Cal. Code Regs. §§ 25601 et seq., and amended subsequently hereafter, or other methods authorized or mandated by those regulations, or other State of California legislation pertaining to Proposition 65 warnings, that are applicable to lead exposures from the Products.

3. PAYMENTS

3.1 Civil Penalty Pursuant To Proposition 65

In settlement of all claims referred to in this Agreement, Master Halco shall pay a total civil penalty of Three thousand dollars (\$3,000.00) to be apportioned in accordance with *Health and Safety Code* section 25249.12(c)(1) and (d), with 75% (\$2,250.00) for State of California Office of Environmental Health Hazard Assessment (“OEHHA”), and the remaining 25% (\$750.00) for APS&EE.

Master Halco shall issue these payments as part of the total payment described below in Section 3.2 via wire transfer to Law Offices of Lucas T. Novak. After receipt of the wire transfer, Law Offices of Lucas T. Novak shall be responsible for forwarding the respective payments to OEHHA and APS&EE.

3.2 Reimbursement Of APS&EE’s Fees And Costs

Master Halco 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, in the amount of Fifteen thousand dollars (\$15,000.00). Accordingly, Master Halco shall remit total payment via wire transfer to Law Offices of Lucas T. Novak in the amount of Eighteen thousand dollars (\$18,000.00) which includes the civil penalty described in Section 3.1, within ten (10) business days of the Effective Date. Wire instructions have been exchanged between the Parties.

4. RELEASES

4.1 APS&EE's Release Of Master Halco

APS&EE, in consideration of the promises and monetary payments contained herein, hereby releases Master Halco, its parents (including but not limited to Itochu International, Inc.), subsidiaries, affiliated companies under common ownership or control, shareholders, directors, members, officers, employees, attorneys, successors and assignees, and each entity in the downstream distribution chain of the Products (including retailers like Farm Supply Company and San Luis Obispo County Farm Supply Company) (collectively "Releasees"), from all Proposition 65 violation claims regarding the Products that were distributed or sold by Master Halco in California, or that Master Halco made available for sale in California, before and up to the Effective Date.

4.2 Master Halco's Release Of APS&EE

Master Halco, 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 Master Halco in this matter. If any Releasee should institute any such action, then APS&EE's release of said Releasee in this Agreement shall be rendered void and unenforceable.

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. This Agreement is entered into in the State of California and may only be enforced in 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 MASTER HALCO: Wendy L. Manley, Esq. Fennemore Wendel 1111 Broadway, 24th Floor Oakland, CA 9460	TO APS&EE: Lucas T. Novak, Esq. Law Offices of Lucas T. Novak 8335 W Sunset Blvd., Suite 217 Los Angeles, CA 90069
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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.

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.

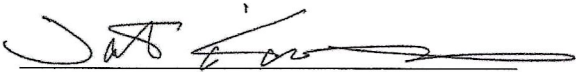
AGREED TO:

Date: 4.28.2025

By: 
Authorized Representative of APS&EE, LLC

AGREED TO:

Date: 4/28/2025

By: 
Authorized Representative of Master Halco, Inc.