

PROPOSITION 65 SETTLEMENT AGREEMENT

1. INTRODUCTION

1.1 The Parties

This Settlement Agreement (“**Agreement**”) is entered into by and between Keep America Safe and Beautiful (“**KASB**”) and Fire Safety Supply, Inc. (“**FSS**”), with KASB and FSS each individually referred to as a “**Party**” and, collectively, 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 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. FSS 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 that FSS manufactures, imports, sells, and distributes for sale in California extinguisher covers containing Di(2-ethylhexyl)phthalate (“**DEHP**”) including, but not limited to, *Extinguisher Cover 5-10lb. H-20” x W-12.5”, Item Code: FE1*, without providing the health hazard warning that KASB alleges is required by California Health & Safety Code § 25249.5 *et seq.* (“**Proposition 65**”). Extinguisher covers 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 cancer and birth defects or other reproductive harm.

1.3 Notice of Violation

On or about December 13, 2024, KASB served FSS, the California Attorney General, and the requisite public enforcement agencies with a 60-Day Notice of Violation (“**Notice**”), alleging FSS violated Proposition 65 by failing to warn its customers and consumers in California that its Products can expose users to DEHP. To the Parties’ knowledge, no public enforcer has commenced and is diligently prosecuting an action to enforce the allegations in the Notice.

1.4 No Admission

FSS denies the factual and legal allegations contained in the Notice and maintains that all products it has 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 FSS of any fact, finding, conclusion of law, issue of law, or violation of law. This section shall not, however, diminish or otherwise affect FSS'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 and the executed signature pages have been exchanged among the Parties. The "**Compliance Date**" shall be thirty (30) days after the "Effective Date."

2. INJUNCTIVE RELIEF: REFORMULATION OR WARNINGS

2.1 Warning or Reformulation Commitment

Commencing on the Compliance Date and continuing thereafter, all Products FSS 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 (i) meet the Reformulation Standard for Reformulated Products, as defined by Section 2.2, or (ii) be accompanied by a "clear and reasonable warning" in compliance with Section 2.3.

2.2 Reformulation Standard

For purposes of this Agreement, "Reformulated Products" are defined as Products which, if they contain DEHP, contain DEHP in a maximum concentration of less than 0.1 percent (1,000 parts per million) 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-C1001.09.3 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 matrix.

2.3 Clear and Reasonable Warnings Defined

Commencing on the Compliance Date and continuing thereafter, for all Products that are not Reformulated Products as defined by Section 2.2, above, FSS shall provide clear and reasonable warnings in accordance with this Section, and pursuant to Title 27 California Code of Regulations § 25600, et seq. 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) Warnings

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.


Option 2:

⚠️ WARNING [or] CA WARNING [or] CALIFORNIA WARNING: Risk of cancer and reproductive harm from exposure to Di(2-ethylhexyl)phthalate (DEHP). See www.P65Warnings.ca.gov.

Option 3:

⚠️ WARNING [or] CA WARNING [or] CALIFORNIA WARNING: Can expose you to Di(2-ethylhexyl)phthalate (DEHP), a carcinogen and reproductive toxicant. See www.P65Warnings.ca.gov.

Option 4: The following warning statement may be used on Products manufactured and labeled prior to January 1, 2028:

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

(b) **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).

2.4 Product Warnings

Commencing on the Compliance 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, FSS shall affix the warning to the Product label or otherwise directly on Products it knows or reasonably should know are sold or distributed for sale to consumers in California and to its downstream customers and resellers with retail outlets in California or 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), above, 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, in no case, shall be any smaller than the largest type size used for other consumer information on the Products.

2.5 Internet Warnings

If, after the Compliance Date, FSS sells Products other than Reformulated Products via the internet, through its own website, an affiliates’ website or a third-party website, to consumers located in California or to customers it knows or reasonably should know have retail outlets in California, nationwide distribution or e-commerce websites, then FSS shall provide warnings for each Product both on the Product packaging in accordance with Section 2.4, and by prominently displaying, or requiring the warning to be prominently displayed on affiliated websites, third-party websites or by retail customers, 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 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).

Where FSS sells, ships, or distributes Products to third-party retailers or e-commerce marketplaces that it knows, or reasonably should know, sell Products to in or into California, FSS will notify them of the internet warning requirements under this Agreement as a condition of sale of the Products.

2.6 Certification to Compliance with Reformulation Standard or Warning

On or before the Compliance Date, an officer of FSS shall provide Seven Hills LLP with a written attested declaration stating, as of the Compliance Date, and continuing thereafter, any and all Products manufactured or imported by FSS for sale to (a) consumers in California directly including through its own website, affiliated websites or a third party website, to consumers located in California (if FFS knows such affiliated websites or third party websites distribute for sale Products into California), and (b) customers with nationwide distribution and e-commerce websites, are Reformulated Products as defined by Section 2.2 or Products bearing a warning pursuant to Sections 2.3-2.4. Along with its attested declaration, FSS shall provide (1) a confirmation that warnings have been applied to Products that will be distributed for sale in California or (2) a recent test result performed after the date of the Notice, showing the Products were tested and analyzed according to the parameters set forth in the preceding Section 2.2 and are Reformulated Products. Failure to comply with this section shall render this agreement null and void.

2.7 Cure Notice

In the event that FSS is allegedly not in compliance with Section 2 of this Agreement, FSS upon receiving a written notice of non-compliance (“**Cure Notice**”), may bring the Products

into compliance or demonstrate that the Products are already compliant within thirty (30) days of receipt of the Cure Notice without being in breach of this Agreement.

3. MONETARY SETTLEMENT TERMS

3.1 Civil Penalty

Pursuant to Health and Safety Code § 25249.7(b), FSS agrees to pay a civil penalty of \$1,500 within fifteen (15) business days of the Effective Date. FSS'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. FSS shall issue its payment in two checks made payable to: (a) "OEHHA" in the amount of \$1,125; and (b) "Seven Hills LLP in Trust for KASB" in the amount of \$375. KASB's counsel shall deliver to OEHHA and KASB their respective portion of the penalty payment.

3.2 Reimbursement of Attorneys' Fees and Costs

KASB 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 KASB'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 fifteen (15) business days of the Effective Date, FSS agrees to issue a check in the amount of \$17,750 payable to "Seven Hills LLP" for a portion of fees and costs incurred investigating, bringing this matter to FSS'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 KASB's counsel at following address:

Seven Hills LLP
Attn: Kimberly Gates Johnson
1 Embarcadero Center, Suite 1200
San Francisco, CA 94111

4. CLAIMS COVERED AND RELEASED

4.1 KASB's Release of FSS

This Agreement is a full, final and binding resolution between KASB, as an individual and *not* on behalf of the public, and FSS, of any violation of Proposition 65 that was or could have been asserted by KASB on behalf of itself, its past and current agents, representatives, attorneys, successors, and/or assignees, against FSS, its parents, subsidiaries, affiliated entities under common ownership including: directors, officers, employees, attorneys, and each entity to whom FSS directly or indirectly distributes or sells Products, including, but not limited to, downstream distributors, wholesalers, online marketplaces, customers, retailers, franchisees, cooperative members, and licensees (collectively, “**Releasees**”), based on their failure to warn under Proposition 65 about alleged exposures to DEHP contained in the Products that were manufactured, distributed, sold and/or offered for sale by FSS in California before the Compliance Date, as alleged in the Notice. All products in inventory or the stream of commerce as of the Compliance Date shall be released pursuant to this provision.

In further consideration of the promises and agreements herein contained, KASB 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 KASB's rights to institute or participate in, directly or indirectly, any form of legal action and releases all claims that KASB 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 the Products manufactured, distributed, sold and/or offered for sale by FSS, before the Compliance Date (collectively, “**Claims**”), against FSS and Releasees.

The Parties further understand and agree that this Section 4.1 release shall neither extend (a) upstream to any entities that manufactured the Products or any component parts thereof, or any distributors or suppliers who sold the Products or any component parts thereof to FSS (except to United Fire Safety Co, Ltd., which directly sold Products to FSS, and whose sales data was disclosed in connection with reaching this Agreement, and is therefore a Releasee), nor (b) to Releasees who have been instructed by FSS pursuant to Section 2.5 to provide a warning on Products that are not Reformulated Products and have failed 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 FSS’s Products.

4.2 FSS’s Release of KASB

FSS, on behalf of itself, its past and current agents, representatives, attorneys, successors, and assignees, hereby waives any and all claims against KASB 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 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.

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 FSS 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 FSS:

Sherry Jackman
Sedina Banks
Greenberg Glusker LLP
2049 Century Park East, Suite 2600
Los Angeles, CA 90067

For KASB:

Kimberly Gates Johnson, Partner
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.

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

KASB 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: 6/23/2025

By: 
Lance Nguyen, CEO
Keep America Safe and Beautiful

AGREED TO:

Date: 06/20/2025

By: Michael Carlsen
Michael Carlsen, CEO
Fire Safety Supply, Inc.