

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**”) on one hand, and Chris Christensen Systems LLC and Nexus Brands Group, Inc. (jointly, “**CCS**”) on the other hand, with KASB and CCS 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. CCS 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 CCS manufactures, imports, sells, and distributes for sale in California Chris Christensen Systems branded vinyl/PVC aprons containing di(2-ethylhexyl) phthalate (“**DEHP**”) including, but not limited to, *Purple CCS Logo Apron, Item #315, UPC 8 19774 014591*, without providing the health hazard warning that KASB alleges is required by California Health & Safety Code § 25249.5 *et seq.* (“**Proposition 65**”). Chris Christensen Systems branded vinyl/PVC aprons 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 April 4, 2025, KASB served CCS, the California Attorney General, and the requisite public enforcement agencies with 60-Day Notice of Violation AG # 2025-01102 (the “**Notice**”), alleging CCS violated Proposition 65 by failing to warn its customers and consumers in

California that 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

CCS 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. CCS maintains that prior to receipt of Notice, CCS had already discontinued the sale of the Products on or around January 1, 2025. Nothing in this Agreement shall constitute or be construed as, nor shall compliance with this Agreement constitute or be construed as, an admission by CCS of any fact, finding, conclusion of law, issue of law, or violation of law. This section shall not, however, diminish or otherwise affect CCS's obligations, responsibilities, and duties under this Agreement.

1.5 Effective Date

For purposes of this Agreement, "**Effective Date**" shall mean thirty (30) days after this Agreement is executed by the Parties to provide time for review of this Agreement by the Attorney General as provided for in Cal. Code Regs. Tit.11, § 3003. If the California Attorney General has any objections to or comments about the Agreement, then the Parties will both use reasonable efforts to address any objections or comments so as to allow the Parties to move forward with the Agreement provided the terms remain materially the same as set forth in this Agreement and/or are agreeable to the Parties.

2. INJUNCTIVE RELIEF: REFORMULATION OR WARNINGS

2.1 Commitment to Reformulate or Warn

Whereas CCS as of on or around January 1, 2025 has discontinued any manufacturing, importing, selling, or distribution of the Products, but whereas to the extent CCS should someday in the future engage in the manufacturing, importing, selling, or distribution of the Products, then commencing on the Effective Date and continuing thereafter, all Products CCS 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 be accompanied by a clear and reasonable warning pursuant to Section 2.3.

2.2 Reformulation Standard

For purposes of this Agreement, “Reformulated Products” are defined as Products which, if they contain di(2-ethylhexyl) phthalate (“DEHP”), contains such chemical 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. 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 substance.

2.3 Clear and Reasonable Warnings

Commencing on the Effective Date, CCS shall provide clear and reasonable warnings for all Products that are not Reformulated Products provided for sale to customers in or into the State of California 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 clearly associated with the specific Products 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.

OR

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.

OR

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.

OR

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) in addition to English.

(c) On-Product Warnings.

CCS shall affix a warning to the Product label or otherwise directly on Products provided for sale to consumers located in California and to customers with retail outlets in California, nationwide distribution, or e-commerce platforms. For the purpose 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 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, 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.

(d) Internet Warnings.

For all Products sold in or into California through third-party websites over which CCS has the ability to control the application of warnings, CCS shall additionally prominently display the warning to customers on the internet website prior to purchase or during the checkout process such that the consumer does not have to seek out the information being provided. The warning or a clearly marked hyperlink to the warning using the word “**WARNING**” and given in conjunction with the sale of the Products via the internet, shall appear either: (a) on the same web page the Products are displayed; (b) on the same web page as the virtual cart displaying the Products; (c) on the same page as the price for the Products; or (d) on one or more web pages displayed to a purchaser during the checkout process. The warning shall appear adjacent to or immediately following the display, description, or price of the Products for which it is given in the same type size or larger than other consumer information provided for the Products. If the on-Product warning is one of the warning statements set forth in Options 2-4 in Section 2.3, the Internet Warning may use the corresponding warning statement.

Where CCS (i) has actual knowledge of any third-party retailers or e-commerce marketplaces that sell, ship, or distribute Products post-dating the date of this Agreement; and (ii) CCS has a direct business relationship with those third-party retailers or e-commerce marketplaces, but no control over the third-party retailers or e-commerce marketplaces, then on or after the date of this Agreement CCS will advise such third-party retailers and/or e-commerce marketplaces in writing 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), CCS agrees to pay a civil penalty of \$1,500 within five (5) business days of the Effective Date. CCS'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. CCS 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 five (5) business days of the Effective Date, CCS agrees to issue a check in the amount of \$17,000 payable to "Seven Hills LLP" for all fees and costs incurred investigating, bringing this matter to CCS'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 CCS

This Agreement is a full, final and binding resolution between KASB, as an individual and *not* on behalf of the public, and Chris Christensen Systems LLC and Nexus Brands Group, Inc. 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 Chris Christensen Systems LLC and/or Nexus Brands Group, Inc. each of its parents, subsidiaries, affiliated entities under common ownership or control, including their: directors, officers, employees, attorneys, and each entity to whom Chris Christensen Systems LLC and/or Nexus Brands Group, Inc. directly or indirectly distributes or sells the Products, as that term is specifically defined in and limited by this Agreement, including, but not limited to, downstream distributors, wholesalers, 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, defined at Section 1.2, that were manufactured, distributed, sold and/or offered for sale by CCS in California, or otherwise in the stream of commerce, before the Effective Date, as alleged in the Notice.

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, as that term is specifically defined at Section 1.2, that were manufactured, distributed, sold and/or offered for sale by CCS, before the Effective Date (collectively, "Claims"), against CCS and Releasees.

The Parties further understand and agree that this Section 4.1 release shall neither extend:

(a) upstream to any entities who manufactured the Products or to any distributors or suppliers who sold the Products to CCS; nor (b) downstream to Releasees who were instructed by CCS, pursuant to Section 2.3(d), to provide a warning on Products that are not Reformulated Products and failed to do so.

4.2 CCS's Release of KASB

CCS, 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.

4.3 Mutual Waiver of California Civil Code §1542

It is possible that other claims not known to the Parties arising out of the facts alleged in the Notice and relating to the Products will develop or be discovered. KASB on behalf of itself only, on one hand, and CCS on behalf of itself only, on the other hand, acknowledge that this Settlement Agreement is expressly intended to cover and include all such claims up through the Effective Date. The Parties acknowledge that the claims released in Sections 4.1 and 4.2 may include unknown claims, and nevertheless waive California Civil Code section 1542 as to any such unknown claims. 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.**

KASB and CCS each acknowledge that each has made an investigation of the facts pertaining to this Agreement and to the released claims to the extent it deems necessary. KASB and CCS each acknowledge that each may hereafter discover facts in addition to, contrary to, or different from those it now knows or believes to be true with respect to the matters set forth herein. Nevertheless, it is the intention of KASB and CCS to each to fully, finally, and forever settle and release all claims related to the Products of any kind or nature whatsoever that were in existence as of the Effective Date of this Agreement. In furtherance of the Parties' intent, the release in this Agreement shall remain in full and complete effect notwithstanding the discovery or existence of any additional, contrary, or different facts. KASB and CCS each acknowledge and understand the significance and consequences of this specific waiver of California Civil Code § 1542.

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 CCS 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 with a courtesy copy via email plus 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 CCS:

Lisa Northrup, Esq.
Stradling Yocca Carlson & Rauth LLP
660 Newport Center Drive, Suite 1600
Newport Beach, CA 92660
lnorthrup@stradlinglaw.com

Kristin Larson, Esq.
Stradling Yocca Carlson & Rauth LLP
800 Anacapa Street, Suite A
Santa Barbara, CA 93101
klarson@stradlinglaw.com

For KASB:

Kimberly Gates Johnson, Partner
Seven Hills LLP
1 Embarcadero Center, Suite 1200
San Francisco, CA 94111
kimberly@sevenhillsllp.com

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, including via Docusign or a similar electronic signature software or application, 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: 09/30/2025

By: 
Lance Nguyen, CEO
Keep America Safe and Beautiful


AGREED TO:

9/30/2025
Date: _____

Signed by:
By: 
C26682E0F8374E3...
Kyle Beaird, COO and CFO
Chris Christensen Systems LLC

AGREED TO:

9/30/2025
Date: _____

Signed by:
By: 
C26682E0F8374E3...
Kyle Beaird, COO and CFO
Nexus Brands Group, Inc.