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 Foxx Equipment Company ("Foxx"), with BSF and Foxx each, individually, referred to as a "Party" and, collectively, the "Parties." BSF is a California-based nonprofit organization proceeding in the public interest pursuant to California Health & Safety Code § 25249.7(d). Through its mission, BSF seeks to ensure chemicals known to the State of California to cause cancer and/or birth defects or other reproductive harm are disclosed to California consumers or eliminated from consumer products sold in or into California. Foxx 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 Foxx manufactures, imports, sells, and distributes for sale in California: (1) ball valves containing di(2-ethylhexyl) phthalate ("DEHP"), including, but not limited to, the *Ball Valve 1/4"MPT 1/4"MFL-W/CHK (Plated Brass) Item # 05B01343,* ("Ball Valves") and (2) gauges with brass components containing Lead, including, but not limited to, the *Dynamic Fluid Components CDS-5P-210S-R*3000PSI 2IN DRY BTM MNT 47457* ("Gauges"). BSF further alleges Foxx has done so without providing the health hazard warning required by California Health & Safety Code § 25249.6 *et seq.* ("Proposition 65"). Ball Valves and Gauges are referred to collectively herein as the "Products." DEHP and Lead are each listed pursuant to Proposition 65 as chemicals known to the State of California to cause cancer and birth defects and other reproductive harm.

1.3 Notice of Violation

On November 3, 2025, BSF served Foxx, the Office of the California Attorney General ("OAG"), and all requisite public enforcement agencies with a 60-Day Notice of Violation

("Notice"). In the Notice, BSF alleges Foxx violated Proposition 65 by failing to warn its customers and consumers in California that the Products, as defined in Section 1.2, above, can expose users to DEHP and Lead. No public enforcer has commenced and is diligently prosecuting an action to enforce the violations alleged in the Notice.

1.4 No Admission

Foxx denies the material, factual, and legal allegations contained in the Notice and maintains all of the products it sells or has sold or distributed for sale in California, including the Products, comply with all laws. Nothing in this Agreement, nor Foxx's agreement to comply with its terms, shall constitute or be deemed or construed as an admission by Foxx of any fact, finding, conclusion, legal issue, or violation of law, such being specifically denied by Foxx. This section shall not, however, diminish or otherwise affect Foxx'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 AND WARNINGS

2.1 Commitment to Reformulate or Provide Warnings

Commencing on the Effective Date and continuing thereafter, all Products Foxx manufactures, imports, or distributes for sale or resale in or into California, directly or indirectly through any downstream customer or other entity in its chain of distribution, shall meet the DEHP and Lead Reformulation Standards for Reformulated Ball Valves and/or Reformulated Gauges defined by Sections 2.2.1 and 2.2.2, below, or comply with the clear and reasonable warning requirements of Section 2.3, below. The Parties agree and intend that Foxx's compliance with the terms of this Agreement shall constitute its compliance with Proposition 65 with respect to exposures to DEHP and Lead from the Products, as specifically defined in Section 1.2, above.

2.2 Reformulation Standards for DEHP- and Lead-Containing Products

2.2.1 DEHP Reformulation Standard

For purposes of this Agreement, "Reformulated Ball Valves" are defined as Products, such as Ball Valves, containing di(2-ethylhexyl) phthalate ("DEHP") in a maximum concentration of 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 CPSCCH-C1001.09.3 and analyzed using U.S. Environmental Protection Agency methodology 8270D, or other methodologies utilized by state or federal governmental agencies to determine phthalate content in a solid substance (the "DEHP Reformulation Standard").

2.2.2 Lead Reformulation Standard

For purposes of this Agreement, "Reformulated Gauges" are defined as Products, such as Gauges, that shall have (a) a lead content by weight of no more than 0.01% (100 parts per million, or "100 ppm"); (b) the brass alloy from which the Products, or any component of the Products are made shall have no lead as an intentionally added constituent; and (c) yield a test result of no more than 0.5 micrograms of Lead on the Product's entire surface area when sampled and analyzed pursuant to the NIOSH 9100 testing protocol or other methodologies utilized by state or federal governmental agencies to determine lead content in a solid substance (the "Lead Reformulation Standard").

2.3 Clear and Reasonable Warnings

To the extent the Products manufactured, imported, or otherwise acquired by Foxx after the Effective Date do not meet the Lead and DEHP Reformulation Standards defined in Sections 2.2.1 and 2.2.2, respectively, Foxx 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. Provided, however, that there shall be no obligation to provide a Proposition 65 warning for Products that entered the stream of commerce prior to the Effective Date, as those Products are subject to the releases contained in Section 4.1, below.

2.3.1 Warnings For Non-Reformulated Ball Valves

(a) Long-Form Warnings. The Long-Form Warning for Ball Valves that do not meet the DEHP Reformulation Standard shall consist of the following statement:

> ⚠**WARNING**: This product can expose you to chemicals including di(2-ethyhexyl) 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 Warnings. Foxx may, but is not required to, use the following short-form warnings ("Short-Form Warning"), 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 di(2-ethyhexyl) phthalate (DEHP). See www.P65Warnings.ca.gov.
>
> - Or -
>
> ⚠**WARNING** [or] **CA WARNING** [or] **CALIFORNIA WARNING:** Can expose you to di(2-ethyhexyl) phthalate (DEHP), a carcinogen and reproductive toxicant. See www.P65Warnings.ca.gov.
>
> - Or -

The following warning statement may be used on Products other than Reformulated Products manufactured and labeled prior to January 1, 2028:

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

2.3.2 Warnings For Non-Reformulated Gauges

(a) Long-Form Warnings. The Long-Form Warning for Gauges that do not meet the Lead Reformulation Standard 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. Foxx may, but is not required to, use the following short-form warnings ("Short-Form Warning"), 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 other than Reformulated Products manufactured and labeled prior to January 1, 2028:

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

2.3.3. Lead and DEHP Warning. If Foxx provides a Long-Form Warning for lead in accordance with Section 2.3.2(a), Foxx shall not be required to provide a separate or addition warning for DEHP with respect to the Products. Similarly, if Foxx provides a Long-Form

Warning for DEHP in accordance with section 2.3.1(a), Foxx shall not be required to provide a separate or additional warning for Lead with respect to the Products.

2.4 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 such other language(s) in addition to English.

2.5 On-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 Lead Reformulation Standard and/or DEHP Reformulation Standard established by Section 2.2, above, Foxx shall affix a warning to the packaging, the Product Label or otherwise directly on Products provided for sale to California consumers and to customers 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) 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 either the Product Label or the Products.

2.6 Internet Warnings

If, after the Effective Date, Foxx sells Products other than Reformulated Products via the internet, either via its own proprietary internet website or any third-party website over which Foxx has control, Foxx shall provide warnings for each Product in accordance with Section 2.4, above, on internet web pages to customers located in California, 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**" or the words "**CA WARNING**" or "**CALIFORNIA 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 and/or described; (b) on the same page as the price for the Products; (c) 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 (d) an otherwise prominently displayed warning provided to the California purchaser prior to completing the purchase (which does not include a warning in the general content section of the website). Where Foxx does not have control over the content of affiliate or third-party websites, and where Foxx knows or reasonably should know the Products will be sold online in or into consumers in California, Foxx shall notify such sellers the Products must be accompanied by a warning, prior to and as a condition of sale, in or into California, and shall supply the warning requirements to such customers, pursuant to this Section 2.6.

3. MONETARY SETTLEMENT TERMS

3.1 Civil Penalty

Pursuant to Health and Safety Code § 25249.7(b), Foxx agrees to pay a civil penalty of $1,500 within fifteen (15) days of the Effective Date. Foxx'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. Foxx 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 BSF" in the amount of $375. BSF's counsel shall deliver to OEHHA and BSF their respective portions 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 Foxx's reimbursement of a portion of BSF's attorneys' fees and costs. The

Parties did so pursuant to general contract principles and the private attorney general doctrine, codified at Code of Civil Procedure § 1021.5. Foxx's reimbursement of fees and costs pursuant to this Section 3.2 shall include and cover all work performed through the mutual execution and reporting of this Agreement to the OAG. Within fifteen (15) days of the Effective Date, Foxx agrees to issue a check in the amount of $16,000 payable to "Seven Hills LLP" for all fees and costs incurred investigating, bringing this matter to Foxx's attention, negotiating a settlement in the public interest, and reporting its terms to OAG pursuant to Section 10, below.

3.3 Payments

All payments made by Foxx pursuant to this Agreement, i.e., Sections 3.1 and 3.2, above, shall be delivered to BSF's counsel at following address:

Seven Hills LLP
Attn: Laralei Paras, Esq.
1 Embarcadero Center, Suite 1200
San Francisco, CA 94111

4. CLAIMS COVERED AND RELEASED

4.1 BSF's Release of Foxx

This Agreement is a full, final and binding resolution between BSF, as an individual nonprofit corporation and *not* on behalf of the public, and Foxx, of any violation of Proposition 65 that was or could have been asserted by BSF on its own behalf or on behalf of its past and current agents, representatives, attorneys, successors, and/or assignees, against Foxx, its parents, subsidiaries, affiliated entities under common ownership, directors, officers, agents, employees, attorneys, and each entity to whom Foxx directly or indirectly distributes or sells Products, including, but not limited to, downstream distributors, wholesalers, customers, retailers, franchisees, cooperative members, and licensees (collectively, "Releasees"), for all claims for violations of Proposition 65 based on the failure to warn about alleged or actual exposures to DEHP and Lead in Products (as specifically defined in Section 1.2, above) manufactured, distributed, sold and/or offered for sale by Foxx and Releasees in California before the Effective Date.

In further consideration of the promises and agreements herein contained, BSF as an individual nonprofit corporation and *not* on behalf of the public, on its own behalf and on behalf of its past and current agents, representatives, attorneys, successors, and/or assignees, hereby waives all rights to institute or participate in, directly or indirectly, any form of legal action and releases all claims BSF may have, including, without limitation, all actions and causes of action in law or in equity, all suits, claims, 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 and Lead in Products manufactured, distributed, sold and/or offered for sale by Foxx and Releasees, before the Effective Date against Foxx and Releasees.

The Parties further understand and agree that this Section 4.1 release shall not extend upstream to any entity or individual who manufactured the Products or any component parts thereof, for Foxx or any entity or individual who sold the Products or any component parts thereof to Foxx. Nor shall this Release extend downstream to any individual or entity instructed by Foxx pursuant to Section 2.6 to provide an online warning for Products that do not meet the Lead Reformulation Standard or the DEHP Reformulation Standard and who fails to do so. Nothing in this Section affects BSF's right to commence or prosecute an action under Proposition 65 against a Releasee that does not involve Foxx's Products.

4.2 Foxx's Release of BSF

Foxx, 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, 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. MUTUAL WAIVER OF CALIFORNIA CIVIL CODE § 1542

The Parties, and each of them, acknowledge that the claims released in Section 4 may include unknown claims. The Parties further acknowledge that they are familiar with and have read California Civil Code section 1542, 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.

The Parties hereby expressly waive and relinquish any and all rights and benefits which they may have under, or which may be conferred on them by the provisions of California Civil Code section 1542 as well as under any other state or federal statute or common law principle of similar effect, to the fullest extent that it may lawfully waive such rights or benefits pertaining to the releases.

6. 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.

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 Foxx from its obligation to comply with any pertinent state or federal law or regulation. In the event that Proposition 65 is repealed or is otherwise rendered inapplicable by reason of law generally, or as to the Products, then Foxx may provide written notice to BSF's counsel of any asserted

change in the law and shall have no further injunctive obligations pursuant to this Settlement Agreement with respect to, and to the extent that, the Products are so affected.

8. 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 Foxx:

Russell Snow, Chief Executive Officer
Foxx Equipment Company
827 South 7th Street
Kansas City, KS 66105

For BSF:

Brian C. Johnson, Esq.
Seven Hills LLP
1 Embarcadero Center, Suite 1200
San Francisco, CA 94111

With a copy to:

Edward P. Sangster, Esq.
K. Taylor Yamahata, Esq.
K&L Gates LLP
4 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.

9. COUNTERPARTS AND ELECTRONIC FACSIMILE OR PDF SIGNATURES

This Agreement may be executed in counterparts and by electronic, facsimile or portable document format (PDF) signature(s) each of which shall be deemed as original and, all of which, when taken together, shall constitute one and the same document.

10. 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) and Tit. 11 Cal. Code Regs § 3003(c).

11. ENTIRE AGREEMENT

This Agreement contains the sole and entire agreement and understanding of the Parties with respect to the subject matter hereof. Any and all prior discussions, negotiations,

commitments, or understandings related thereto, if any, are hereby merged. No warranty, representation, or other terms of agreement between the Parties except as expressly set forth herein exists or shall be deemed to exist. No prior communications or representations, 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 either of the Parties.

12. MODIFICATION

This Agreement may be modified only by a written agreement of the Parties. In the event the Parties, or a Party seeks to modify this Agreement BSF and its counsel agree to report the modified agreement, if any, to the OAG within five days of the date it is fully executed consistent with Plaintiff's reporting obligations pursuant to Section 10, above. In the event a Party or the Parties seek to modify this Agreement, the Parties shall meet and confer (or attempt to meet and confer) in good faith for a period of not less than 30 days to enter a modified version of this Agreement. In the event the Parties modify this Agreement in any way, the modified agreement, if any, shall be reported to the OAG within five (5) days of the date such modified agreement is executed by the Parties consistent with 11 Cal. Code Regs. § 3003(c) and Health and Safety Code § 25249.7(f). If Foxx desires to modify this Agreement and BSF does not agree to the proposed modification(s), Foxx may seek all remedies available to it consistent with Proposition 65 and California law.

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13. AUTHORIZATION

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

AGREED TO:

Date: 10/14/2026

By: _____

Anthony Nguyen, CEO
BLUE SKY FOREVER

AGREED TO:

Date: 9/22/2026

By: Signed by: Russell Snow D05D5C1912FB467...

Russell Snow, Chief Executive Officer
FOXX EQUIPMENT COMPANY