

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 Kheops International, Inc. (“**Kheops**”), with KASB and Kheops 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. Kheops 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 Kheops manufactures, imports, sells, and distributes for sale in California Incense Burners with Brass Components containing the heavy metal, Lead, including, but not limited to, *New Age Source The Brass Incense Burner with Grid Engraved Flowers Bl, Item No.: 90003, UPC 8 86354 90003 2*, without providing the health hazard warning that KASB alleges is required by California Health & Safety Code § 25249.5 *et seq.* (“**Proposition 65**”). Incense Burners 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 to cause cancer and birth defects or other reproductive harm.

1.3 Notice of Violation

On or about January 7, 2026, KASB served Kheops, the California Attorney General, and the requisite public enforcement agencies with a 60-Day Notice of Violation (“**Notice**”), alleging Kheops violated Proposition 65 by failing to warn its customers and consumers in California that its Products can expose users to Lead. To the best of 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

Kheops 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 Kheops of any fact, finding, conclusion of law, issue of law, or violation of law. This section shall not, however, diminish or otherwise affect Kheops'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 signature pages have been exchanged.

2. INJUNCTIVE RELIEF: REFORMULATION OR WARNINGS

2.1 Commitment to Reformulate or Warn

Commencing on the Effective Date and continuing thereafter, all Products Kheops 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 (that Kheops knows or reasonably should know distribute the Products for sale in California), 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 pursuant to Section 2.3.

2.2 Reformulation Standard

For purposes of this Agreement, "Reformulated Products" are defined as those Products that meet the following criteria:

- (a) the brass alloy from which the Products are made shall have no Lead as an intentionally added constituent;

(b) the brass alloy from which the Products are made shall have a Lead content by weight of no more than 0.009% (90 parts per million, or “90 ppm”) 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

(c) yielding a test result of no more than 1.0 microgram of Lead on the Product’s entire surface area when sampled pursuant to the NIOSH 9100 testing protocol.

2.3 Clear and Reasonable Warnings

Commencing by the Effective Date, Kheops 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 is clearly associated with the specific Products to which the warning applies.

(a) Warning Language

Option 1:

⚠️WARNING [or] CA WARNING [or] CALIFORNIA 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.

Option 2:

⚠️WARNING [or] CA WARNING [or] CALIFORNIA WARNING: Risk of cancer and reproductive harm from exposure to Lead. See www.P65Warnings.ca.gov.

Option 3:

⚠️ WARNING [or] CA WARNING [or] CALIFORNIA WARNING: Can expose you to Lead, 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” as defined in Cal. Code Regs. tit. 27, § 25600.1(c) 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.

Kheops shall affix a warning to the Product label or otherwise directly on Products it knows are provided for sale to consumers located in California and to customers it knows have retail outlets in California, or e-commerce platforms it knows sell Products into California. 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, packaging, or wrapper. A warning provided pursuant to section 2.3(a) must print the word “**WARNING:**” [or “**CA WARNING:**” or “**CALIFORNIA WARNING:**”] in all capital letters and in bold font. The warning symbol to the left of the word “**WARNING:**” [or “**CA WARNING:**” or “**CALIFORNIA 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. If Kheops uses warning Options 2-4 in Section 2.3(a), the entire warning shall appear in at least 6-point type.

(d) Internet Warnings.

If, after the Effective Date, Kheops directly sells Products, that are not Reformulated Products, via the Internet through its own website to consumers located in the State of California or to customers with distribution and e-commerce websites Kheops knows sell or distribute Products into California, Kheops shall provide warnings for each Product both on the Product

label in accordance with Section 2.3(c), and by prominently displaying to the consumer during or prior to the purchase of the Products without requiring customers to seek out the warning. The warning or a clearly marked hyperlink to the warning using the word “**WARNING**” [or “**CA WARNING**” or “**CALIFORNIA WARNING**”] given in conjunction with the sale of the Products via the internet shall appear either: (a) on the same display page on which the Products are displayed; (b) on the same web page as the virtual cart displaying the Products; (c) on the same web page as the price for the Products; or (d) on one or more web pages displayed to a purchaser prior to or during the checkout process. 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 Kheops sells, ships, or distributes Products to third-party retailers or e-commerce marketplaces that it knows or reasonably should know sell Products to California consumers, Kheops will notify them of the internet Warning requirements under this Agreement as a condition of sale of the Products.

2.4 Cure Notice

In the event that Kheops is allegedly not in compliance with Section 2 of this Agreement, Kheops 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.

2.5 Compliance with Regulations

Kheops shall be deemed to be in compliance with the warning requirements of this Settlement Agreement by either adhering to Section 2 of this Settlement Agreement or by complying with the warning regulations at California Code of Regulations, Title 27, section 25600, et seq. applicable to the Products, the chemicals, and the exposures in the Notice.

3. MONETARY SETTLEMENT TERMS

3.1 Civil Penalty

Pursuant to Health and Safety Code § 25249.7(b), Kheops agrees to pay a civil penalty of \$2,000 within fifteen (15) business days of the Effective Date. Kheops'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. Kheops shall issue its payment in two checks made payable to: (a) "OEHHA" in the amount of \$1,500; and (b) "Seven Hills LLP in Trust for Keep America Safe and Beautiful" in the amount of \$500. 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, Kheops agrees to issue a check in the amount of \$18,000 payable to "Seven Hills LLP" for all fees and costs incurred investigating, bringing this matter to Kheops'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 sent to KASB's counsel at following address:

Seven Hills LLP

Attn: Laralei Paras
1 Embarcadero Center, Suite 1200
San Francisco, CA 94111

In Kheops's sole discretion, payments due under this Agreement may be sent via wire transfer.

4. CLAIMS COVERED AND RELEASED

4.1 KASB's Release of Kheops

This Agreement is a full, final and binding resolution between KASB, as an individual and *not* on behalf of the public, and Kheops, 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 Kheops and its affiliates and each entity to whom Kheops directly or indirectly distributes or sells Products, including, but not limited to, Hour Loop, Inc. and its affiliates, 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 Lead contained in the Products that were manufactured, distributed, sold and/or offered for sale by Kheops in California 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 Lead in the Products manufactured, distributed, sold and/or offered for sale by Kheops, before the Effective Date (collectively, "**Claims**"), against Kheops 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 Kheops, nor (b) to Releasees who have been instructed, after the Effective Date of this Agreement, by Kheops pursuant to Section 2.3(d) 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 Kheops's Products.

4.2 Kheops's Release of KASB

Kheops, 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 Public Benefit

It is Kheops's understanding that the commitments Kheops has agreed to herein, and actions to be taken by Kheops under this Agreement, would confer a significant benefit to the general public, as set forth in Code of Civil Procedure § 1021.5 and Cal. Admin. Code tit. 11, § 3201. As such, it is the intent of Kheops that to the extent any other private party initiates an action alleging a violation of Proposition 65 with respect to Kheops's failure to provide a warning concerning exposure to lead and lead compounds prior to use of the Products it has manufactured, distributed, sold, or offered for sale in California, such private party action would not confer a significant benefit on the general public as to those Products addressed in this Agreement, provided that Kheops is in material compliance with this Agreement.

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; provided, however, that if the unenforceable provision is material to this

Agreement, the Parties shall in good faith negotiate a lawful and enforceable provision that most closely reflects the Parties' original intent.

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 Kheops 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 Kheops:

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

For KASB:

Laralei Paras, 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.

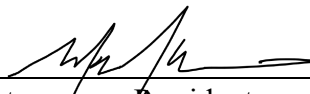
AGREED TO:

Date: 6/30/2026

By: 
Lance Nguyen, CEO
Keep America Safe and Beautiful

AGREED TO:

Date: 6/25/2026

By: 
Maxime Letourneau, President
Kheops International, Inc.