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 Ten Thousand Villages ("**TTV**"), with BSF and TTV each individually referred to as a "**Party**" and, collectively, the "**Parties.**" BSF 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. TTV 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 that TTV manufactures, imports, sells, and distributes for sale in California wrist compasses with brass components containing the heavy metal, Lead, including, but not limited to, *NAVIGATOR WRIST COMPASS 6892450 1Pc.,* without providing the health hazard warning that BSF alleges is required by California Health & Safety Code § 25249.5 *et seq.* ("**Proposition 65**"). Wrist compasses 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 January 23, 2026, BSF served TTV, the California Attorney General, and the requisite public enforcement agencies with a 60-Day Notice of Violation ("**Notice**"), alleging TTV violated Proposition 65 by failing to warn its customers and consumers in California that its Products can expose users to Lead. No public enforcer has commenced and is diligently prosecuting an action to enforce the allegations in the Notice.

1.4 No Admission

TTV 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 TTV of any fact, finding, conclusion of law, issue of law, or violation of law. This section shall not, however, diminish or otherwise affect TTV'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

2.1 Reformulation Commitment

Whereas TTV has discontinued any manufacturing, importing, selling, or distribution of the Products in or into California, but whereas to the extent TTV should someday in the future engage in the manufacturing, importing, selling, or distribution of the Products in or into California, then commencing on the Effective Date and continuing thereafter, all Products TTV manufactures, imports, sells, ships, or distributes for sale in or into California, shall meet the Reformulation Standard for Reformulated Products, as defined by Section 2.2.

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

TTV shall provide clear and reasonable warnings in accordance with this Section pursuant to Cal. Code Regs., tit. 27, § 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 Product to which the warning applies.

2.3.1 Warning Statements

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 or 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–for Covered Products manufactured and labeled prior to January 1, 2028:

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

2.3.2 Foreign Language Requirement. Where a consumer product sign, label or shelf tag used to provide a warning includes consumer information, as that term is defined in Cal. Code Regs., tit. 27, § 25600.1(c) ("**Consumer Information**"), in languages other than English, the warning must also be provided in those languages in addition to English.

2.3.3 Product Warnings. TTV shall affix a warning to the Product label or otherwise directly on each Product. For the purpose of this Agreement, "**Product label**" means a display of written, printed or graphic material that is printed on or affixed to each of a Product or its immediate wrapper. A warning provided pursuant to Section 2.3.1 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 that if the labeling does not use the color yellow, then the symbol may be in black and white. The entire warning shall appear in a type size no smaller than the largest type size used for other Consumer Information on the Products.

2.3.4 Catalog Warnings. If, after the Effective Date, TTV prints new catalogs and sells Products through such catalogs to customers located in California or with nationwide distribution, TTV shall provide a warning for each Product both on the Product label in accordance with Section 2.3.3, and in the catalog in a manner that clearly associates the warning with the *specific* Product being purchased. Any warning provided in a mail order catalog shall be in the same type size or larger than other consumer information provided for the Product within the catalog and shall be provided on the same page and in the same location as the display and/or description of the Product.

2.3.5 Internet Warnings. If, after the Effective Date, TTV sells Products via the internet on websites over which it has control, TTV shall provide warnings for each Product both on the Product label in accordance with Section 2.3.3, and by prominently displaying, or requiring the warning to be prominently displayed on affiliated websites, third party websites or by retail customers, to consumers in California during 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**" given in conjunction with the sale of the Products via the internet shall appear either: (a) on the same web page on which 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. For third party websites over which TTV has no control, TTV shall instruct its customers to provide the warning required by this as a

condition of sale of the Products and shall supply the applicable warning requirements, pursuant to Sections 2.3.

2.4 Customer Notification

No later than the Effective Date, TTV shall send a letter, electronic or otherwise ("**Notification Letter**") to: (1) each customer in California to which it supplied Products between January 23, 2025 and January 23, 2026; and (2) any other customer that is a retailer or distributor that has any inventory of Products, which TTV supplied between January 23, 2023 and January 23, 2026, for sale to consumers in California. The Notification Letter shall advise the recipient that the Products contain Lead, a chemical known to the State of California to cause cancer and birth defects or other reproductive harm. The Notification letter shall inform consumers to whom TTV sold the Products that they are entitled to a full refund, if they so request. For any other customer that is a retailer or distributor that has any inventory of Products, TTV shall notify the recipient that all Products must have a label, attached to the packaging of each Product before it is sold in the California market or to a customer in California, expressly referring to the Product with one of the warning statements set forth in Section 2.3.1. If the customer is a retailer or distributor of the Products, the Notification Letter shall include a sheet of white background, adhesive stickers with the forgoing warning statements.

3. MONETARY SETTLEMENT TERMS

3.1 Civil Penalty

Pursuant to Health and Safety Code § 25249.7(b), TTV agrees to pay a civil penalty of $100 within five (5) business days of the Effective Date. TTV'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. TTV shall issue its payment in two checks made payable to: (a) "OEHHA" in the amount of $75; and

(b) "Seven Hills LLP in Trust for Blue Sky Forever" in the amount of $25. BSF's counsel shall deliver to OEHHA and BSF their respective portion of the penalty payment.

3.2 Reimbursement of Attorneys' Fees and Costs

BSF 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 BSF'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, TTV agrees to issue a check in the amount of $10,000 payable to "Seven Hills LLP" for all fees and costs incurred investigating, bringing this matter to TTV'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 BSF's counsel at following address:

Seven Hills LLP
1 Embarcadero Center, Suite 1200
San Francisco, CA 94111

4. CLAIMS COVERED AND RELEASED

4.1 BSF's Release of TTV

This Agreement is a full, final and binding resolution between BSF, as an individual and *not* on behalf of the public, and TTV, of any violation of Proposition 65 that was or could have been asserted by BSF on behalf of itself, its past and current agents, representatives, attorneys, successors, and/or assignees, against TTV and each entity to whom TTV directly or indirectly distributes or sells Products, 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 Lead contained in the Products that were sold and shipped by TTV in or into California before the Effective Date, as alleged in the Notice.

In further consideration of the promises and agreements herein contained, BSF 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 BSF's rights to institute or participate in, directly or indirectly, any form of legal action and releases all claims that BSF 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 sold and shipped by TTV before the Effective Date (collectively, "**Claims**"), against TTV 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 TTV, nor (b) to Releasees who have been instructed by TTV pursuant to Section 2.3 to provide a warning on Products that are not Reformulated Products and have failed 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 TTV's Products.

4.2 TTV's Release of BSF

TTV, on behalf of itself, 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 (or those that could have been taken or 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. 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 TTV 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 TTV:

Edward Sangster, Esq.
K&L Gates LLP
4 Embarcadero Center, Suite 1200
San Francisco, CA 94111

For BSF:

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 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

BSF 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: 10/21/2026

By: _____

Anthony Nguyen, CEO
Blue Sky Forever

AGREED TO:

Date: 10/19/2026

By: _____

Dan Alonso, President
Ten Thousand Villages