

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**”), PHP Distribution, Inc. (“**PHP**”), and Heat Wagon, Inc. (“**Heat Wagon**”), with KASB, PHP, and Heat Wagon 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. PHP and Heat Wagon are persons in the course of doing business for purposes of California Health & Safety Code § 25249.11(b).

1.2 Product Description

KASB alleges that PHP and Heat Wagon manufacture, import, sell, and distribute for sale in California hoses with brass components containing the heavy metal, Lead (Pb) including, but not limited to, *Regulator and Hose Assembly Part # LPA3070*, without providing the health hazard warning that KASB alleges is required by California Health & Safety Code § 25249.5 *et seq.* (“**Proposition 65**”). Hoses 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 developmental toxicity, male reproductive toxicity, female reproductive toxicity, and cancer.

1.3 Notice of Violation

On March 13, 2026, KASB served PHP and Heat Wagon, the California Attorney General, and the requisite public enforcement agencies with a 60-Day Notice of Violation (“**Notice**”), alleging PHP and Heat Wagon violated Proposition 65 by failing to warn their customers and consumers in California that their 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

PHP and Heat Wagon deny the factual and legal allegations contained in the Notice and maintain that all products they have 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 PHP and Heat Wagon of any fact, finding, conclusion of law, issue of law, or violation of law. This section shall not, however, diminish or otherwise affect PHP's and Heat Wagon'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

Commencing on the Effective Date and continuing thereafter, all Products PHP and Heat Wagon manufacture, import, sell, ship, or distribute 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 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 0.03% (300 parts per million, or "300 ppm"); and

(c) yielding a test result of no more than 0.5 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 on or before the Effective Date, PHP and Heat Wagon shall provide clear and reasonable warnings for all remaining inventory of Products that are not Reformulated Products provided for sale to customers in 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, 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) **Warning.** The following warnings for Products containing lead (Pb) in excess of the Reformulation Standard shall be deemed in compliance with Title 27 California Code of Regulations § 25600, et seq.:

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

⚠️ **WARNING:** Cancer - www.P65Warnings.ca.gov.

(b) **Foreign Language Requirement.** Where a consumer product sign, label or tag used to provide a warning includes “consumer information,” as the term is defined in Title

27 California Code of Regulations § 25600.1(c) (“**Consumer Information**”), in languages other than English, then the accompanying warnings must also be provided in those languages, in addition to English.

(c) **On-Product Warning Requirements.** PHP and Heat Wagon shall affix a warning to the Product label or otherwise directly on each Product provided for sale to consumers located in California and to customers with retail outlets in California or nationwide distribution. For purposes 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(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 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 of at least 6-point type and no smaller than the largest type size used for other Consumer Information on the Products.

(d) **Catalog Warnings.** If, after the Effective Date, PHP and Heat Wagon print new catalogs and sell Products through such catalogs to customers located in, with retail outlets located in, California or with nationwide distribution, PHP and Heat Wagon shall provide a warning for each Product both on the Product label in accordance with Section 2.3(b), 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. If the On Product Warning is one of the warning statements set forth in Options 2-4 in Section 2.3(a), the Catalog Warning may use the corresponding warning statement.

(e) **Internet Product Warning Requirements.** For all Products sold in or into California through third-party websites over which PHP and Heat Wagon have the ability to control the application of warnings, PHP and Heat Wagon shall provide warnings for each

Product, both on the Product label, in accordance with Section 2.4, and by prominently displaying the warning to customers 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 Products via the internet, shall appear on: (a) the same web page on which the Product is displayed; (b) the same web page as the order form for the Product; (c) on the same page as the price for any Product; or (d) on one or more web pages displayed to a purchaser during the checkout process. The warning shall appear in any of the above instances adjacent to or immediately following the display, description, or price of the Product for which it is given in the same type size or larger than other consumer information provided for the Product. For third-party websites, over which PHP and Heat Wagon have no control, as a condition of sale, PHP and Heat Wagon shall notify their downstream customers 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, pursuant to Section 2.3. If the On Product Warning is one of the warning statements set forth in Options 2-4 in Section 2.3(a), the Catalog Warning may use the corresponding warning statement.

3. MONETARY SETTLEMENT TERMS

3.1 Civil Penalty

Pursuant to Health and Safety Code § 25249.7(b), PHP and Heat Wagon agree to pay a civil penalty of \$1,000 within five (5) business days of the Effective Date. PHP’s and Heat Wagon’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. PHP and Heat Wagon shall issue their payment in two checks made payable to: (a) “OEHHA” in the amount of \$750; and (b) “Seven Hills in Trust for

KASB” in the amount of \$250. 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, PHP and Heat Wagon agree 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 PHP’s and Heat Wagon’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
1 Embarcadero Center, Suite 1200
San Francisco, CA 94111

4. CLAIMS COVERED AND RELEASED

4.1 KASB’s Release of PHP and Heat Wagon

This Agreement is a full, final and binding resolution between KASB, as an individual and *not* on behalf of the public, and PHP and Heat Wagon, 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 PHP and Heat Wagon, their directors, officers, employees, attorneys, and each entity to whom PHP and Heat Wagon directly

or indirectly distribute or sell 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 manufactured, distributed, sold and/or offered for sale by PHP and Heat Wagon 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 PHP and Heat Wagon, before the Effective Date (collectively, “**Claims**”), against PHP, Heat Wagon, 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 PHP and Heat Wagon, nor (b) to Releasees who have been instructed by PHP and Heat Wagon pursuant to Section 2.3(e) 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 PHP’s and Heat Wagon’s Products.

4.2 PHP’s and Heat Wagon’s Release of KASB

PHP and Heat Wagon, on behalf of themselves, their past and current agents, representatives, attorneys, successors, and assignees, hereby waive 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 them 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 PHP and Heat Wagon from their 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 PHP and Heat Wagon:

Alan Bick
Bick Law LLP
520 Newport Center Dr, Ste 750
Newport Beach, CA 92660

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 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.

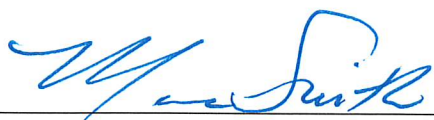
AGREED TO:

Date: 5/18/2026

By: 
Lance Nguyen, CEO
Keep America Safe and Beautiful

AGREED TO:

Date: May 13, 2026

By: 
Marc Smith, President,
PHP Distribution, Inc.
Heat Wagon, Inc.