

PROPOSITION 65 SETTLEMENT AGREEMENT

1. INTRODUCTION

1.1 The Parties

This Settlement Agreement (“Agreement”) is entered into by and between Blue Sky Forever (“BSF”), Klein's Kosher Pickle Company (“Klein’s”), with BSF and Klein’s 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 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. Klein’s is a person in the course of doing business for purposes of California Health & Safety Code § 25249.11(b).

1.2 Product Description

BSF alleges that Klein’s produces, processes, manufactures, packages, imports, distributes, sells or offers for sale, in and into California, peppers / yellow pickled peppers containing the heavy metal Lead including, but not limited to, the *Mrs. Klein’s Chilitos Encurtidos*, without providing the health hazard warning BSF alleges is required by California Health & Safety Code § 25249.5 *et seq.* (“Proposition 65”). Yellow Pickled Peppers is 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 May 20, 2026, BSF served Klein’s, the California Attorney General, and the requisite public enforcement agencies with a 60-Day Notice of Violation (“Notice”), alleging Klein’s violated Proposition 65 by failing to warn its customers and consumers in California 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

Klein’s denies the factual and legal allegations contained in the Notice and maintains all products it sold or distributed for sale, in or into 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 Klein's of any fact, finding, conclusion of law, issue of law, or violation of law. This section shall not, however, diminish or otherwise affect Klein'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 OR WARNINGS

2.1 Commitment to Reformulate or Warn

Commencing on or before the Effective Date, and continuing thereafter, all Products Klein's sells or offers for sale, in or into California, directly or to one or more third party retailers or e-commerce marketplaces, shall be in compliance with the Reformulation Standard, set forth and defined below, at Section 2.2, or accompanied by a clear and reasonable warning set forth and defined below, at Section 2.3.

2.2 Reformulated Products & Reformulation Standard Defined

For purposes of this Agreement, "Reformulated Products" are defined as Products which contain "no detectable level" of Lead (Pb) when measured by weight. "No detectable level" is defined as a maximum concentration of no more than ten (10) parts per billion ("ppb") Lead by weight, based on a Single Serving. "Single Serving" is defined as one ounce or twenty eight (28) grams of the Product. To assess whether a Product is compliant, the Product must be analyzed by a laboratory, accredited by the State of California, a federal agency, or a nationally recognized accrediting organization ("Accredited Laboratory"), using inductively coupled plasma mass spectrometry ("ICP-MS") equipment with a level of detection ("LOD/LOQ") of 10 ppb or less, utilizing scientifically appropriate methods and protocols for testing heavy metals, including Lead, in foods as set forth in AOAC Method 2013.06 (21st Ed., 2019). ("Reformulation Standard.")

2.3 Clear and Reasonable Product Warnings

For all Products that are not Reformulated Products in compliance with the Reformulation Standard set forth in Section 2.2, Klein's shall provide clear and reasonable warnings 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 when 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. There shall be no obligation for Klein's to provide a warning for Products that entered the stream of commerce prior to the Effective Date.

2.3.1 Warnings. The Warning shall consist of the following statement:

WARNING [or] CA WARNING [or] CALIFORNIA WARNING: Consuming this product can expose you to 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/food.

2.3.2 Short-Form Warnings. As an alternative to the foregoing warning detailed in Section 2.3.1, Klein's may, but is not required to, use one of the following short-form warnings, as appropriate:

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

or

WARNING [or] CA WARNING [or] CALIFORNIA WARNING: Can expose you to lead, a carcinogen and reproductive toxicant. See www.P65Warnings.ca.gov/food.

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

WARNING [or] CA WARNING [or] CALIFORNIA WARNING: Cancer and Reproductive Harm – www.P65Warnings.ca.gov/food.

2.3.3 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.

2.3.4 On-Product Warnings. Klein's shall affix a warning to the Product label or otherwise directly on Products for sale to consumers located in California and to customers with retail outlets in California, nationwide distribution or e-commerce platforms. For purposes 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. Warnings provided pursuant must print the words "**WARNING:**", "**CA WARNING:**", or "**CALIFORNIA WARNING:**" in all capital letters and in bold font, followed by a colon. The warning may be contained in the same section of the packaging, labeling, or instruction booklet that states other safety warnings, if any, concerning the use of the Products and shall be at least the same size as those other safety warnings.

2.3.5 Internet Warnings. For all Products sold or offered for sale online via the internet to customers located in California, or sold in or into California by Klein's, either directly or through third-party distributors, retailers, or other resellers of Klein's Products over which Klein's has the ability to control the application of warnings, Klein's shall provide warnings for each Product, both on the Product label, in accordance with Section 2.3.4, and, either: (a) a warning on the Product display page; (b) a clearly marked hyperlink using the word "**WARNING**" or words "**CA WARNING**" or "**CALIFORNIA WARNING**" on the product display page that links to the Product warning; or (c) by an otherwise prominently displayed warning provided to the purchaser prior to completing the purchase, such that the consumer does not have to seek out the information being provided, which includes the option of a pop-up warning once a California zip code is identified with the shipping address. The term "**prominently displayed**" is defined to mean the consumer does not have to search for it in the general content of the website. For third-party websites, as a condition of sale, Klein's shall notify its downstream customers that the Products must be accompanied by a warning prior to sale in or into California and shall supply the warning requirements, pursuant to Section 2.3. If the warning is provided using the Short-Form content, pursuant to Section 2.3.2, then the warning provided on the website may use the same content.

3. MONETARY SETTLEMENT TERMS

3.1 Civil Penalty

Pursuant to Health and Safety Code § 25249.7(b), Klein's agrees to pay a civil penalty of \$5,000 within five (5) business days of the Effective Date. Klein'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. Klein's shall issue its payment in two checks made payable to: (a) "OEHHA" in the amount of \$3,750; and (b) "Seven Hills in trust for Blue Sky Forever" in the amount of \$1,250. Klein'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 Klein'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) days of the Effective Date, Klein's agrees to issue a check in the amount of \$21,500 payable to "Seven Hills LLP" for all fees and costs incurred investigating, bringing this matter to Klein'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 Klein's

This Agreement is a full, final and binding resolution between BSF, as an individual and *not* on behalf of the public, and Klein's, 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 Klein's, its directors, officers, employees, attorneys, and each entity to whom Klein's directly or indirectly distributes or sells Products, including, but not limited to, downstream distributors, wholesalers, customers, retailers, franchisees, cooperative members, and licensees (collectively, "Releasees") from all claims for violations of Proposition 65 based on their failure to warn about alleged exposures to Lead contained in the Products that were sold by Klein's 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 Klein'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 by Klein's before the Effective Date against Klein's and Releasees.

The Parties further understand and agree that this Section 4.1 release shall neither extend upstream to any entities that produced the Products or any component parts thereof, or any distributors or suppliers who sold the Products or any component parts thereof to Klein's nor downstream to any Releasee who has been instructed by Klein's pursuant to Section 2.4 to cease selling and return or destroy the Products but 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 Klein's Products.

4.2 Klein's Release of BSF

Klein's, 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 Klein's 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 Klein's:

Danelle M. Gagliardi
Squire Patton Boggs (US) LLP
2000 Huntington Center
41 South High Street
Columbus, OH 43215

For BSF:

Laralei Paras
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.

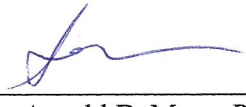
AGREED TO:

Date: 9/26/2026

By: 
Anthony Nguyen, CEO
Blue Sky Forever

AGREED TO:

Date: 9/24/2026

By: 
Susan Arnold DeMuro, President
Klein's Kosher Pickle Company