SETTLEMENT AGREEMENT

1. INTRODUCTION

1.1 Parties

This Settlement Agreement is entered into by and between Environmental Health Advocates, Inc. ("EHA"), on the one hand, and American Outdoor Products, Inc. ("AOP"), on the other hand, with EHA and AOP each individually referred to as a "Party" and collectively as the "Parties." EHA is a corporation in the State of California serving in the interest of the general public by seeking to promote awareness of exposures to toxic chemicals and to improve human health by reducing or eliminating hazardous substances used in consumer products. EHA alleges that AOP is a person in the course of doing business for purposes of the Safe Drinking Water and Toxic Enforcement Act of 1986, California Health and Safety Code § 25249.6 *et seq.* ("Proposition 65").

1.2 General Allegations

EHA alleges that AOP manufactures, sells, and/or distributes for sale in California, crème brulee products that contain lead and that it does so without first providing the health hazard warning required by Proposition 65. Lead is listed pursuant to Proposition 65 as a chemical known to cause reproductive toxicity.

1.3 Product Description

The products covered by this Settlement Agreement are defined as, and expressly limited to, Backpacker's Pantry Crème Brulee ("Covered Products"), that are manufactured, sold and/or distributed for sale in California by AOP.

1.4 Notice of Violation

On or around March 13, 2026, EHA served AOP, the California Attorney General, and certain other public enforcement agencies with a 60-Day Notice of Violation of Proposition 65 ("Notice"). The Notice alleged that AOP had violated Proposition 65 by failing to sufficiently warn consumers in California of the health hazards associated with exposures to lead contained in Covered Products. This Notice was subsequently amended on June 19, 2026 to provide updated

information to the noticed entity, Recreational Equipment, Inc.

To the best of the Parties' knowledge, no public enforcer has commenced or is otherwise prosecuting an action to enforce the violations alleged in the Notice.

1.5 No Admission

AOP denies the material, factual, and legal allegations in the Notice and maintains that all of the products it manufactured, sold and/or distributed for sale in California, including Covered Products, have been, and are, in compliance with all laws. Nothing in this Settlement Agreement shall be construed as an admission by AOP of any fact, finding, conclusion, issue of law or violation of law, nor shall compliance with this Settlement Agreement constitute or be construed as an admission by AOP of any fact, finding, conclusion, issue of law or violation of law, such being specifically denied by AOP. This Section shall not, however, diminish or otherwise affect AOP's obligations, responsibilities, and duties under this Settlement Agreement.

1.6 Effective Date

For purposes of this Settlement Agreement, the term "Effective Date" shall mean the date this Settlement Agreement is executed by the Parties.

1.7 Compliance Date

For purposes of this Settlement, the term "Compliance Date" means 60 days from the Effective Date.

2. INJUNCTIVE RELIEF

2.1 Reformulation Standard

Beginning on the Compliance Date, AOP shall be permanently enjoined from manufacturing, distributing, or directly selling in the State of California, any Covered Product that exposes a person to a "Daily Lead Exposure Level" of more than 0.5 micrograms of lead based on a single serving per day unless such Covered Products comply with the warning requirements of Section 2.2. The "Daily Lead Exposure Level" shall be calculated by multiplying the recommended serving size of the Covered Product by the concentration of lead in Covered Products. As used in this Section 2, "distributed for sale in CA" means to directly ship Covered

Products into California or to sell Covered Products to a distributor AOP knows will sell Covered Products in California.

2.2 General Warning Requirements

Commencing on the Compliance Date, AOP agrees any Covered Product sold that was not reformulated pursuant to paragraph 2.1 shall contain a Proposition 65 warning. AOP agrees that 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. Each warning shall be provided in a manner such that the consumer or user understands to which *specific* Covered Products the warning applies, so as to minimize the risk of consumer confusion.

For purposes of this Settlement Agreement, a clear and reasonable warning for the Covered Products shall consist of a warning affixed to the packaging, label, tag, directly to each Covered Products sold in California by AOP, or on a placard, shelf tag, sign or electronic device or automatic process that contains one of the following statements:

	"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 birth defects or other reproductive harm. For more information go to www.P65Warnings.ca.gov/food.
	OR
SHORT FORM	**"WARNING:" [or] "CA WARNING:" [or] "CALIFORNIA WARNING**:" Risk of reproductive harm from exposure to lead. See www.P65Warnings.ca.gov/food.
	OR
SHORT FORM	**"WARNING:" [or] "CA WARNING:" [or] "CALIFORNIA WARNING**:" Can expose you to lead, a reproductive toxicant. See www.P65Warnings.ca.gov/food.

OR

SHORT FORM ON A PRODUCT MANUFACTURED/ LABELED PRIOR TO 1/1/28, REGARDLESS OF DATE OF SALE

WARNING: Reproductive Harm – www.P65Warnings.ca.gov/food.

Pursuant to Cal. Code Regs. Tit. 27, § 25607.1, where the warning is provided on the food product label, it must be set off from other surrounding information and enclosed in a box. Where a specific food product sign, label, placard, or shelf tag is used to provide a warning, it must be displayed 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 prior to sale. In no case shall a warning statement appear in a type size smaller than 6-point type. Where a sign, labeling, or label as defined in Cal. Code Regs. Tit. 27, § 25600.1 is used to provide a warning that includes consumer information about a product in a language other than English, the warning must also be provided in that language in addition to English. Alternatively, the content and method of transmission may be provided in any form as authorized by Proposition 65 law or regulation effective on or after the Effective Date in order to constitute compliance with Proposition 65.

As set forth in Cal. Code Regs. Tit. 27, § 25602(b), to the extent Covered Products are sold online, a warning that complies with the content requirements of Cal. Code Regs Tit. 27, § 25603 must be provided via one of the following methods: (1) A warning on the product display page; (2) 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 (3) An otherwise prominently displayed warning provided to the purchaser prior to completing the purchase. If a warning is provided using the short-form label content pursuant to Section 25602(a)(4), the warning provided on the website may use the same content. For purposes of this section, a warning is not prominently displayed if the purchaser must search for it in the general

content of the website. For internet purchases made prior to January 1, 2028, a retail seller is not responsible under Section 25600.2(e)(4) for conspicuously posting or displaying the new warning online until 60 calendar days after the retailer receives a warning or a written notice under Section 25600.2(b) and (c) which updates a short-form warning compliant with Section 25603(c) with content compliant with Section 25603(b). These requirements extend to any websites under the exclusive control of AOP where Covered Products are sold into California. In addition, if AOP has actual knowledge a third party website is offering Covered Products for sale in California, AOP shall instruct any third-party website to which it directly sells its Covered Products to include the same online warning, as set forth above, as a condition of selling the Covered Products in California.

There shall be no obligation for AOP to provide a warning for Covered Products that entered the stream of commerce prior to the Compliance Date, and the Section 4 release applies to all such Covered Products. For the avoidance of doubt, Covered Products in the stream of commerce specifically include, but are not limited to, Covered Products in the process of manufacture.

(i) Changes in Warning Regulations or Statutes

In the event that the Office of Environmental Health Hazard Assessment promulgates one or more regulations requiring or permitting Proposition 65 warning text and/or methods of transmission applicable to the Covered Products and the chemical at issue, which are different than those set forth above, AOP shall be entitled to use, at its discretion, such other warning text and/or method of transmission without being deemed in breach of this Agreement. If regulations or legislation are enacted providing that Proposition 65 warnings as to lead in this product are no longer required, a lack of warning by AOP will not thereafter be a breach of this Agreement.

2.3 Grace Period for Existing Inventory of Covered Products

The injunctive requirements of Section 2 shall not apply to Covered Products that were manufactured on or before the Compliance Date, which Covered Products are expressly subject to the releases provided in Section 4. For the avoidance of doubt, this includes, but is not limited to,

Covered Products in the process of manufacture, or otherwise in the custody of AOP after manufacturing.

3. MONETARY SETTLEMENT TERMS

3.1 Civil Penalty Payment

Pursuant to Health and Safety Code § 25249.7(b)(2), and in settlement of all claims alleged in the Notice or referred to in this Settlement Agreement, AOP agrees to pay two thousand dollars ($2,000.00) in civil penalties. The penalty payment will be allocated in accordance with California Health and Safety Code §§ 25249.12(c)(1) & (d), with 75% of the penalty amount paid to the California Office of Environmental Health Hazard Assessment ("OEHHA") and the remaining 25% of the penalty amount retained by EHA. AOP shall issue two separate checks for the initial civil penalty payment to (a) "OEHHA" and (b) Environmental Health Advocates, Inc. as follows:

- One payment of $1,500.00 to OEHHA, due thirty (30) days after the Effective Date.
- One payment of $500.00 to EHA, due thirty (30) days after the Effective Date.

All payments owed to OEHHA (EIN: 68-0284486), pursuant to this Section shall be delivered directly to OEHHA (Memo Line "Prop 65 Penalties") at the following addresses:

For United States Postal Service Delivery:

Mike Gyurics
Fiscal Operations Branch Chief
Office of Environmental Health Hazard Assessment
P.O. Box 4010
Sacramento, CA 95812-4010

For Non-United States Postal Service Delivery:

Mike Gyurics
Fiscal Operations Branch Chief
Office of Environmental Health Hazard Assessment
1001 I Street
Sacramento, CA 95814

All penalty payments owed to EHA shall be sent to:

Environmental Health Advocates
225 Broadway, Suite 1900
San Diego, CA 92101

3.2 Attorney Fees and Costs

The Parties reached an accord on the compensation due to EHA and its counsel under the private attorney general doctrine and principles of contract law. Under these legal principles, AOP agrees to pay twenty-one thousand dollars ($21,000.00) to EHA and its counsel for all fees and costs incurred in investigating, bringing this matter to the attention of AOP, and negotiating a settlement. The twenty-one thousand dollars ($21,000.00) is due thirty (30) days after the Effective Date.

All payments required under this Section shall be made payable to Entorno Law, LLP and delivered to:

Isaac Fayman
Entorno Law, LLP
225 Broadway, Suite 1900
San Diego, CA 92101

3.3 Tax Documentation

AOP agrees to provide a completed IRS 1099 for its payments to, and EHA agrees to provide IRS W-9 forms for, each of the payees under this Settlement Agreement. The Parties acknowledge that AOP cannot issue any settlement payments pursuant to Section 3.1 and 3.2 above until after AOP receives the requisite W-9 forms from EHA's counsel.

4. CLAIMS COVERED AND RELEASED

4.1 EHA's Release of AOP

This Settlement Agreement is a full, final, and binding resolution of all claims between EHA, on its own behalf, and AOP for all claims that can or could have been asserted by EHA, on its own behalf, on behalf of its past and current agents, representatives, attorneys, successors and assignees, against AOP and each of its respective parents, subsidiaries, affiliated entities under common ownership, directors, officers, members, employees, attorneys, and any entity, including,

but not limited to each entity to whom AOP directly or indirectly distributes or sells the Covered Products, including, but not limited to, its downstream distributors, wholesalers, customers, retailers (including but not limited to Recreational Equipment, Inc.), franchisees, cooperative members and licensees ("Releasees"), based on the failure to warn about exposures to lead required under Proposition 65 in the Covered Products manufactured by AOP on or before the Compliance Date, as alleged in the Notice, or for any other reason.

In further consideration of the promises and agreements herein contained, EHA on its own behalf, on behalf of its past and current agents, representatives, attorneys, successors and assignees hereby waives any and all rights it may have to institute or participate in, directly or indirectly, any form of legal action and releases all claims against AOP and Releasees including, without limitation, all actions and causes of action, suits, liabilities, demands, obligations, damages, costs, fines, penalties, losses or expenses including, but not exclusively, investigation fees, expert fees and attorney fees arising under Proposition 65 with respect to the alleged or actual failure to warn about exposures to lead required under Proposition 65 in the Covered Products manufactured by AOP, on or before the Compliance Date.

4.2 AOP's Release of EHA

AOP, 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 EHA and its attorneys and other representatives, for any and all actions taken or statements made by EHA and its attorneys and other representatives, whether in the course of investigating claims, otherwise seeking to enforce Proposition 65 against it in this matter, or with respect to the Covered Products.

4.3 California Civil Code Section 1542

It is possible that other claims not known to the Parties arising out of the facts alleged in the Notice and relating to the Covered Products will develop or be discovered. EHA on behalf of itself only, on the one hand, and AOP on behalf of itself only, on the other hand, acknowledge that this Settlement Agreement is expressly intended to cover and include all such claims up

through the Effective Date. The Parties acknowledge that the claims released in Sections 4.1 and 4.2 may include unknown claims, and nevertheless waive California Civil Code section 1542 as to any such unknown claims. California Civil Code section 1542 reads 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.**

EHA and AOP each acknowledge and understand the significance and consequences of this specific waiver of California Civil Code § 1542.

5. PUBLIC BENEFIT

It is AOP's understanding that the commitments it has agreed to herein, and actions to be taken by AOP under this Settlement Agreement 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 AOP that to the extent any other private party serves a notice and/or initiates an action alleging a violation of Proposition 65 with respect to AOP's alleged failure to provide a warning concerning actual or alleged exposure to lead prior to use of the Covered Products it has manufactured, distributed, sold, or offered for sale in California, or will manufacture, distribute, sell, or offer for sale in California, such private party action would not confer a significant benefit on the general public as to those Covered Products addressed in this Settlement Agreement, provided that AOP is in material compliance with this Settlement Agreement.

6. SEVERABILITY

If, subsequent to the execution of this Settlement Agreement, any provision of this Settlement Agreement is held by a court to be unenforceable, the validity of the remaining provisions shall not be adversely affected.

7. GOVERNING LAW

The terms of this Settlement Agreement shall be governed by the laws of the State of California and apply within the State of California.

8. ENFORCEMENT

In any action to enforce the terms of this Settlement Agreement, the prevailing party shall be entitled to its reasonable attorneys' fees and costs.

9. NOTICE

Unless specified herein, all correspondence and notice required to be provided pursuant to this Settlement Agreement shall be in writing and sent by: (a) personal delivery; (b) first-class, registered or certified mail, return receipt requested; or (c) a recognized overnight courier on any Party by the other at the following addresses:

For AOP:

Alexandra Lizano
Greenberg Traurig, LLP
400 Capitol Mall | Suite 2400
Sacramento, CA 95814
Alexandra.Lizano@gtlaw.com

For EHA:

Noam Glick
Entorno Law, LLP
225 Broadway, Suite 1900
San Diego, CA 92101

Any Party may, from time to time, specify in writing to the other a change of address to which all notices and other communications shall be sent.

10. COUNTERPARTS; FACSIMILE SIGNATURES

This Settlement Agreement may be executed in counterparts and by facsimile or 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.

11. COMPLIANCE WITH HEALTH & SAFETY CODE § 25249.7(f)

EHA and its attorneys agree to comply with the reporting form requirements referenced in California Health and Safety Code § 25249.7(f).

12. MODIFICATION

This Settlement Agreement may be modified only by written agreement of the Parties.

13. AUTHORIZATION

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

AGREED TO:	**AGREED TO:**
Date: 10/23/2026	Date: October 14, 2026
By: _____	By: _____
ENVIRONMENTAL HEALTH ADVOCATES, INC.	AMERICAN OUTDOOR PRODUCTS, INC.