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 Ace Cam Hospitality, LLC ("**Ace**"), with BSF and Ace 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. Ace 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 Ace manufactures, imports, sells, and distributes for sale in California leather gloves containing chromium (hexavalent compounds) ("**CrVI**") including, but not limited to, *RGC CL-2 Golf Glove (White) Left Hand (For Righties) / Small / UAGLCL2WHWH-LS UPC: 0 18211 27019 8,* without providing the health hazard warning that BSF alleges is required by California Health & Safety Code § 25249.5 *et seq.* ("**Proposition 65**"). Leather gloves are referred to hereinafter as the "**Products**." CrVI 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 July 24, 2026, BSF served Ace, the California Attorney General, and the requisite public enforcement agencies with a Supplemental 60-Day Notice of Violation ("**Notice**"), alleging Ace violated Proposition 65 by failing to warn its customers and consumers in California that its Products can expose users to chromium. 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

Ace 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 or used by any person or tribunal, nor shall compliance with this Agreement constitute or be construed as or used by any person tribunal to argue, an admission by Ace or any of its officers, directors, shareholders, employees, agents, parent companies, subsidiaries, divisions, affiliates, franchisees, licensees, customers, suppliers, distributors, wholesalers, or retailers of any fact, finding, conclusion of law, issue of law, or violation of law. This section shall not, however, diminish or otherwise affect Ace's obligations, responsibilities, and duties under this Agreement. Ace maintains that it has not knowingly manufactured, or caused to be manufactured, the Product for sale in California in violation of Proposition 65.

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 Ace 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, 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 Products tanned with vegetable compounds or, if tanned with chrome based compounds, are tanned by a leather tannery which maintains a current certification with overall Gold rating, or higher, under the Leather Working Group (LWG) Audit Protocol P7.2.2, or maintains a current Gold metal

rating, or higher, in the section "Restricted Substances, Compliance & Chromium VI Management."

2.3 Clear and Reasonable Warnings

Ace shall provide clear and reasonable warnings for all Products remaining in inventory that are not Reformulated Products provided for sale to customers located in California and to customers with locations in California, nationwide distribution, or e-commerce websites. The warning in Section 2.3.1 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. The Warning for CrVI in excess of the Reformulation Standard for Reformulated Products set forth in Section 2.2 shall consist of the following statement:

> ⚠**WARNING**: This product can expose you to chemicals, including chromium (hexavalent compounds), which are 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.

2.3.2 Foreign Language Requirement. Although warnings may be provided in English only, 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.

2.3.3 On Product Warnings. Ace shall affix a warning to the Product label or affixed to the packaging, label, tag or otherwise directly on each Product provided for sale to consumers located in California and to customers with retail outlets in California, e-commerce platforms or nationwide distribution. 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 wrapper. The 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 if the labeling does not use the color yellow, the symbol may be in black and white. The entire warning shall appear in at least 6-point type and no smaller than the largest type size used for other consumer information on the Products.

2.3.4 Internet Warnings. Ace 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 during the purchase of the Products without requiring customers to seek out the warning. The warning, pop-up prior to checkout, or 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 on the same web page on which the Products are displayed or 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 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 Ace has no control, as a condition of sale, Ace shall provide its customer with notices stating 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.

2.4 Changes in Warning Regulations or Statutes

The Parties agree that Ace shall be deemed to be in compliance with the Settlement Agreement by either adhering to Reformulation Standard or §2.3 of this Settlement Agreement or by complying with warning regulations adopted after the Effective Date by the State of California's Office of Environmental Health Hazard Assessment ("**OEHHA**") applicable to the Products and exposure at issue.

3. MONETARY SETTLEMENT TERMS

3.1 Civil Penalty

Pursuant to Health and Safety Code § 25249.7(b), Ace agrees to pay a civil penalty of $2,500 within five (5) business days of the Effective Date. Ace'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. Ace shall issue its payment by wire to: (a) "OEHHA" in the amount of $1,875; and (b) "Seven Hills LLP in Trust for BSF" in the amount of $625. 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. Ace agrees to pay the amount of $18,000 payable to "Seven Hills LLP" for all fees and costs incurred investigating, bringing this matter to Ace's attention, negotiating a settlement in the public interest, and reporting its terms to Office of the California Attorney General pursuant to Section 9. Payment shall be made by wire transfer in accordance with the following schedule:

1. **First Payment:** $4,500 on or before November 20, 2026;
2. **Second Payment:** $4,500 on or before December 4, 2026;
3. **Third Payment:** $4,500 on or before December 18, 2026; and
4. **Fourth Payment:** $4,500 on or before December 31, 2026.

3.3 Payments

All payments payable and due under this Agreement shall be made pursuant to wire instructions provided by Seven Hills LLP. The entire balance shall be paid in full no later than December 31, 2026. In the event any payment is not made in accordance with the schedule set forth above, Plaintiff shall provide Defendant with written notice of the missed payment and an

opportunity to cure within five (5) business days of receipt of such notice. If Defendant fails to cure the missed payment within that period, the entire remaining unpaid balance shall become immediately due and payable in full, and the payment schedule set forth above shall no longer apply.

4. CLAIMS COVERED AND RELEASED

4.1 BSF's Release of Ace

This Agreement is a full, final and binding resolution between BSF, as an individual and *not* on behalf of the public, and Ace, 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 Ace, its directors, officers, employees, attorneys, and each entity to whom Ace 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 chromium contained in the Products that were manufactured, distributed, sold and/or offered for sale by Ace in California that could have been asserted through 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 CRVI in the Products manufactured, distributed, sold and/or offered for sale by Ace, before the Effective Date (collectively, "**Claims**"), against Ace 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 Ace, nor (b) to Releasees who have been instructed by Ace pursuant to Section 2.3.4 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 Ace's Products.

4.2 Ace's Release of BSF

Ace, 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 Ace 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 Ace:

Erik Lang, CEO
Ace Cam Hospitality, LLC
757 Shady Lane
Austin, TX 78702

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: 11/11/2026

By: _____

Anthony Nguyen, CEO
Blue Sky Forever

AGREED TO:

Date: Nov 10 2026

By: _____

Erik Lang, CEO
Ace Cam Hospitality, LLC