

SETTLEMENT AND RELEASE AGREEMENT

1. **INTRODUCTION**

1.1. **CalSafe Research Center, Inc. and Navitas LLC**

This Settlement Agreement is entered into by and between CalSafe Research Center, Inc. (“CRC”), on the one hand, and Navitas LLC (“Navitas”), on the other hand, with CRC and Navitas collectively referred to as the “Parties.”

1.2. **General Allegations**

CRC alleges that Navitas manufactured and distributed and offered for sale in the State of California its Cacao Latte Superfood Drink Mix product containing Lead, and that such sales have not included warnings pursuant to the Safe Drinking Water and Toxic Enforcement Act of 1986, California Health & Safety Code sections 25249.6 *et seq.* (“Proposition 65”). California has identified and listed Lead under Proposition 65 as a chemical known to the State of California to cause cancer, birth defects or other reproductive harm.

1.3. **Product Description**

The products that are covered by this Settlement Agreement are defined as the Navitas Organics Cacao Latte Superfood Drink Mix (UPC # 811961022068) that Navitas has sold, offered for sale or distributed in California. All such items shall be referred to herein as the “Products.”

1.4. **Notice of Violation**

On August 19, 2022, CRC served Navitas, Sprouts Farmers Market, LLC, and the requisite public enforcement agencies eligible to initiate Proposition 65 actions on behalf of the People of the State of California with a document entitled “Notice of Violation of California Health & Safety Code Section 25249.5 *Et Seq.* (Proposition 65)” (the “Notice”) that provided

Navitas and such public enforcers with notice that Navitas was allegedly in violation of California Health & Safety Code section 25249.6 for failing to warn consumers and customers that the Products exposed users in California to Lead. To the best of the Parties' knowledge, no public enforcer has commenced or is diligently prosecuting the allegations set forth in the Notice.

1.5. No Admission

The Parties enter into this Settlement Agreement to settle disputed claims between them as set forth herein and in the Notice concerning Navitas's compliance with Proposition 65. Navitas denies the material factual and legal allegations contained in CRC's Notice and maintains that, to the best of its knowledge, all products that it has manufactured or produced for sale and distribution in California, including the Products, have been and are in compliance with Proposition 65 or any other statutory, regulatory, common law or equitable doctrine. Nothing in this Settlement Agreement shall be construed as an admission by Navitas of any fact, finding, issue of law, or violation of law; nor shall compliance with this Settlement Agreement constitute or be construed as an admission by Navitas of any fact, finding, conclusion, issue of law, or violation of law, such being specifically denied by Navitas on its behalf. However, nothing in this section shall diminish or otherwise affect the obligations, responsibilities, and duties of Navitas 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 fully executed.

2. **INJUNCTIVE RELIEF: REFORMULATION AND WARNINGS**

As of the Effective Date, Navitas may, in its sole discretion, either cease selling, offering for sale or distributing the Products in California, or may manufacture, import, or otherwise source for authorized sale in California only Reformulated Products, as defined pursuant to Section 2.1 below, unless such Products are labeled with a clear and reasonable Proposition 65 warning pursuant to Section 2.2 below. The injunctive relief in Section 2 does not apply to Products that have left the possession and are no longer under the control of Navitas prior to the Effective Date and all claims as to such Products are released in this Settlement Agreement.

2.1. **Reformulation Standards**

The Products shall be deemed to comply with Proposition 65 with regard to lead and be exempt from any Proposition 65 warning requirements for lead if the Products do not exceed the 50ppb Lead.

2.2. **Warning Language**

Where required or otherwise deemed appropriate, Navitas shall provide Proposition 65 warnings on the Product's label as follows:

- (a) Navitas may use the following warning statement in full compliance with this Section:

WARNING: Consuming this product can expose you to chemicals including 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

- (b) Navitas may use the warning statements on the Products as demonstrated in **Exhibit A** in full compliance with this Section.

(c) The Parties agree that Navitas shall be deemed to be in compliance with this Settlement Agreement if Navitas uses the warnings set forth in subsection (a) or (b) above. The Parties recognize that these are not the exclusive methods of providing a warning under Proposition 65 and its implementing regulations.

(d) If Proposition 65 warnings for Lead should no longer be required, Navitas shall have no further obligations pursuant to this Settlement Agreement.

(e) If Proposition 65 warning requirements pertaining to foods change, the Parties agree to meet and confer on a possible revision to this warning requirement.

3. PENALTIES PURSUANT TO HEALTH & SAFETY CODE SECTION 25249.7(b)

In settlement of all the claims referred to in this Settlement Agreement and because it previously began to implement Proposition 65 warnings for the Products, Navitas shall pay a total of \$2,000.00 in civil penalties in accordance with this Section. The penalty payment will be allocated in accordance with California Health & Safety Code section 25249.12(c)(1) & (d), with 75% of the funds remitted to the California Office of Environmental Health Hazard Assessment (“OEHHA”) and the remaining 25% of the penalty remitted to CRC. CRC’s counsel shall be responsible for delivering OEHHA’s portion of any penalty payment made under this Settlement Agreement.

4. REIMBURSEMENT OF FEES AND COSTS

The Parties reached an accord on the compensation due to CRC and its counsel under the private attorney general doctrine and principles of contract law. Under these legal principles, Navitas shall reimburse CRC’s counsel for fees and costs, incurred as a result of investigating and bringing this matter to Navitas’s attention. Navitas shall pay CRC’s counsel \$18,000.00 for

all attorneys' fees, expert and investigation fees, and related costs associated with this matter and the Notice.

5. PAYMENT INFORMATION

Within ten (10) days of the Effective Date, Navitas shall make a total payment of Twenty Thousand Dollars (\$20,000) for the civil penalties and attorney's fees / costs. This payment shall be made via one check made payable to "Manning Law, APC" and shall be delivered to:

Manning Law, APC (taxpayer identification number 83-0502205)
20062 SW Birch Street, Suite 200
Newport Beach, CA 92660

Other than this payment, each side is to bear its own attorneys' fees and costs.

6. RELEASE OF ALL CLAIMS

6.1. Release of Navitas, Downstream Customers and Upstream Vendors

This Settlement Agreement is a full, final and binding resolution between CRC, acting on its own behalf and not on behalf of the public, and Navitas, of any violation of Proposition 65 related to the Products that was or could have been asserted by CRC. In further consideration of the promises and agreements herein contained, and for the payments to be made pursuant to Sections 3 and 4 above, CRC, on behalf of itself, its past and current agents, representatives, attorneys, successors and/or assignees, hereby waives all rights to institute or participate in, directly or indirectly, any form of legal action and releases all claims relating to the Products, 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 limited to, investigation fees, expert fees and attorneys' fees) of any nature whatsoever, whether known or unknown, fixed or contingent (collectively "Claims"), against (a) Navitas, (b) each of Navitas's downstream distributors, wholesalers, vendors, licensors, licensees,

auctioneers, retailers (including but not limited to Sprout's Farmers Market, LLC), franchisees, dealers, shareholders, cooperative members, customers, owners, purchasers, users, (c) Navitas's parent companies, corporate affiliates, subsidiaries, doing business as entities ("DBAs"), successor companies, and their respective officers, directors, attorneys, representatives, shareholders, agents, and employees, and sister and parent entities, and (d) any third-party reseller(s) who sold, offered for sale or distributed the Products in California, whether such actions were authorized by Navitas or unauthorized (collectively "Releasees"), for any alleged violations of Proposition 65 arising from alleged exposures to lead in relation to the Products.

CRC on its own behalf and on behalf of its counsel represents and warrants that neither CRC nor its counsel is aware of any other alleged violation of Proposition 65 by Navitas. CRC on behalf of itself and its past and current agents, representatives, attorneys, successors and/or assignees, hereby covenants not to sue and has not and will not assist, encourage, or otherwise participate willingly or voluntarily in any claim, arbitration, suit, action, investigation, or other proceeding of any kind which relates to any matter that involves the Claims.

CRC also, on behalf of itself, its past and current agents, representatives, attorneys, successors, and/or assignees and *not* in its representative capacity, provides a general release herein which shall be effective as a full and final accord and satisfaction, as a bar to all actions, causes of action, obligations, costs, expenses, attorneys' fees, damages, losses, claims, liabilities and demands of any nature, character or kind, known or unknown, suspected or unsuspected, relating to the Products, against Navitas and the Releasees. CRC acknowledges that it is familiar with California Civil Code section 1542, which provides 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.

CRC, in its capacity only, and on behalf of itself, its past and current agents, representatives, attorneys, successors, and/or assignees expressly waives and relinquishes any and all rights and benefits which it may have under, or which may be conferred on it by the provisions of California Civil Code section 1542 as well as under any other state or federal statute or common law principle of similar effect, to the fullest extent that it may lawfully waive such rights or benefits pertaining to the released matters.

6.2. Navitas Release of CRC

Navitas, on behalf of itself, its past and current agents, representatives, attorneys, successors and/or assignees, hereby waives any and all claims against CRC, its attorneys and other representatives, for any and all actions taken or statements made (or those that could have been taken or made) by CRC and/or its attorneys and other representatives, whether in the course of investigating claims or otherwise seeking to enforce Proposition 65 against it in this matter or with respect to the Products.

6.3. Deemed Compliance with Proposition 65.

The Parties agree that compliance by Navitas with this Settlement Agreement constitutes compliance with Proposition 65 with respect to exposure to lead from the Products.

6.4. Public Benefit.

It is Navitas's understanding that the commitments it has agreed to herein, and actions to be taken by Navitas under this Settlement Agreement, would 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 Navitas that to the extent any other private party initiates an action alleging a violation of Proposition 65 with respect to Navitas's failure to provide a warning concerning exposure to lead from the Products it has manufactured, distributed, sold, or

9. COUNTERPARTS; FACSIMILE/E-SIGNATURES

This Settlement Agreement may be executed in counterparts and by facsimile or e-signatures, each of which shall be deemed an original, and all of which, when taken together, shall constitute one and the same document.

10. COMPLIANCE WITH HEALTH & SAFETY CODE SECTION 25249.7(f)

CRC agrees to comply with the reporting form requirements referenced in California Health & Safety Code § 25249.7(f).

11. ENTIRE AGREEMENT

This Settlement Agreement contains the sole and entire agreement and understanding of the Parties with respect to the entire subject matter hereof, and all related prior discussions, negotiations, commitments and understandings. No other agreements, oral or otherwise, exist to bind either of the Parties.

12. MODIFICATION

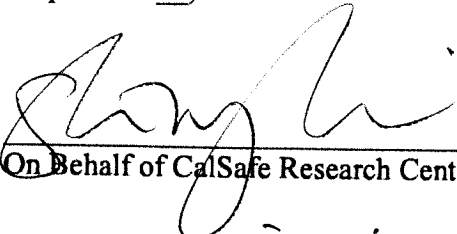
This Settlement Agreement may be modified only by a written agreement signed by the Parties.

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:

Date: September 20, 2022

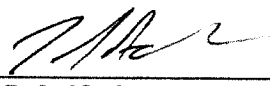
By: 
On Behalf of CalSafe Research Center,
Inc.

Printed Name: ERIC FAIRON

Title: CEO

AGREED TO:

Date: September 19, 2022

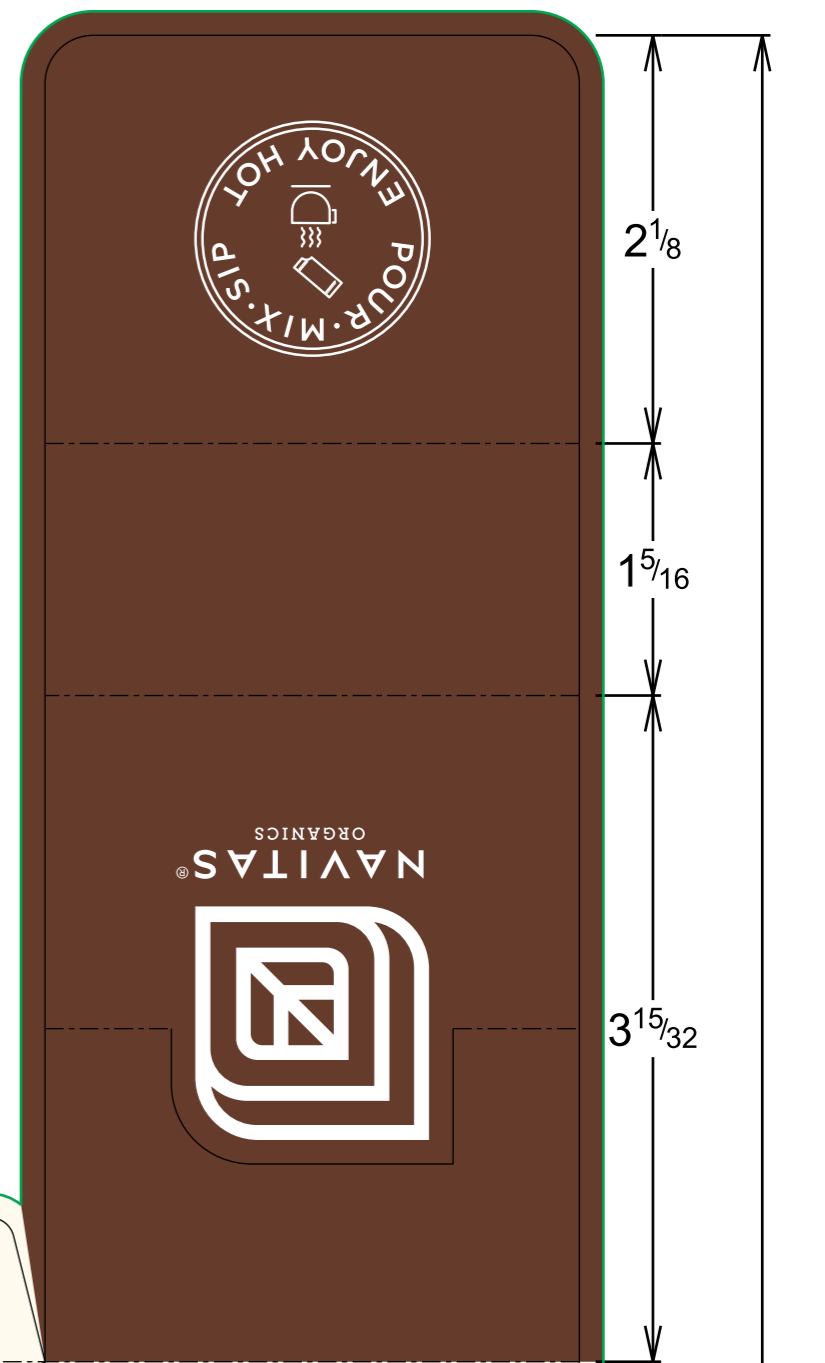
By: 
On Behalf of Navitas LLC

Printed Name: ZACH ADELMAN

Title: CEO

Exhibit A

 15 Pamaron Way, Novato, CA 94949	DATE: 08.20.21	FILE NAME: LAT001XUS-C_LatteCacao_Caddy_v01_r2.ai	
	COLORS: 	TARGET MATCH: 	
CONTACT: Jerry Yeoh jyeoh@navitasorganics.com 415-902-6204	SPECIAL INSTRUCTIONS:		



Nutrition Facts
 10 servings per container
 Serving size 1 packet (12g)

Amount per serving		% Daily Value*
Calories	50	
Total Fat	2.5g	3%
Saturated Fat	2g	10%
Trans Fat	0g	
Cholesterol	0mg	0%
Sodium	65mg	3%
Total Carbohydrate	8g	3%
Dietary Fiber	3g	11%
Total Sugars	3g	
Includes 3g Added Sugars		6%
Protein	1g	
Vitamin D	0mcg	0%
Calcium	33mg	2%
Iron	2mg	10%
Potassium	197mg	4%

*The % Daily Value tells you how much a nutrient in a serving of food contributes to a daily diet. 2,000 calories a day is used for general nutrition advice.

INGREDIENTS: CACAO POWDER*, COCONUT OIL POWDER* (ACACIA FIBER*, MCT OIL*), COCONUT PALM SUGAR*, GUAR GUM*, NATURAL FLAVOR, SEA SALT, CINNAMON*, MONK FRUIT EXTRACT*.
CONTAINS: TREE NUTS (COCONUT).
 *ORGANIC INGREDIENT.

WARNING: CONSUMING THIS PRODUCT CAN EXPOSE YOU TO CHEMICALS INCLUDING 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.

SUGGESTED USE:
 Mix with 8 oz hot water, milk or milk alternative. Stir. Sip. Enjoy.

STORAGE:
 Refrigeration not required. Store in a cool, dark, dry place.

NAVITAS ORGANICS

DISTRIBUTED BY
 NAVITAS ORGANICS
 NOVATO, CA USA 94949.
 NAVITASORGANICS.COM
 CERTIFIED ORGANIC BY
 CONTROL UNION
 CERTIFICATIONS CU 802080

Certified Corporation

Dimensions: 2 1/8, 1 5/16, 3 15/32, 13 15/16, 5 1/8, 2 1/32, 3 1/2, 2 13/16, 3 1/2, 2 25/32, 13 1/4



23 - NAVITAS ORGANICS
Label#: 818794 Graphic#: 499735

Description: .42OZ CACAO LATTE DRINK MIX FILM
Part#: LAT001XUS-FV01
UPC#: 811961022068
Die#:
Template: 58263
Old Label#: 711822/G#430848

Size: 10" AC x 2.75" AR
Rewind#: 3
Background: WHITE
Finish: SOFT TOUCH MATTE
Stock: 3.00 MIL WHITE EVOH LLDPE



Flood(s): White Ink

Color(s):



FOLD LINE

