

SETTLEMENT AGREEMENT

1. INTRODUCTION

1.1 The Parties. This Settlement Agreement is entered into by and between H&S Energy, LLC, H&S Energy Products, LLC, and Ramy Eden (“Eden”). H&S Energy, LLC and H&S Energy Products, LLC are collectively referred to as the “H&S Entities”. Eden and the H&S Entities are collectively referred to as the “Parties.” Eden is an individual who resides in the State of California and seeks to promote awareness of exposures to toxic chemicals and to improve human health by reducing or eliminating hazardous substances present at commercial establishments as well as those contained in consumer products. Eden alleges that the H&S Entities are persons in the course of doing business for purposes of the Safe Drinking Water and Toxic Enforcement Act of 1986, Health & Safety Code § 25249.6, et seq. (“Proposition 65”).

1.2 General Allegations. Eden alleges that the H&S Entities:

- Exposed individuals to the chemical unleaded gasoline at the service station located at 6633 Pacific Avenue, in Stockton, CA without first providing individuals the health hazard exposure warning required by Proposition 65.

Unleaded gasoline is listed pursuant to Proposition 65 as a chemical known to the State of California to cause cancer.

1.3 Description of Subject Location. The location covered by this Settlement Agreement is the service station located at 6633 Pacific Avenue, in Stockton, CA (“Subject Location”).

1.4 Notice of Violation. On July 19, 2023, Eden served the H&S Entities and various public enforcement agencies with a notice of violation regarding the Subject Location which was assigned Attorney General Number 2023-02161. The notice (“Notice”) alleged that the H&S Entities were in violation of California Health & Safety Code § 25249.6, for failing to provide the requisite warnings to customers and other individuals who came onto the premises of the Subject Location. To date, no public enforcer has diligently prosecuted the allegations set forth in the Notice.


1.5 No Admission. The H&S Entities deny the material, factual, and legal allegations contained in the notices of violation and maintain that, to the best of its knowledge, the Subject Location has been and is in compliance with all laws. Nothing in this Settlement Agreement shall be construed as an admission by the H&S Entities 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 the H&S Entities of any fact, finding,

conclusion, issue of law or violation of law, such being specifically denied by the H&S Entities. However, this section shall not diminish or otherwise affect the obligations, responsibilities and duties under this Settlement Agreement. Notwithstanding the allegations in the notice of violation, the H&S Entities maintain that they have not violated Proposition 65.

1.6 Effective Date. This Settlement Agreement shall only become effective if, as of September 23, 2023, no public enforcer has commenced prosecuting the allegations set forth in the Notice. The term “Effective Date” shall mean the later of the following dates: (a) September 23, 2023 (so long as, by that date, no public enforcer has commenced prosecuting the allegations set forth in the Notice); and (b) the date on which Eden executes and returns this Settlement Agreement to the H&S Entities.

2. INJUNCTIVE RELIEF: WARNINGS

2.1 Clear and Reasonable Warning. As of the Effective Date, and continuing thereafter, a clear and reasonable exposure warning as set forth in this § 2.1 must be provided at the Subject Location so long as at least one of the H&S Entities is “doing business” (as that term is used in California Health and Safety Code section 25249.6) there. The warning shall consist of the following text:

 **WARNING:** Breathing the air in this area or skin contact with petroleum products can expose you to chemicals including benzene, motor vehicle exhaust and carbon monoxide, which are known to the State of California to cause cancer and birth defects or other reproductive harm. Do not stay in this area longer than necessary. For more information go to www.P65Warnings.ca.gov/service-station

The words “**WARNING:**” shall be in all capital letters and in bold font, followed by a colon. The warning symbol to the left of the words “**WARNING:**” shall be a black exclamation point in a yellow equilateral triangle with a black outline. The symbol must be in a size no smaller than the height of the words “**WARNING:**”.

The warning shall be posted on a sign at each gas pump at the Subject Location and the warning must be printed in no smaller than 22-point type and be enclosed in a box. If other signage at the Subject Location is provided for the public in a language other than English, the warning must be provided in English and that other language.

2.2 Compliance with Warning Regulations. The Parties agree that the H&S Entities shall be deemed to be in compliance with this Settlement Agreement by either adhering to § 2.1 of this Settlement Agreement or by providing warnings that comply with Health and Safety Code § 25249.6 or by complying with

warning requirements adopted by the State of California’s Office of Environmental Health Hazard Assessment (“OEHHA”) after the Effective Date.

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

Pursuant to California Health and Safety Code § 25249.7(b)(2), and in settlement of all the claims alleged in the Notice or referred to in this Settlement Agreement, the H&S Entities shall collectively pay a total of three thousand dollars (\$3,000.00) as a Civil Penalty in accordance with this Section. The Civil Penalty payment shall be allocated in accordance with California Health & Safety Code §§ 25249.12(c)(1) and (d), with 75% of the Civil Penalty remitted to OEHHA and the remaining 25% of the Civil Penalty remitted to Eden. The Civil Penalty payments shall be delivered to the addresses identified in § 3.2, below. The H&S Entities shall be jointly and severally liable for payment of the Civil Penalty.

3.1 Date for Payment of Civil Penalty. Within three (3) business days of the Effective Date, the H&S Entities shall collectively issue two separate checks for the Civil Penalty payment: one check made payable to “OEHHA” in the amount of two thousand two hundred fifty dollars (\$2,250.00); and one check made payable to (b) “Ramy Eden” in the amount of seven hundred fifty dollars (\$750.00). The Civil Penalty payment(s) shall be delivered to the addresses identified in § 3.2, below.

3.2 Payment Procedures.

(a) Issuance of Payments. Payments shall be delivered as follows:

(i) All payments owed to Eden, pursuant to § 3, shall be delivered to address set forth in Eden’s IRS Form W-9;

(ii) All payments owed to OEHHA pursuant to § 3 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

(b) **Copy of Payments to OEHHA.** The H&S Entities agree to provide Eden’s counsel with a copy of checks payable to OEHHA, simultaneous with their penalty payments to Eden, which copy shall be delivered to the address provided in § 8(a), as proof of payment to OEHHA.

(c) **Tax Documentation.** The H&S Entities agree to provide a completed IRS 1099 for their payments to, and Eden agrees to provide IRS W-9 forms for, each of the following payees under this Settlement Agreement:

- (i) “Ramy Eden” whose address and tax identification number shall be provided within five (5) days after this Settlement Agreement is fully executed by the Parties;
- (ii) “Jarrett Charo APC” (EIN: 84-2408511) at the address provided in Section 8(a); and
- (iii) “Office of Environmental Health Hazard Assessment” (EIN: 68-0284486) 1001 I Street, Sacramento, CA 95814.

Eden shall be solely responsible for any tax liability he may have as a result of his receipt of payments the H&S Entities make to him pursuant to this Settlement Agreement.

4. REIMBURSEMENT OF FEES AND COSTS

The Parties acknowledge that Eden and his counsel offered to reach preliminary agreement on the material terms of this dispute before reaching terms on the amount of fees and costs to be reimbursed to them. The Parties thereafter reached an accord on the compensation due to Eden and his counsel under general contract principles and the private attorney general doctrine and principles codified at California Code of Civil Procedure § 1021.5, for all work performed through the settlement of this matter. Under these legal principles, the H&S Entities shall reimburse Eden’s counsel for fees and costs incurred as a result of investigating and bringing this matter to the H&S Entities’ attention and negotiating a settlement in the public interest. Within three (3) business days of the Effective Date, H&S Entities shall collectively issue one check payable to “Jarrett Charo APC” in the amount of twelve thousand dollars (\$12,000.00) and deliver it to the address identified in § 8(a), below.

5. RELEASE OF ALL CLAIMS

5.1 Release of the H&S Entities and affiliated entities. This Settlement Agreement is a full, final and binding resolution between Eden, acting solely on his own behalf, and the H&S Entities of any violation of Proposition 65 that was or could have been asserted by Eden or on behalf of his past and current agents, representatives, attorneys, successors, and/or assigns (“Releasers”) against the H&S Entities and each of its

respective parents, subsidiaries, assigns, predecessors, successors, affiliated entities—including, without limitation, Hassan & Sons, Inc., a California corporation—, their directors, officers, members, shareholders, partners, franchisors, managers, fictitious business names, employees, agents, and attorneys (“Releasees”), based on the alleged failure to warn about exposures to unleaded gasoline under Proposition 65 at the Subject Location up through the Effective Date, as alleged in the Notice. Compliance with the terms of this Settlement Agreement constitutes compliance with Proposition 65 with respect to exposures to unleaded gasoline at the Subject Location, as set forth in the Notice. The Parties acknowledge and understand that they are entering into this Settlement Agreement before the expiration of the 60-day notice period and that entry into this Settlement Agreement will not preclude a public enforcement agency from bringing a public enforcement action concerning the allegations set forth in the Notice.

5.2 The H&S Entities’ Release of Eden. The H&S Entities, on behalf of themselves, their past and current agents, representatives, attorneys, successors and/or assignees, hereby waive any and all claims against Eden, his attorneys and other representatives, for any and all actions taken or statements made (or those that could have been taken or made) by Eden and/or his attorneys and other representatives, whether in the course of investigating claims, otherwise seeking to enforce Proposition 65 against them in this matter, or with respect to the Subject Location.

5.3 California Civil Code § 1542. It is possible that other claims not known to the Parties arising out of the facts alleged in the Notice and relating to alleged violations of Proposition 65 at the Subject Location will develop or be discovered. Eden on behalf of himself only, on one hand, and the H&S Entities, on the other hand, acknowledge that this Settlement Agreement is expressly intended to cover and include all such claims up through the Effective Date, including all rights of action therefor. The Parties acknowledge that the claims released in §§ 5.1 and 5.2, above, may include unknown claims, and nevertheless waive California Civil Code § 1542 as to any such unknown claims. California Civil Code § 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.

Eden, and the H&S Entities each acknowledge and understand the significance and consequences of this specific waiver of California Civil Code § 1542.

5.5. Public Benefit. It is the H&S Entities' understanding that the commitments agreed to herein, and the actions they are to take under this Settlement Agreement, would confer a significant benefit to the general public, as set forth in California Code of Civil Procedure § 1021.5 and California Code of Regulations tit. 11, § 3201. As such, it is the intent of the H&S Entities that to the extent any other private party initiates an action alleging a violation of Proposition 65 with respect to the H&S Entities' alleged failure to provide Proposition 65 service station warnings at the Subject Location, such private party action would not confer a significant benefit on the general public as to the Subject Location addressed in this Settlement Agreement, provided that the H&S Entities is in material compliance with this Settlement Agreement.

5.6 No Pending Claims. Other than the material, factual, and legal allegations contained in the notices of violation, Eden: (a) is not aware of any complaint, claim or action pending by him, or by any other person or entity, against the Releasees in any federal, state or local court or government agency or before any arbitrator or other tribunal; (b) is not aware of any conduct by any of the Releasees which Eden believes violated or currently violates any law, rule, regulation, or public policy; and (c) has no present intention of participating in any claim against the Releasees for the material, factual, or legal allegations contained in the notices of violation.

6. SEVERABILITY

If, subsequent to the execution of this Settlement Agreement, any of the provisions of this Settlement Agreement are deemed by a court to be unenforceable, the validity of the enforceable provisions remaining shall not be adversely affected but only to the extent the deletion of the provision deemed unenforceable does not materially affect, or otherwise result in the effect of the Settlement Agreement being contrary to the intent of the Parties in entering into this Settlement Agreement.

7. GOVERNING LAW

The terms of this Settlement Agreement shall be governed by the law of the State of California and apply within the State of California. In the event that Proposition 65 is repealed, preempted, or is otherwise rendered inapplicable or limited by reason of law generally, or as to unleaded gasoline, then the H&S Entities may provide written notice to Eden of any asserted change in the law, and shall have no further obligations pursuant to this Settlement Agreement with respect to, and to the extent that, the Subject Location is so affected.

8. NOTICES

Unless specified herein, all correspondence and notices required to be provided pursuant to this

Settlement Agreement to any Party shall be in writing and personally delivered or sent to that Party—via: (i) email; (ii) first-class registered or certified mail with return receipt requested; or (iii) overnight or two-day courier—at the following addresses:

(a). For Eden:

Jarrett S. Charo
Jarrett Charo APC
4079 Governor Drive, No. 1018
San Diego, CA 92122
jcharo@charolaw.com

(b). For H&S Entities:

Paula J. Bailey, Esq.
H&S Energy, LLC, et al.
2860 N. Santiago Blvd.
Orange, CA 92867
p.bailey@hasoil.com

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

9. COUNTERPARTS: SIGNATURES

This Settlement Agreement may be executed in counterparts and by facsimile, .pdf signature, or DocuSign signature, 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 § 25249.7(f)

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

11. MODIFICATION

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

12. ENTIRE AGREEMENT

This Settlement Agreement contains the sole and entire agreement of the Parties and any and all prior negotiations and understandings related hereto shall be deemed to have been merged within it. No representations or terms of agreement other than those contained herein exist or have been made by any Party with respect to the other Party or the subject matter hereof.

13. CAPACITY OF THE PARTIES

Each Party warrants that it has the full power, capacity, and authority to enter into this Settlement Agreement and that no claim, right, demand or cause of action relating to the Subject Location has been assigned to an entity who is not a Party to this Settlement Agreement.

14. AUTHORIZATION

The undersigned are authorized to execute this Settlement Agreement and have read, understood, and agree to each of the terms and conditions contained of this Settlement Agreement.

Agreed and accepted:

Date: _____
By: DocuSigned by: *Ramy Eden* 9/1/2023
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Ramy Eden

Agreed and accepted:

H&S ENERGY, LLC, a California limited liability company

By: Hassan & Sons, Inc., a California corporation
Its: Manager Member
By: DocuSigned by: *Moe Haris* 9/1/2023
FB012EE0FD01497...
Name: Moe Haris
Its: Chief Financial Officer

H&S ENERGY PRODUCTS, LLC, a California limited liability company

By: H&S Energy, LLC
Its: Sole Member
By: Hassan & Sons, Inc., a California corporation
Its: Manager Member
By: DocuSigned by: *Moe Haris* 9/1/2023
FB012EE0FD01497...
Name: Moe Haris
Its: Chief Financial Officer