

SETTLEMENT AGREEMENT BETWEEN APS&EE, LLC AND HEALTH AND BEAUTY CHOICE CORPORATION

1. RECITALS

1.1 The Parties

1.1.1 This Settlement Agreement (“Agreement”) is entered into by and between APS&EE, LLC (“APS&EE”) and Health And Beauty Choice Corporation. (“HABCC”). APS&EE and HABCC shall hereinafter collectively be referred to as the “Parties”.

1.1.2 APS&EE asserts that it is an organization based in California with an interest in protecting the environment, improving human health and the health of ecosystems, and supporting environmentally sound practices, which includes promoting awareness of exposure to toxic chemicals and reducing exposure to hazardous substances found in consumer products.

1.1.3 APS&EE alleges that HABCC is a person in the course of doing business as the term is defined in California *Health & Safety Code* section 25249.6 et seq. (“Proposition 65”).

1.2 Allegations

1.2.1 APS&EE alleges that HABCC distributed, sold or made available for sale in the State of California Vital Supergreens supplement (hereinafter, the “Covered Product” or “Product”) causing users in California to be exposed to hazardous levels of lead without providing “clear and reasonable warnings”, in violation of Proposition 65. Lead is potentially subject to Proposition 65 warning requirements because it is listed by the State of California as known to cause cancer and birth defects or other reproductive harm.

1.2.2 On December 30, 2024, APS&EE served a Sixty-Day Notice of Violation (“60-Day Notice”), along with a Certificate of Merit, to HABCC, Amazon.com, Inc., and the various public enforcement agencies regarding the alleged violation of Proposition 65 with respect to the Products.

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1.3 No Admissions

HABCC denies all allegations in APS&EE's Notice and maintains that the Products have been, and are, in compliance with all laws, and that HABCC has not violated Proposition 65. This Agreement shall not be construed as an admission of liability by HABCC but to the contrary as a compromise of claims that are expressly contested and denied. However, nothing in this section shall affect the Parties' obligations, duties, and responsibilities under this Agreement.

1.4 Compromise

The Parties enter into this Agreement in order to resolve the controversy described above in a manner consistent with prior Proposition 65 settlements and consent judgments that were entered on behalf of the public interest and to avoid prolonged and costly litigation between them.

1.5 Effective Date

The "Effective Date" shall be the date upon which a complete and fully executed copy of the Agreement is delivered to each Party or its counsel.

1.6 Compliance Date

For purposes of this Settlement, the term "Compliance Date" means 90 days from the Effective Date.

2. INJUNCTIVE RELIEF

2.1 Reformulation Standard

As of the Compliance Date, HABCC shall not sell, distribute, or directly cause the Products to be offered for sale in California unless: (a) the Products expose a person to less than 0.5 micrograms of lead per day based on the recommended Daily Serving as calculated below in Section 2.2, or (b) the Products are distributed, sold, or offered for sale with a clear and reasonable warning as described below in Section 2.3.

2.2 Exposure Calculation

2.2.1 A "Daily Serving" (for purposes of determining Proposition 65 compliance for chemicals present in the Products) shall be defined by the serving size set forth on the label of the Products under "Nutrition Facts", "Supplement Facts", or equivalent. If the

label, package, or Covered Product display page on the internet¹ do not recommend a number of daily servings, then the number of daily servings shall be one.

2.2.2 The daily exposure shall be calculated by using the following formula: micrograms of lead per gram, multiplied by grams of Covered Product per serving, multiplied by servings of the Covered Product per day.

2.3 Proposition 65 Warnings

Whenever a warning is required under Section 2.1, HABCC shall use one of the following options:

Option 1

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.

Option 2

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.

Option 3 (for Covered Product manufactured and labeled before January 1, 2028)

WARNING: [Cancer and] Reproductive Harm - www.P65Warnings.ca.gov.

If the daily exposure for the Covered Product exceeds 15 micrograms of lead, where daily exposure is determined pursuant to Section 2.2, HABCC shall include the phrase “cancer and” or “carcinogen and” in the warning.

¹ The “Covered Product display page on the internet” applies to Products purchased therefrom, not to Products purchased elsewhere, such as a brick-and-mortar retail store.

Notwithstanding the above, if HABCC is required to provide a warning pursuant to Section 2.1, the warning content and method of transmission shall be provided in any form as authorized by any Proposition 65 law or regulation effective on or after the Effective Date.

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, HABCC 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. HABCC shall be entitled to use such other warning text and/or method of transmission without prior notice to APS&EE. If regulations or legislation are enacted providing that Proposition 65 warnings as to lead in the Covered Product are no longer required, a lack of warning by HABCC will not thereafter be a breach of this Agreement.

Nothing in this Agreement shall prevent HABCC from modifying any warning contained in Option 1 or 2 to disclose the presence of additional chemicals if HABCC determines that such disclosure is appropriate or required.

Under Option 3, the warning shall be accompanied by a symbol consisting of a black exclamation point in a yellow equilateral triangle with a bold black outline. Where the label for the product is not printed using the color yellow, the symbol may be printed in black and white. The symbol shall be placed to the left of the text of the warning, in a size no smaller than the height of the word "WARNING".

Each warning shall be provided on the Covered Product label, set off from other surrounding information, enclosed in a box. Additionally, if the Covered Product contains consumer information in a foreign language, the warning must be provided in the foreign language. The Products shall carry said warning on each label with such conspicuousness as compared with other words, statements or designs as to render it likely to be read and understood by an ordinary consumer prior to sale. A Covered Product that is sold by HABCC on the internet to persons located in California shall also provide the warning message to Californians by a clearly marked hyperlink on the product display page, or otherwise prominently displayed to the

California purchaser before the purchaser completes his or her purchase of the Product. For Products that HABCC provides for a downstream entity to sell on the internet to persons located in California, HABCC shall comply with 27 CCR section 25600.2(b) and include an instruction that the entity comply with the warning requirements of this section.

2.4 Grace Period for Existing Inventory of Covered Products

The injunctive requirements of Section 2 shall not apply to Covered Products that are already in the stream of commerce downstream from HABCC as of the Compliance Date, which Covered Products are expressly subject to the releases provided in Section 4.1.

3. PAYMENTS

3.1 Civil Penalty Pursuant To Proposition 65

In settlement of all claims referred to in this Agreement, HABCC shall pay a total civil penalty of one thousand five hundred dollars (\$1,500.00) to be apportioned in accordance with *Health and Safety Code* section 25249.12(c)(1) and (d), with 75% (\$1,125.00) for State of California Office of Environmental Health Hazard Assessment (“OEHHA”), and the remaining 25% (\$375.00) for APS&EE.

HABCC shall issue these payments as part of the total payment described below in Section 3.2 via wire transfer to Law Offices of Lucas T. Novak. After receipt of the wire transfer, Law Offices of Lucas T. Novak shall be responsible for forwarding the respective payments to OEHHA and APS&EE.

3.2 Reimbursement Of APS&EE’s Fees And Costs

HABCC shall reimburse APS&EE’s reasonable experts’ and attorney’s fees and costs incurred in prosecuting the instant action, for all work performed through execution of this Agreement, in the amount of fifteen thousand dollars (\$15,000.00). Accordingly, HABCC shall remit total payment via wire transfer to Law Offices of Lucas T. Novak in the amount of sixteen thousand five hundred dollars (\$16,500.00) which includes the civil penalty described in Section 3.1, within five (5) business days of the Effective Date. Wire instructions have been exchanged between the Parties.

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4. RELEASES

4.1 APS&EE's Release Of HABCC

APS&EE, in consideration of the promises and monetary payments contained herein, hereby releases HABCC, its parents, subsidiaries, affiliated companies under common ownership or control, shareholders, directors, members, managers, officers, partners, agents, employees, representatives, attorneys, successors and assignees, as well as its downstream distributors, wholesalers, retailers, and franchisees, including Amazon.com, Inc. and its upstream suppliers, distributors, wholesalers, and any other upstream entity in the distribution chain for the Covered Product (collectively, "Released Parties"), from any alleged Proposition 65 violation claims asserted in the Notice regarding failure to warn about lead exposure from the Products sold or distributed by HABCC for sale or potential sale in California before the Compliance Date. This Settlement Agreement is a full, final, and binding resolution of all claims between APS&EE and HABCC for all claims that have been or could have been asserted by APS&EE and its past, and current agents, representatives, successors and assignees, and employees ("Releasing Party") and fully resolves all claims that have been asserted or could have been asserted for failure to provide Proposition 65 warnings for the Covered Product before the Compliance Date.

In further consideration of the promises and agreements herein contained, the Releasing Party hereby waives any and all rights it may have to institute or participate in, directly or indirectly, any form of legal action under Proposition 65 and releases all Proposition 65 claims against Released Parties 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 required under Proposition 65 in the Covered Products distributed, sold or offered for sale by HABCC before the Compliance Date.

4.2 HABCC's Release Of APS&EE

HABCC, by this Agreement, waives all rights to institute any form of legal action against

APS&EE, its shareholders, directors, members, officers, employees, attorneys, experts, successors and assignees for actions or statements made or undertaken, whether in the course of investigating claims or seeking enforcement of Proposition 65 against HABCC in this matter. If any Released Parties should institute any such action, then APS&EE's release of said Released Party in this Agreement shall be rendered void and unenforceable.

4.3 Waiver Of Unknown Claims

Each of the Parties acknowledges that it is familiar with Section 1542 of California Civil Code 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.

Each of the Parties waives and relinquishes any right or benefit it has or may have under Section 1542 of California Civil Code or any similar provision under the statutory or non-statutory law of any other jurisdiction to the full extent that it may lawfully waive all such rights and benefits. The Parties acknowledge that each may subsequently discover facts in addition to, or different from, those that it believes to be true with respect to the claims released herein. The Parties agree that this Agreement and the releases contained herein shall be and remain effective in all respects notwithstanding the discovery of such additional or different facts.

5. SEVERABILITY

Should any part or provision of this Agreement for any reason be declared by a Court to be invalid, void or unenforceable, the remaining portions and provisions shall continue in full force and effect.

6. GOVERNING LAW

The terms of this Agreement shall be governed by the laws of the State of California. This Agreement is entered into in the State of California and may only be enforced in the State of California.

7. NOTICES

All correspondence and notices required to be provided under this Agreement shall be in writing and delivered personally or sent by first class or certified mail addressed as follows:

TO HABCC: Esteban Rodriguez, Esq. Natalie D. Camastra, Esq. O'Melveny & Myers LLP 400 South Hope Street 19th Floor Los Angeles, CA 90071	TO APS&EE: Lucas Novak, Esq. Law Offices of Lucas T. Novak 8335 W Sunset Blvd., Suite 217 Los Angeles, CA 90069
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8. COUNTERPARTS

This Agreement may be executed in counterparts, each of which shall be deemed an original, and all of which, when taken together, shall constitute the same document. Execution and delivery of this Agreement by e-mail, facsimile, or other electronic means shall constitute legal and binding execution and delivery. Any photocopy of the executed Agreement shall have the same force and effect as the originals.

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9. **AUTHORIZATION**

The undersigned are authorized to execute this Agreement on behalf of their respective Parties. Each Party has read, understood, and agrees to all of the terms and conditions of this Agreement. Each Party warrants to the other that it is free to enter into this Agreement and is not subject to any conflicting obligation that will or might prevent or interfere with the execution or performance of this Agreement by said Party.

AGREED TO:

Date: 6.19.2025

By: 
Authorized Representative of APS&EE, LLC

AGREED TO:

Date: 06/18/2025

By: JORGE ALVAREZ (CEO)
Authorized Representative of Health And Beauty Choice Corporation

