

PROPOSITION 65 SETTLEMENT AGREEMENT

1. INTRODUCTION

1.1 The Parties

This Settlement Agreement (“**Agreement**”) is entered into by and between Keep America Safe and Beautiful (“**KASB**”), Acai Industries, Inc., a New York entity, (“**Acai**”), with KASB and Acai each, individually, referred to as a “**Party**” and, collectively, the “**Parties**.” KASB is a California-based non-profit organization proceeding in the public interest pursuant to Health & Safety Code § 25249.7(d) to ensure 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. Acai is a person in the course of doing business for purposes of Health & Safety Code § 25249.11(b).¹

1.2 Consumer Product Description

KASB alleges that Acai manufactures, imports, distributes, sells or offers for sale, in and into California, *SoBol OG Granola 12 oz.*, without providing the health hazard warning KASB alleges is required by California Health & Safety Code § 25249.5 *et seq.* (“**Proposition 65**”). *SoBol OG Granola* is referred to hereinafter as the “**Product(s)**.” Lead 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 Notices of Violation

On February 18, 2025, KASB served Super Bowls, Inc. dba SoBoL, the California Attorney General, and the requisite public enforcement agencies with a 60-Day Notice of Violation (“*SoBol OG Granola 12 oz. UPC: 860009741607*”), alleging Super Bowls violated Proposition 65 by failing to warn its customers and consumers in California its Products can expose users to Lead. On April 1, 2026, KASB served Acai, which controls Acai Guys Inc., the California Attorney General, and the requisite public enforcement agencies with a Supplemental 60-Day Notice of Violation (“**Supplemental Notice**”), alleging Acai violated

¹ Unless otherwise noted, all statutory references refer to California law.

Proposition 65 by failing to warn its customers and consumers in California its Products can expose users to Lead. The Notice and Supplemental Notice are collectively referred to herein as the “**Notices.**” No public enforcer has commenced and is diligently prosecuting an action to enforce the allegations in the Notices.

1.4 No Admission

Acai denies the factual and legal allegations contained in the Notices and maintains all products it sold or distributed for sale, in or into California, including the Products, have been, and are, in compliance with all laws. Nothing in this Agreement shall constitute or be construed as, nor shall compliance with this Agreement constitute or be construed as, an admission by Acai of any fact, finding, conclusion of law, issue of law, or violation of law. This section of this Agreement shall not, however, diminish or otherwise affect Acai’s obligations, responsibilities, and duties under this Agreement.

1.5 Effective Date

For purposes of this Agreement, “Effective Date” shall mean June 1, 2026.

2. INJUNCTIVE RELIEF: REFORMULATION, MARKET WITHDRAWAL

2.1 Commitment to Reformulate

Commencing on or before the Effective Date, and continuing thereafter, if Acai’s Products are ultimately sold in or into California after the Effective Date, all Products Acai manufactures, distributes, sells or offers for sale, in or into California, directly or to one or more third party retailers or e-commerce marketplaces, shall be in compliance with the Reformulation Standard, set forth and defined below, at Section 2.2.

2.2 Reformulated Products & Reformulation Standard Defined

For purposes of this Agreement, “**Reformulated Products**” are defined as Products which contain “no detectable level” of Lead (Pb) when measured by weight. “**No detectable level**” is defined as a maximum concentration of less than 10 parts per billion (“**ppb**”) Lead by weight. To assess whether a Product is compliant, the Product must be analyzed by a laboratory, accredited by the State of California, a federal agency, or a nationally recognized accrediting organization, using inductively coupled plasma mass spectrometry (“**ICP-MS**”) equipment with

a level of detection (“**LOD/LOQ**”) of less than 10 ppb, utilizing scientifically appropriate methods and protocols for testing heavy metals, including Lead, in foods as set forth in set forth in AOAC Method 2013.06 (21st Ed., 2019). (“**Reformulation Standard.**”)

3. MONETARY SETTLEMENT TERMS

3.1 Civil Penalty

Pursuant to Health and Safety Code § 25249.7(b), Acai agrees to cause to be paid a civil penalty of \$893.31 within ten (10) business days of the Effective Date. Acai’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 KASB. Acai shall issue its payment in two checks made payable to: (a) “**OEHHA**” in the amount of \$669.98; and (b) “**Seven Hills in trust for Keep America Safe and Beautiful**” in the amount of \$223.33. Acai’s counsel shall deliver to OEHHA and KASB their respective portion of the penalty payment.

3.2 Reimbursement of Attorneys’ Fees and Costs

KASB 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 KASB’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. Within ten (10) business days of the Effective Date, Acai agrees to issue a check in the amount of \$18,450 payable to “**Seven Hills LLP**” for all fees and costs incurred investigating, bringing this matter to Super Bowls’ attention, negotiating a settlement in the public interest, and reporting its terms to Office of the California Attorney General pursuant to Section 9.

3.3 Payments

All payments payable and due under this Agreement shall be delivered to KASB's counsel at following address:

Seven Hills LLP
4 Embarcadero Center, Suite 1400
San Francisco, CA 94111

4. CLAIMS COVERED AND RELEASED

4.1 KASB's Release of Acai

This Agreement is a full, final and binding resolution between KASB, as an individual and *not* on behalf of the public, and Acai, of any violation of Proposition 65 that was or could have been asserted by KASB on behalf of itself, its past and current agents, representatives, attorneys, successors, and/or assignees, against Acai, its affiliated entities under common ownership, Acai Guys Inc., including their shareholders, directors, officers, representatives, employees, attorneys, successors and assigns, and each entity to whom Acai directly or indirectly distributes or sells Products, including, but not limited to, downstream distributors, wholesalers, customers, retailers, franchisees, cooperative members, and licensees (collectively, "**Releasees**") from all claims for violations of Proposition 65 based on their failure to warn about alleged exposures to Lead contained in the Products that were manufactured, distributed, sold by Acai or Releasees and/or offered for sale in California before the Effective Date, as alleged in the Notice.

In further consideration of the promises and agreements herein contained, KASB 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 KASB's rights to institute or participate in, directly or indirectly, any form of legal action and releases all claims that KASB 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 the Products manufactured, distributed, sold by Acai

and Releasees and/or offered for sale before the Effective Date (collectively, “**Claims**”), against Acai and Releasees.

The Parties further understand and agree that this Section 4.1 release shall neither extend 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 Acai nor downstream to any Releasee who has been instructed by Acai pursuant to Section 2.4 to cease selling and return or destroy the Products but failed to do so. Nothing in this Section affects KASB’s right to commence or prosecute an action under Proposition 65 against a Releasee that does not involve Acai’s Products.

4.2 Acai’s Release of KASB

Acai, on behalf of itself, its past and current agents, representatives, attorneys, successors, and assignees, hereby waives any and all claims against KASB 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 KASB 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 Acai 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, or by email notice as specified below, by the other at the following addresses:

For Acai and Releasees:

Jason Mazzorone, CEO
Acai Industries, Inc.
185 Waverly Avenue
Patchogue, NY 11772 and

Notice via email to:
Zesara C. Chan, Esq.
Law Office of Zesara C. Chan
100 Pine Street, Suite 1250
San Francisco, CA 94111
zchanlaw@gmail.com

For KASB:

Laralei Paras
Seven Hills LLP
4 Embarcadero Center, Suite 1400
San Francisco, CA 94111
laralei@sevenhillsllp.com

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

KASB 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.

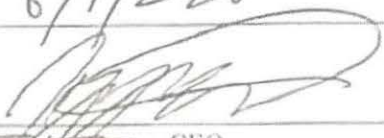
AGREED TO:

Date: 6/1/2026

By: 
Lance Nguyen, CEO
Keep America Safe and Beautiful

AGREED TO:

Date: 6/1/2026

By: 
~~_____~~ ae, CEO
Acai Industries, Inc.
Jasna Mazarone 