[PROPOSED] JUDGMENT PURSUANT TO TERMS OF PROPOSITION 65 SETTLEMENT AND CONSENT JUDGMENT AS TO DEFENDANT UTZ QUALITY FOODS, LLC

COZEN O'CONNOR S. FIGUEROA STREET, SUITE 3700 LOS ANGELES, CA 90017

the "Parties") enter into this Consent Judgment to settle certain claims asserted by Jamison against Settling Defendant as set forth in the Complaint filed in this action. Except as otherwise provided herein, this Consent Judgment is intended to apply to all Covered Products manufactured, imported, distributed, sold and/or offered for sale in California by Defendant Releasees (as the term is defined in Section 6.1).

- 2.2 On February 16, 2021, Jamison provided a 60-day Notice of Violation of Proposition 65 to the California Attorney General, the District Attorneys of every county in California, the City Attorneys of every California city with a population greater than 750,000, and to Utz, alleging that Utz violated Proposition 65 by exposing persons to furan in Covered Products without first providing a clear and reasonable Proposition 65 warning. On or about June 18, 2021, Jamison provided a 60-day Amended Notice of Violation of Proposition 65 to Utz and the same set of public enforcers alleging that Utz violated Proposition 65 by exposing persons to furan contained in Covered Products without first providing a clear and reasonable Proposition 65 warning. The foregoing 60-day Notice of Violation and Amended Notice of Violation are collectively referred to herein as the "Notice."
- **2.3** Jamison alleges that Settling Defendant is a corporation or other business entity that manufactures, distributes, sells, or offers for sale Covered Products that are sold in the State of California or has done so at times relevant to the Complaint.
- **2.4** On September 15, 2021, Jamison filed the Complaint in the above-captioned matter for the alleged violations of Health and Safety Code section 25249.6 that are the subject of the Notice ("Complaint").
- 2.5 For purposes of this Consent Judgment only, the Parties stipulate that this Court has jurisdiction over the allegations of violations contained in the Complaint and personal jurisdiction over Settling Defendant as to the acts alleged in the Complaint, that venue is proper in the County of San Diego, and that this Court has jurisdiction to enter and enforce this Consent Judgment as a full and final resolution of all claims which were or could have been raised in the Complaint based on the facts alleged therein and in the Notice with respect to Covered Products manufactured, distributed, imported, shipped, offered for sale and/or sold by Defendant Releasees pursuant to

Proposition 65 and Code of Civil Procedure section 664.6.

2.6 Nothing in this Consent Judgment is or shall be construed as an admission by the Parties of any fact, conclusion of law, issue of law, or violation of law, nor shall compliance with the Consent Judgment constitute or be construed as an admission by the Parties of any fact, conclusion of law, issue of law, or violation of law. Except as otherwise provided for herein, nothing in this Consent Judgment shall prejudice, waive, or impair any right, remedy, argument, or defense the Parties may have in any other pending or future legal proceedings. This Consent Judgment is the product of negotiation and compromise and is accepted by the Parties solely for purposes of settling, compromising, and resolving issues disputed in this action in an efficient and economic manner.

3. INJUNCTIVE RELIEF

- **3.1 Agreement Not to Sell in California.** As of the Compliance Date, and continuing thereafter, Settling Defendant shall take any and all commercially reasonable measures to ensure that the Covered Products are not sold to consumers in the State of California.
- 3.2 Grace Period for Existing Inventory of Products. Notwithstanding anything else in this Consent Judgment, Covered Products that are manufactured on or prior to the Compliance Date shall be subject to release of liability pursuant to this Consent Judgment, without regard to when such Covered Products were, or are in the future, distributed or sold to customers and consumers. As a result, the obligation of Settling Defendant, or any Releasees (if applicable), do not apply to those Covered Products manufactured on or prior to the Compliance Date.

4. ENFORCEMENT

4.1 Notice of Violation. In the event that Jamison purchases a Covered Product in California with a best-by or sell-by (or equivalent) date indicating that the Covered Product was sold or offered for sale by Settling Defendant or a Subsidiary after the applicable Compliance Date, Jamison may issue a Notice of Violation pursuant to this Section. Jamison shall withdraw the Notice of Violation if Settling Defendant demonstrates that the Covered Product at issue was manufactured, distributed, imported, shipped, sold or purchased before the applicable Compliance Date. Notwithstanding the foregoing, Jamison may not issue a Notice of Violation with respect to a

Covered Product if its packaging is marked or labeled with the statement "Not for Sale in California" or equivalent language so long as such statement is prominently placed upon such Covered Product's label or other labeling, as compared with other words or statements on the label or labeling, as to render it likely to be read and understood by an ordinary individual under customer conditions of purchase or use. If Settling Defendant or its Subsidiaries mark or label a Covered Product with such a statement, Settling Defendant or its Subsidiaries shall include a letter to each of its retailer or distributor customers receiving that Covered Product notifying the customer that the Covered Product may not be sold in California. The terms of this Consent Judgment shall be enforced exclusively by the Parties hereto.

5. MONETARY SETTLEMENT TERMS

- **5.1 Settlement Amount.** Settling Defendant shall pay Twenty Five Thousand Dollars (\$25,000) in settlement and total satisfaction of all the claims referred to in the Notice, the Complaint, and this Consent Judgment. This includes civil penalties in the amount of Two Thousand Dollars (\$2,000.00) pursuant to Health and Safety Code section 25249.7(b) and attorney's fees and costs in the amount of Twenty Three Thousand Dollars (\$23,000.00) pursuant to Code of Civil Procedure section 1021.5.
- 5.2 Civil Penalty. The portion of the settlement attributable to civil penalties shall be allocated according to Health and Safety Code section 25249.12(c)(1) and (d), with seventy-five percent (75%) or One Thousand Five Hundred Dollars (\$1,500.00) of the penalty paid to the California Office of Environmental Health Hazard Assessment ("OEHHA"), and the remaining twenty-five percent (25%) or Five Hundred Dollars (\$500.00) (hereinafter, the "Jamison Settlement Sum") of the penalty paid to Jamison individually.

All payments owed to Jamison shall be delivered to the following address via overnight mail:

The Law Offices of George Rikos 555 West Beech Street, Suite 500 San Diego, CA 92101

All payments owed to OEHHA (EIN: 68-0284486) shall be delivered directly to OEHHA (Memo Line "Prop 65 Penalties") at the following addresses:

For United States Postal Service Delivery:

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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

Jamison and her counsel will provide completed IRS 1099, W-9, or other tax forms as required. Relevant information is set out below:

"Law Offices of George Rikos" (EIN: 26-2043001) at the address provided in Section 4.2; and,

"Office of Environmental Health Hazard Assessment" 1001 I Street, Sacramento, CA 95814.

- 5.3 Attorney's Fees and Costs. The portion of the settlement attributable to attorneys' fees and costs, *to wit*, Twenty Three Thousand Dollars (\$23,000.00)(hereinafter, the "Fee Settlement Sum") shall be paid to Jamison's counsel, who are entitled to attorneys' fees and costs incurred by it in this action, including but not limited to investigating potential violations, bringing this matter to Settling Defendant's attention, as well as litigating and negotiating a settlement in the public interest. Settling Defendant shall provide its payment to Jamison's counsel in a single check payable to the Law Offices of George Rikos at the address provided in Section 5.2.
- **5.4 Timing.** The above-mentioned checks will be issued within ten (10) calendar days after the Effective Date, or the date upon which Plaintiff's counsel provides Settling Defendant with its IRS 1099, W-9, or other required tax forms, whichever is later.

6. <u>CLAIMS COVERED AND RELEASED</u>

6.1 Jamison's Public Release of Proposition 65 Claims. For any claim or violation arising under Proposition 65 alleging a failure to warn about exposures to furan from Covered Products or related products manufactured, imported, shipped, sold, or distributed by Defendants and Settling Defendant or its Subsidiaries prior to the Compliance Date, Jamison, acting for the

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general public and in the public interest, releases Settling Defendant, of any and all liability. This includes Settling Defendant's owners, parents, partners, joint ventures, Subsidiaries, licensors, licensees, affiliated entities under common ownerships, its directors, officers, members, agents, comanufacturers, employees, attorneys, and each entity to whom Settling Defendant and its Subsidiaries directly or indirectly distribute, sell or offer for sale Covered Products, including but not limited to downstream distributors, wholesales, customers, retailers (including but not limited to Target Corporation), franchisees, cooperative members and licensees, (collectively, the "Defendant Releasees"). In addition to the foregoing, Defendant Releasees include Settling Defendant, its parent, and all Subsidiaries and affiliates thereof and their respective owners, members, parents, partners, joint ventures, licensors, licensees, employees, agents, and assigns. Compliance with the terms of this Consent Judgment constitutes compliances with Proposition 65 with respect to the alleged or actual failure to warn about exposures to furan from Covered Products manufactured, distributed, shipped, imported, offered for sale, sold, or distributed by Defendant Releases after the Effective Date. This Consent Judgment is a full, final and binding resolution of the claims under Proposition 65 that were or could have been asserted against Settling Defendant, its Subsidiaries and Defendant Releasees for failure to warn about the exposure to furan in Covered Products sold prior to the Compliance Date.

- 6.2 Jamison's Individual Release of Claims. Jamison, in her individual capacity, also provides a release to Settling Defendant and Defendant Releasees, which shall be a full and final accord and satisfaction of, as well as a bar to, all actions, causes of action, obligations, costs, expenses, attorneys' fees, damages, penalties, losses, claims, liabilities, and demands of every nature, character, and kind, whether known or unknown, suspected or unsuspected, arising out of alleged or actual exposures to furan in Defendant Releasees' products manufactured, imported, shipped, offered for sale, sold, or distributed by Defendant Releases before the Compliance Date.
- **6.2.1. Civil Code §1542—Changed Facts:** It is the intention of the Parties that this Consent Judgment shall constitute a full and final accord and satisfaction as to the matters encompassed in the release set forth in Section 6.2 hereof, as well as a bar to any and all other actions, causes of action, obligations, costs, expenses, attorneys' fees, damages, losses, claims,

liabilities and demands of whatever nature, character or kind, known or unknown, suspected or unsuspected, between Jamison and Defendant Releasees, arising out of, directly or indirectly, or connected with the claims raised in this matter, including, generally, without limitation, furan in Bachman brand Pretzel Stix. Jamison acknowledges that she is fully familiar with the facts and assumptions giving rise to this Consent Judgment and, more specifically, the release contained in this Section 6.2.1, but agrees that this Consent Judgment shall remain fully effective and binding her even if the facts or assumptions turn out to be different from what she now believes them to be. In addition, the Parties acknowledge that she is familiar with and understands and expressly waives Section 1542 of the Civil Code of the State of California, 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.

Nothing in this Civil Code waiver will prevent Jamison from asserting her rights to enforce this Consent Judgment.

7. <u>COURT APPROVAL</u>

This Consent Judgment is not effective until it is approved by the Court and shall be null and void if it is not approved by the Court within one year after it has been fully executed by the Parties, or by such additional time as the Parties may agree to in writing.

8. <u>SEVERABILITY</u>

Subsequent to the Court's approval and entry of this Consent Judgment, if any provision of this Consent Judgment is held by a court to be unenforceable, the validity of the remaining provisions shall not be adversely affected.

9. GOVERNING LAW

The terms of this Consent Judgment shall be governed by the laws of the state of California as applied within the state of California. In the event that Proposition 65 is repealed, or is otherwise rendered inapplicable for reasons to the claims made by Jamison, including but not limited to changes in the law, then Settling Defendant may provide written notice to Jamison of any asserted

change, and shall have no further injunctive obligations pursuant to this Consent Judgment with respect to, and to the extent that, the Covered Products are so affected.

10. NOTICE

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Unless otherwise specified herein, all correspondence and notice required by this Consent Judgment shall be in writing and sent by: (1) personal delivery; (ii) first-class, registered, or certified mail, return receipt requested; or (iii) a recognized overnight courier to the following addresses:

If to Settling Defendant:

Richard Fama
Cozen O'Connor
3 WTC
175 Greenwich Street, 55th Floor
New York, NY 10007

If to Jamison:

George Rikos The Law Offices of George Rikos 555 West Beech Street, Suite 500 San Diego, CA 92101

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

11. COUNTERPARTS; DIGITAL SIGNATURES

This Consent Judgment may be executed in counterparts and by facsimile signature, each of which shall be deemed an original, and all of which, when taken together, shall constitute one and the same document.

12. POST EXECUTION ACTIVITIES

Jamison agrees to comply with the reporting form requirements referenced in Health and Safety Code section 25249.7(f). The Parties further acknowledge that, pursuant to Health and Safety Code section 25249.7(f), a noticed motion is required to obtain judicial approval of the settlement, which motion Jamison shall draft and file. In furtherance of obtaining such approval, the Parties agree to mutually employ their best efforts, including those of their counsel, to support the entry of this agreement as judgment, and to obtain judicial approval of their settlement in a timely manner.

For purposes of this Section, "best efforts" shall include, at a minimum, supporting the motion for approval, responding to any objection that any third-party may make, and appearing at the hearing before the Court if so requested.

13. MODIFICATION

- **13.1 Modification**. This Consent Judgment may be modified by: (i) a written agreement of the Parties and entry of a modified consent judgment thereon by the Court; or (ii) a successful motion or application of any Party, and the entry of a modified consent judgment thereon by the Court.
- 13.2 Notice; Meet and Confer. Any Party seeking to modify this Consent Judgment shall attempt in good faith to meet and confer with the other Party prior to filing a motion to modify the Consent Judgment.
- 13.3 Change in Proposition 65. If Proposition 65 or its implementing regulations are changed from their terms as they exist on the date of entry of this Consent Judgment, or if OEHHA takes some other final regulatory action that determines that warnings for furan are not required, modifies the standard for warnings for furan, or establishes a No Significant Risk Level or Safe Harbor Level for furan, then Settling Defendant may seek to modify this Consent Judgment.

13.4 Other Court Decisions.

- 13.4.1 Preemption, Unconstitutionality, Unlawful. If a final decision of a court determines that warnings for furan exposures or that enforcement of Proposition 65 claims for furan exposures are preempted or otherwise unlawful or unconstitutional, then Settling Defendant may move to modify this Consent Judgment to conform to such ruling in order to avoid unfair, inconsistent, or anti-competitive results.
- 13.4.2 Approved Consent Judgments. If a final decision of a court approves of a consent judgment that establishes a No Significant Risk Level, Alternative Risk Level, or Safe Harbor level for furan applicable to the Covered Products that exceeds zero (0) micrograms per day, then Settling Defendant may move to modify this Consent Judgment to conform to such ruling in order to avoid unfair, inconsistent, or anti-competitive results.
- 13.5 Federal Agency Action and Preemption. If a court of competent jurisdiction or an agency of the federal government, including, but not limited to, the U.S. Food and Drug

Administration, states through any guidance, regulation or legally binding act that federal law has preemptive effect on any of the requirements of this Consent Judgment, then this Consent Judgment may be modified in accordance with the procedure for noticed motions set forth herein to bring it into compliance with or avoid conflict with federal law.

13.6 Scientific Studies. If an agency of the federal government, including, but not limited to the U.S. Food and Drug Administration, states through any guidance, regulation, or other legally binding act, following a review of scientific studies and following public notice and comment, a cancer potency estimate for furan that equates to a no significant risk level higher than zero (0) micrograms per day, then Settling Defendant and its Subsidiaries shall be entitled to seek a modification of this Consent Judgment.

13.7 Before filing any motion to modify the Consent Judgment, Settling Defendant shall provide written notice to Jamison to initiate the meet and confer procedure in Section 13.2. If the Parties do not agree on the proposed modification during informal meet and confer efforts, Settling Defendant may file a motion to modify the Consent Judgment within sixty (60) days of the date of the written notice that Settling Defendant provides to Jamison under this Section 13.2.

13.8 Any modification to this Consent Judgment pursuant to this Section 13 shall have no effect on Settling Defendant's financial obligations under this Agreement.

14. **RETENTION OF JURISDICTION**

This Court shall retain jurisdiction of this matter to implement or modify the Consent Judgment. Notwithstanding the provisions of Section 13, nothing in this Consent Judgment limits or affects the Court's authority to modify this Consent Judgment as provided by law.

15. **AUTHORIZATION**

The undersigned are authorized to execute this Consent Judgment and acknowledge that they have read, understand, and agree to all of the terms and conditions contained herein.

16. GOOD FAITH ATTEMPT TO RESOLVE DISPUTES

If a dispute arises with respect to either Party's compliance with the terms of this Consent Judgment entered by the Court, the Parties shall meet and confer in person, or by telephone, and/or in writing and endeavor to resolve the dispute in an amicable manner. No action or motion may be filed in the

absence of such a good faith attempt to resolve the dispute beforehand.

17. ENTIRE AGREEMENT

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This Consent Judgment contains the sole and entire agreement and understanding of the Parties with respect to the entire subject matter herein, and any and all prior discussions, negotiations, commitments, and understandings related hereto. No representations, oral or otherwise, express or implied, other than those contained herein have been made by any Party. No other agreements, oral or otherwise, unless specifically referred to herein, shall be deemed to exist or to bind any Party.

18. STIPULATION OF DISMISSAL OF TARGET

Jamison and her counsel agree to take all necessary actions and file all necessary papers with the Court to effectuate the dismissal of this action as to Defendant Target Corporation within five (5) business day after receipt by Jamison's counsel of the Fee Settlement Sum and Jamison Settlement Sum. Such dismissal shall be with prejudice. In exchange for such dismissal, Target agrees to waive any and all costs that it may have against Jamison related to this action.

AGREED TO:

Date: May , 2022 Signature: Queen R Shear

Print Name: Theresa R. Shea

Authorized Representative of UTZ Quality Foods, LLC

AGREED TO:

Date: May , 2022 Signature: Victoria Iamison

Victoria Jamison

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COZEN O' CONNOR 601 S. FIGUEROA STREET, SUITE 3700 LOS ANGELES, CA 90017

1	IT IS SO ORDERED, ADJUDGED AND DECREED THAT THE SETTLEMENT SET
2	FORTH ABOVE SHALL PROMPTLY BE ENTERED AS A CONSENT JUDGMENT BY THIS COURT:
3	DATED:
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