

## **SETTLEMENT AGREEMENT**

### **1. INTRODUCTION**

#### **1.1 The Parties**

This Settlement Agreement is hereby entered into by and between Keep America Safe And Beautiful (“KASAB”) and National Food Group, Inc (“National Food“). KASAB and National Food are collectively referred to as the “Parties” and each of them as a “Party.” KASAB is an individual residing in California who seeks to promote awareness of exposures to toxic chemicals and improve human health by reducing or eliminating hazardous substances contained in consumer products.

#### **1.2 Allegations and Representations**

(a) KASAB alleges that National Food is a person in the course of doing business for purposes of Proposition 65, Cal. Health & Safety Code § 25249.6 et seq., and has offered for sale in the State of California and sold in California the “Zee Zees Spicy Sunflower Kernels” that when used as intended exposes consumers to Cadmium and that such sales have not been accompanied by Proposition 65 warnings. Cadmium is listed under Proposition 65 as chemicals known to the State of California to cause birth defects and reproductive harm. KASAB has cited the “Zee Zees Spicy Sunflower Kernels” as a specific example of the product that is the subject of its allegations.

(b) National Food does not admit and denies the material, factual, and legal allegations contained in the Notices, and maintains that all products sold, distributed, or offered for sale in California are in compliance with all laws, including, without limitation, Proposition 65.

(c) The Parties enter into this Settlement Agreement to resolve all Proposition 65 claims concerning the Covered Products (defined below) set forth in KASAB’s Notice, including claims against manufacturers, distributors, customers, retailers, and affiliates, who allegedly violated Proposition 65 by distributing the Covered Products in California.

### **1.3 Covered Products**

The products that are covered by this Settlement Agreement are defined as, “National Food Group’s “Zee Zees Spicy Sunflower Kernels” manufactured, distributed, sold, or offered for sale by National Food in the State of California (“Covered Products”).

### **1.4 Notice of Violation**

On or about November 15, 2021 KASAB served National Food, Amazon.com, Inc and all public enforcement agencies eligible to initiate Proposition 65 actions on behalf of the People of the State of California with a document entitled “60-Day Notice of Violation” (the “Notice”) that provided National Food, Amazon.com, Inc and such public enforcers with notice that alleged that National Food and Amazon.com, Inc were in alleged violation of Proposition 65 for failing to warn consumers and customers that the Covered Products exposed users in California to Cadmium. No public enforcer diligently prosecuted the claims alleged in the Notice within sixty days plus service time relative to the provision of the Notice to them by KASAB.

### **1.5 No Admission**

National Food denies the material allegations contained in KASAB’s Notice and maintains that it has not violated Proposition 65. Nothing in this Settlement Agreement shall be construed as an admission by National Food of any fact, finding, issue of law, or violation of law, or any other statutory, regulatory, common law, or equitable doctrine; nor shall compliance with this Settlement Agreement constitute or be construed as an admission by National Food of any fact, finding, conclusion, issue of law, or violation of law, such being specifically denied by National Food. However, this section shall not diminish or otherwise affect the obligations, responsibilities, and duties of National Food under this Settlement Agreement.

### **1.6 Execution/Effective Date**

1.6.1 For purposes of this Settlement Agreement, the term “Execution Date” shall mean the date this Settlement Agreement is fully executed.

1.6.2 For purposes of this Settlement Agreement, the term “Effective Date” shall mean

the date that the Parties agreed in writing to the injunctive relief measures of this Settlement Agreement (“Injunctive Relief”). Such Injunctive Relief shall be implemented pursuant to Article 2.

**2. INJUNCTIVE RELIEF: WARNINGS**

2.1 Commencing sixty (60) days after a final adjudication finding the Covered Products are in violation of California Code of Regulations, Title 27, Article 6, Clear and Reasonable Warning Requirements § 25601-25603 and 25607.1-25607.2, National Food shall not sell, offer for sale, ship for sale or otherwise distribute or allow to be distributed in California any Covered Products without affixing the below On-Product Warning on the Covered Product in compliance with Proposition 65. The On-Product Warning shall not be required to be affixed to the Covered Products upon execution of this Agreement and/or if the sales and distribution of the Covered Products are in full compliance with California Code of Regulations, Title 27, Article 6, Clear and Reasonable Warning Requirements § 25601-25603 and 25607.1-25607.2 (see also: “[www.P65Warnings.ca.gov](http://www.P65Warnings.ca.gov).”) or are within safe harbor levels applicable to a reasonable consumer, defined as a consumer consuming the Covered Product less than once per day. Covered Products that were manufactured, packed, or labeled prior to the Execution Date shall be permitted to be sold as previously manufactured, packed or labeled. The On-Product Warnings shall state:

 **WARNING: Birth Defects and Reproductive harm**  
[www.P65Warnings.ca.gov/food](http://www.P65Warnings.ca.gov/food).

OR

 **WARNING: Consuming this product can expose you to chemicals including Cadmium which is known to the State of California to cause birth defects and other reproductive harm. For more information go to [www.P65Warnings.ca.gov/food](http://www.P65Warnings.ca.gov/food)**

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**3. REIMBURSEMENT OF FEES AND COSTS**

3.1 In full satisfaction of all potential civil penalties, attorneys' fees and other expenses incurred in connection with the Notice and Covered Product, and in exchange for KASAB's release of all claims, now known or unknown, in connection with the Covered Product, National Food shall pay a total of fifteen thousand dollars (\$15,000) as set forth in this section. No other payment shall be required by National Food under this Settlement Agreement.

3.2 There has been no finding of liability for a violation of Proposition 65 nor has there been an admission by National Food related thereto, however, in full resolution of the claims at issue and pursuant to Health & Safety Code Section 25249.7(b), National Food shall pay a sum of \$500.00 to be apportioned in accordance with California Health & Safety Code Section 25192, with 75% of these funds remitted to the State of California's Office of Environmental Health Hazard Assessment (CCR Title 11 Div 4-Proposition 65 Private Enforcement) and the remaining 25% of the amount remitted to KASAB, as provided by California Health & Safety Code Section 25249.7.

3.3 National Food shall pay KASAB's counsel \$14,500.00 for attorneys' fees, expert and investigation fees, and related costs associated with this matter and the Notice and incurred as a result of investigating, bringing this matter to National Food's attention, and negotiating a settlement. Payment of said monies shall be made via bank wire to the "Law Offices of Stephanie Sy" no later than ten (10) days following the Execution Date.

3.4 The Law Offices of Stephanie Sy agrees to provide National Food with tax identification information within one (1) day following the Execution Date.

3.5 Other than the payment specified herein, each side is to bear its own attorneys' fees and costs.

3.6 The Parties' shall be liable for their own taxes and/or any other obligations related thereto in connection with the payments made pursuant to this Settlement Agreement.

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#### 4. CLAIMS COVERED AND RELEASED

##### 4.1 Release of and Downstream Customers

KASAB, on behalf of itself, releases National Food and all entities and persons from whom they obtain and to whom they directly or indirectly distribute or sell the Products, including but not limited to each of its manufacturers, distributors, marketplace hosts, wholesalers, licensors, licensees, auctioneers, retailers, franchisees, dealers, customers, owners, purchasers, and users, and their respective parent companies, corporate affiliates, subsidiaries, officers, directors, attorneys, representatives, shareholders, agents, successors, and employees, and sister entities (collectively "Releasees") from all claims for violations of Proposition 65 through the Effective Date based on exposure to Cadmium from the Covered Products.

In addition to the foregoing, KASAB, on behalf of itself, its past and current agents, representatives, attorneys, and successors and/or assignees, hereby waives all rights to institute or participate in, directly or indirectly, in any other form of legal action beyond this matter and releases any other claims, actions, causes of action, demands, rights, suits, liabilities, damages, losses, costs, expenses, and attorney's fees, of any nature whatsoever, known or unknown, in law or equity, fixed or contingent, now or in the future that she could make against National Food or the other Releasees relating to or arising from the Covered Products. With respect to the foregoing waiver and release in this paragraph, KASAB hereby specifically waives any and all rights and benefits which she now has, or in the future may have, conferred by virtue of Section 1542 of the California Civil Code, which provides:

**A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.**

##### 4.2 NATIONAL FOOD Release of KASAB

Aside from any potential dispute relating to this Settlement Agreement, National Food waives any and all claims against KASAB, its attorneys and other representatives, for any and all

actions taken or statements made by KASAB and its attorneys and other representatives in the course of investigating the claims or otherwise seeking enforcement of Proposition 65 against it in this matter with respect to the Products.

**5. SEVERABILITY AND MERGER**

If subsequent to the execution of this Settlement Agreement any of the provisions of this document are held by a court to be unenforceable, the validity of the enforceable provisions remaining shall not be adversely affected.

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.

**6. GOVERNING LAW**

6.1 This Settlement Agreement shall be interpreted in accordance with the plain English meaning of its terms and the construction thereof shall be governed by the laws in force in the State of California, USA without regard to conflicts of law principles. This Settlement Agreement resolves any issue, now or in the future, with the requirements of Proposition 65 with respect to alleged exposures to Cadmium arising from the Covered Products. In the event that Proposition 65 is repealed or is otherwise rendered inapplicable by reason of law generally, or as to the Covered Products, then National Food shall have no further obligations pursuant to this Settlement Agreement with respect to, and to the extent that, the Covered Products are so affected.

6.2 This Settlement Agreement shall apply to and be binding upon KASAB and National Food, its divisions, subdivisions, and subsidiaries, if any, and the Parties' successors and assigns.

6.3 The Parties, including their counsel, have participated in the preparation of this Settlement Agreement and this Settlement Agreement is the result of the joint efforts of the Parties. This Settlement Agreement was subject to revision and modification by the Parties and

has been accepted and approved as to its final form by all Parties and their counsel.

Accordingly, any uncertainty or ambiguity existing in this Settlement Agreement shall not be interpreted against any Party as a result of the manner of the preparation of this Settlement Agreement.

**7. NOTICES**

Unless specified herein, all correspondence and notices required to be provided pursuant to this Settlement Agreement shall be in writing and delivered or sent by email and: (i) first-class, (registered or certified mail) return receipt requested; or (ii) overnight courier on any Party by the other Party at the following addresses:

For NATIONAL FOOD:

Samuel Y. Edgerton  
O'Hagan Meyer LLP  
2615 Pacific Coast Hwy, Suite 300  
Hermosa Beach, CA 90254

For KASAB:

Stephanie Sy, Esq.  
Law Offices of Stephanie Sy  
11622 El Camino Real, Suite 100  
San Diego, California 92130

Any 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.

**8. COUNTERPARTS; FACSIMILE SIGNATURES**

The stipulations to this Settlement Agreement may be executed in counterparts and by means of facsimile and/or portable document format (pdf), which taken together shall be deemed to constitute one document.

**9. COMPLIANCE WITH HEALTH & SAFETY CODE § 25249.7(f)**

KASAB agrees to promptly comply with the requirements set forth in California Health & Safety Code §25249.7(f).

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**10. MODIFICATION**

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

**11. ENFORCEMENT OF SETTLEMENT AGREEMENT**

Either Party may bring an action to enforce the terms of this Settlement Agreement. A Party who unsuccessfully brings or contests an action arising out of this Settlement Agreement may be ordered by the court to pay the prevailing Party's reasonable attorney's fees and costs.

**12. 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 any and all prior discussions, negotiations, commitments, or understandings related thereto, if any, are hereby merged herein and therein. No representations, oral or otherwise, express or implied, other than those specifically referred to in this Settlement Agreement have been made by any Party hereto. No supplementation, modification, waiver, or termination of this Settlement Agreement shall be binding unless executed in writing by the Party to be bound thereby. No waiver of any of the provisions of this Settlement Agreement shall be deemed or shall constitute a waiver of any of the other provisions hereof whether or not similar, nor shall such waiver constitute a continuing waiver.

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**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 document.

**AGREED TO:**

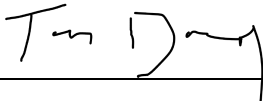
**KASAB:**



Lance Nguyen- COO

08/08/2024

**NATIONAL FOOD GROUP, Inc:**

By:  \_\_\_\_\_

Name: Tom Downey

Its: CFO