

SETTLEMENT AND RELEASE AGREEMENT

1. INTRODUCTION

1.1. Parseghian and Patagonia Provisions, Inc.:

This Settlement Agreement is entered into by and between Berj Parseghian ("Parseghian"), represented by his attorneys KJT Law Group, LLP on the one hand, and Patagonia Provisions, Inc. ("Patagonia"), on the other hand, with Parseghian and Patagonia collectively referred to as the "Parties."

1.2. General Allegations

Parseghian alleges that Patagonia manufactured and distributed and offered for sale in the State of California Breadfruit Crackers, containing lead and that such sales have not included warnings pursuant to the Safe Drinking Water and Toxic Enforcement Act of 1986, California Health & Safety Code sections 25249.6 *et seq.* ("Proposition 65"). California has identified and listed lead under Proposition 65 as a chemical known to the State of California to cause cancer, birth defects or other reproductive harm.

1.3. Product Description

The product covered by this Settlement Agreement is defined as Breadfruit Crackers including but not limited to: "Patagonia Provisions – Breadfruit Crackers – Seeded Turmeric; UPC #: 8 10981 02163 1" that Patagonia has sold, offered for sale, manufactured, or distributed in California and that allegedly contain lead. All such items shall be referred to herein as the "Covered Product."

1.4. Notice of Violation

On May 2, 2022, Parseghian served Patagonia and the requisite public enforcement agencies eligible to initiate Proposition 65 actions on behalf of the People of the State of

California with documents entitled "60-Day Notice of Violation" ("Notice") that provided Patagonia and such public enforcers with notice that Patagonia was allegedly in violation of California Health & Safety Code section 25249.6 for failing to warn consumers and customers that the Covered Product exposed users in California to lead. To the best of the Parties' knowledge, no public enforcer has commenced or is diligently prosecuting the allegations set forth in the Notice.

1.5. No Admission

The Parties enter into this Settlement Agreement to settle disputed claims between them as set forth herein and in the Notice concerning Patagonia's compliance with Proposition 65. Specifically, Patagonia denies the allegations contained in Parseghian's Notice and maintains that all products that it has placed for sale and distribution in California, including the Covered Product, have been and are in compliance with Proposition 65 or any other statutory, regulatory, common law or equitable doctrine. Nothing in this Settlement Agreement shall be construed as an admission by Patagonia of any fact, finding, issue of law, or violation of law; nor shall compliance with this Settlement Agreement constitute or be construed as an admission by Patagonia of any fact, finding, conclusion, issue of law, or violation of law. However, nothing in this section shall diminish or otherwise affect the obligations, responsibilities, and duties of Patagonia under this Settlement Agreement.

1.6. Effective Date

For purposes of this Settlement Agreement, the term "Effective Date" shall mean the date this Settlement Agreement is fully executed.

2. INJUNCTIVE RELIEF:

2.1 Beginning on the Effective Date, Patagonia agrees to discontinue manufacturing the Covered Product for sale in the State of California. The injunctive relief does not apply to any Covered Product that was manufactured prior to the Effective Date and all claims as to such Covered Product is released in this Settlement Agreement.

In the event Patagonia intends to resume manufacturing, distributing, or offering the Covered Product for sale in the State of California, Patagonia is entitled to do so provided that the Covered Product does not expose a person to a "Daily Lead Exposure Level" of more than 0.5 micrograms of lead per day, or it meets the warning requirements under Section 2.2.

For purposes of this Settlement Agreement, the "Daily Lead Exposure Level" shall be measured in micrograms, and shall be calculated using the following formula: micrograms of lead per gram of product, multiplied by grams of product per serving of the product (using the largest serving size appearing on the product label), multiplied by servings of the product per day, which equals micrograms of lead exposure per day. If the label contains no recommended daily servings, then the number of recommended daily servings shall be one.

2.2 Clear and Reasonable Warnings

If Patagonia is required to provide a warning pursuant to Section 2.1, one of the following warnings must be utilized ("Warning"):

Option 1:

WARNING: Consuming this product can expose you to chemicals including 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: Cancer and Reproductive Harm – www.P65Warnings.ca.gov/food

Patagonia shall use the phrase “cancer and” in the Warning only if Patagonia has reason to believe that the daily lead exposure is greater than 15 micrograms of lead. The Warning shall comply with the Proposition 65 safe harbor provisions as those regulations may be amended from time to time.

3. CONSIDERATION

In settlement of all the claims referred to in this Settlement Agreement, the Parties reached an accord on the compensation due, under the private attorney general doctrine and principles of contract law. Under these legal principles, Patagonia shall pay \$30,000.00 as settlement and for fees and costs, incurred as a result of investigating and bringing this matter to Patagonia’s attention.

4. PENALTIES PURSUANT TO HEALTH & SAFETY CODE SECTION 25249.7(b)

In settlement of all the claims referred to in this Settlement Agreement, \$4,000.00 shall be considered a “civil penalty.” The penalty payment will be allocated in accordance with California Health & Safety Code section 25249.12(c)(1) & (d), with 75% of the funds remitted to the California Office of Environmental Health Hazard Assessment ("OEHHA") and the remaining 25% of the penalty remitted to Parseghian.

5. REIMBURSEMENT OF FEES AND COSTS

In settlement of all the claims referred to in this Settlement Agreement, \$26,000.00 shall be considered reimbursement of Parseghian’s attorneys’ fees, expert and investigation fees, and related costs associated with this matter and the Notice. The Parties reached an accord on the compensation due to Parseghian and its counsel under the private attorney general doctrine and principles of contract law.

6. PAYMENT INFORMATION

Patagonia shall mail these payments to Parseghian's counsel within ten (10) business days following the Effective Date to the following payment address:

KJT LAW GROUP LLP

230 N. Maryland Avenue, Suite 306

Glendale, CA 91206

KJT Law Group, LLP will make sure the civil penalty payments are forwarded to OEHHA and Parseghian.

7. RELEASE OF ALL CLAIMS

7.1. Release of Patagonia, Downstream Customers and Upstream Vendors

In further consideration of the promises and agreements herein contained, and for the payments to be made pursuant to Sections 3 through 6 above, Parseghian, on behalf of himself, hereby waives all rights to institute or participate in, directly or indirectly, any form of legal action and releases all claims relating to the Covered Product, 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 limited to, investigation fees, expert fees and attorneys' fees) against Patagonia, and its respective equity owners, parents, subsidiaries, affiliates, sister and related companies, and all entities to whom Patagonia directly or indirectly distributes or sells the Covered Products, including but not limited to manufacturers, suppliers, distributors, wholesalers, customers, licensors, licensees retailers for any alleged violations of Proposition 65, or any other alleged violation of statutory or common law, arising from alleged exposures to lead in relation to the Covered Product.

Parseghian, in his capacity, expressly waives and relinquishes any and all rights and benefits which it may have under, or which may be conferred on it by the provisions of California Civil Code section 1542, 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.

Parseghian also waives any other state or federal statute or common law principle of similar effect, to the fullest extent that it may lawfully waive such rights or benefits pertaining to the released matters.

8. GOVERNING LAW

The terms of this Settlement Agreement shall be governed by the laws of the State of California and apply within the State of California. In the event that Proposition 65 is repealed or is otherwise rendered inapplicable by reason of law generally, or as to the Covered Product, then Patagonia shall have no further obligations pursuant to this Settlement Agreement.

9. NOTICES

Unless specified herein, all correspondence and notices required to be provided pursuant to this Settlement Agreement shall be in writing and personally delivered or sent by: (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 Patagonia: Patagonia Legal Department
259 W. Santa Clara Street
Ventura, CA 93001

Peg Carew Toledo
Arnold & Porter Kaye Scholer LLP
Three Embarcadero Center | 10th Floor
San Francisco, CA 94111

For Parseghian: Tro Krikorian, Esq.
KJT Law Group, LLP
230 N. Maryland Ave., Suite 306
Glendale, CA 91206

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.

10. COUNTERPARTS; FACSIMILE/E-SIGNATURES

This Settlement Agreement may be executed in counterparts and by facsimile or e-signatures, each of which shall be deemed an original, and all of which, when taken together, shall constitute one and the same document.

11. 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 all related prior discussions, negotiations, commitments, and understandings. No other agreements, oral or otherwise, exist to bind either of the Parties.

12. MODIFICATION

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

13. DRAFTING

No inference, assumption or presumption shall be drawn, and no provision of this Agreement shall be construed against any of the Parties, based upon the fact that one of the Parties and/or one of the Parties' attorneys prepared and/or drafted all or any portion of this Agreement. It is conclusively presumed that the Parties participated equally in the preparation and drafting of this Agreement.

14. 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 Settlement Agreement.

IN WITNESS WHEREOF, the Parties have agreed, accepted, and executed this Agreement on the date written.

Executed on 11/28/2022, at Pasadena, California.

DocuSigned by:
BERJ PARSEGHIAN
17B4A0E5087E404
Berj Parseghian

Executed on _____, at _____, California.

Patagonia Provisions, Inc.

By: _____

Its:

14. 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 Settlement Agreement.

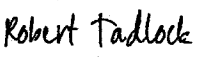
IN WITNESS WHEREOF, the Parties have agreed, accepted, and executed this Agreement on the date written.

Executed on _____, at _____, California.

Berj Parseghian

Executed on 12/7/2022, at Ventura, California.

Patagonia Provisions, Inc.

DocuSigned by:

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By: Robert Tadlock

Its: Deputy General Counsel