

SETTLEMENT AND RELEASE AGREEMENT

1. INTRODUCTION

1.1. Parseghian and Quinoa Corporation

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 Quinoa Corporation ("Quinoa"), on the other hand, with Parseghian and Quinoa collectively referred to as the "Parties."

1.2. General Allegations

Parseghian alleges that Quinoa had manufactured and distributed and offered for sale in the State of California Graham Style Cracker, 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 to include Pamela's – Grain Free – Graham Style Crackers; UPC #: 0 93709 30119 6, that Quinoa has sold, offered for sale, manufactured, or distributed in California and that contain lead. All such items shall be referred to herein as the "Covered Products."

1.4. Notice of Violation

On May 11, 2022, Parseghian alleges he served Quinoa 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 Quinoa and such public enforcers with notice that Quinoa was allegedly in violation of California Health & Safety Code section 25249.6 for failing to warn consumers and customers that the Covered Products 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 Quinoa's compliance with Proposition 65. Specifically, Quinoa 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 Products, 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 Quinoa 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 Quinoa of any fact, finding, conclusion, issue of law, or violation of law, such being specifically denied by Quinoa. However, nothing in this section shall diminish or otherwise affect the obligations, responsibilities, and duties of Quinoa 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: WARNINGS AND REFORMULATION**

2.1 Beginning Ninety (90) days after the Effective Date "Compliance Date", Quinoa shall be enjoined from manufacturing for sale in the State of California, "Distributing into the State of

California," or directly selling in the State of California, any Covered Products that expose a person to a "Daily Lead Exposure Level" of more than 0.5 micrograms of lead per day, unless it meets the warning requirements under Section 2.2 or the Covered Products are reformulated such that they do not expose a person to a "Daily Lead Exposure Level" of more than 0.5 micrograms of lead per day . In the event that Proposition 65 is repealed or preempted as to food products, then Quinoa shall have no further obligation pursuant to this Agreement with respect to, and to the extent that the Covered Products are so affected.

As used in this Settlement Agreement, the term "Distributing into the State of California" shall mean to directly ship a Covered Product into California for sale in California or to sell a Covered Product to a distributor that Quinoa knows or has reason to know will sell the Covered Product in California. The injunctive relief in Section 2 does not apply to any Covered Product that has left the possession, and/or is no longer under the control of Quinoa prior to the Compliance Date and all claims as to such Covered Products are released in this Settlement Agreement.

For purposes of this Settlement Agreement, unless the law prescribes otherwise, 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 (using the largest number of recommended daily servings appearing on the label), 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 Quinoa is required to provide a warning pursuant to Section 2.1, one of the following warnings must be utilized ("Warning") unless the law, regulations, or case law requires otherwise:

Option 1:

WARNING: Consuming this product can expose you to chemicals including lead, which is known to the State of California to cause cancer, birth defects, and other reproductive harm. For more information go to www.P65Warnings.ca.gov/food

Option 2:

WARNING: [Cancer and] Reproductive Harm – <http://www.P65warnings.ca.gov/food>

Quinoa shall use the phrase "cancer and" in the Warning if Quinoa has reason to believe that the "Daily Lead Exposure Level" is greater than 15 micrograms of lead or if Quinoa has reason to believe that another Proposition 65 chemical is present which may require a cancer warning.

The Warning shall be securely affixed to or printed upon the label of each Covered Product and it must be set off from other surrounding information. In addition, for any Covered Product sold over the internet, the Warning shall appear on the checkout page in full text or through a clearly marked hyperlink using the word "WARNING" in all capital and bold letters when a California delivery address is indicated for any purchase of any Covered Product. If a hyperlink is used, the hyperlink must go directly to a page prominently displaying either the Option 1 Warning or the Option 2 Warning without content that detracts from the Warning. An asterisk or other identifying method must be utilized to identify which products on the checkout page are subject to the Warning.

The Warning shall be at least the same size as the largest of any other health or safety warnings also appearing on the website or on the label and the word "WARNING" shall be in all capital letters and in bold print. No statements intended to or likely to have the effect of diminishing the impact of the Warning on the average lay person shall accompany the Warning. Further, no statements may accompany the Warning that state or imply that the source of the listed chemical has an impact on or results in a less harmful effect of the listed chemical. For the Option 2 Warning, a symbol consisting of a black exclamation point in a yellow equilateral triangle with a bold black outline shall be placed to the left of the text of the Warning, in a size no smaller than the height of the word "WARNING."

Quinoa will display the above Warning with such conspicuousness, as compared with other words, statements or designs on the label, or on its website, if applicable, to render the Warning likely to be read and understood by an ordinary individual under customary conditions of purchase or use of the product.

For purposes of this Settlement Agreement, the term "label" means a display of written, printed or graphic material that is printed on or affixed to a Covered Product or its immediate container or wrapper.

For purposes of this Settlement Agreement, when Quinoa is required to provide a warning for a Covered Product pursuant to Section 2.1, Quinoa may satisfy the warning requirement by providing the required information in compliance with 27 C.C.R. § 25600.2 (2020) to any business that is subject to Proposition 65 to which it is selling or transferring the Covered Product.

If Parseghian alleges that any Covered Product fails to adhere to this Agreement, then Parseghian shall inform Quinoa in a reasonably prompt manner of its test results, including

information sufficient to permit Quinoa to identify the Covered Products at issue and investigate. The Parties shall first attempt to resolve the matter prior to Parseghian taking any further legal action.

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, Quinoa shall pay a total of Forty Thousand Dollars (\$40,000.00) ("Total Settlement Payment") as a full and complete settlement and for fees and costs, incurred as a result of investigating and bringing this matter to Quinoa's attention. The Total Settlement Payment shall be made as prescribed herein.

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

In settlement of all the claims referred to in this Settlement Agreement, \$6,000.00 of the Total Settlement Payment 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 (\$4,500) remitted to the California Office of Environmental Health Hazard Assessment ("OEHHA") and the remaining 25% of the penalty (\$1,500) remitted to Parseghian.

These payments will be sent to the below addresses within fourteen (14) days of the Effective Date.

5. REIMBURSEMENT OF FEES AND COSTS

In settlement of all the claims referred to in this Settlement Agreement, \$34,000.00 of the Total Settlement Payment 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.

Quinoa shall make or arrange to have its payment made to KJT Law Group, LLP in three (3) payments. The first payment shall be in the amount of \$10,000.00, payable to KJT Law Group, LLP at the address below. This payment shall be due within 30 days of the Effective Date of this Settlement Agreement. Quinoa shall make another payment of \$14,000 within 60 days of the Effective Date to KJT Law Group, LLP at the address below. Quinoa shall make the final payment of \$10,000 within 90 days of the Effective Date to KJT Law Group, LLP at the address below. There are no prepayment penalties or interest owed on any amounts to the Total Settlement Payment.

6. PAYMENT INFORMATION

Quinoa shall mail said payments to the following addresses respectively:

All payments owed to Plaintiff and for attorneys' fees, shall be delivered to the following payment address:

**KJT LAW GROUP LLP
230 N. Maryland Avenue, Suite 306
Glendale, CA 91206**

All payments owed to OEHHA shall be delivered directly to OEHHA at the following addresses:

For United States Postal Delivery:

Mike Gyurics
Senior Accounting Officer -- MS 19-B
Office of Environmental Health Hazard Assessment
P.O. Box 4010
Sacramento, CA. 95812-0410

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

7. RELEASE OF ALL CLAIMS

7.1. Release of Quinoa, 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, and anyone acting by or through him or on his behalf, including but not limited to, their respective agents, managers, heirs, executors, administrators, assigns, successors in interest, attorneys, insurers, and indemnitors (collectively, the "Parseghian Releasers"), 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 Products, including, without limitation, all actions, and causes of action, in law or in equity, claims, suits, liabilities, demands, obligations, damages, costs, fines, penalties, liens, losses or expenses (including, but not limited to, investigation fees, expert fees and attorneys' fees) of any nature whatsoever whether now known or unknown, suspected or unsuspected, and whether or not concealed or hidden, including, but not limited to, the dispute, any such claims made or referenced in the Covered Products, which the Parseghian Releasers, or any of them, now own or hold or have at any time heretofore owned or held against Quinoa, and its past, present and/or future respective equity owners, parents, subsidiaries, affiliates, wholesalers, retailers, or dealers, distributors, sister and related companies and each and all of their past, present or future shareholders, members, directors, officers, consultants, affiliated entities or corporations, subsidiaries, divisions, franchisees, partners, joint venturers, agents, investors,

creditors, insurers, indemnitors, guarantors, administrators, attorneys, employees, representatives, successors, predecessors, licensors, licensees, customers, agents, managers, heirs, executors, and assigns of any of the foregoing, for any alleged violations of Proposition 65, or any other alleged violation of statutory or common law, arising from alleged exposures to lead or other chemicals in relation to the Covered Products.

Parseghian also, in his capacity, provides a general release herein which shall be effective as a full and final accord and satisfaction, as a bar to all actions, causes of action, obligations, costs, expenses, attorneys' fees, damages, losses, claims, liabilities and demands of any nature, character or kind against Quinoa, in relation to the covered product. Parseghian acknowledges that he is familiar with 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 RELEASING PARTY.

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Parseghian Initials

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 as well as under 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 Products, then Quinoa 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 Quinoa:

Gino Maurelli, Esq.
gmaurelli@bhfs.com
Brownstein Hyatt Farber Schreck, LLP
410 Seventeenth Street, Suite 2200
Denver, CO 80202

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. ASSIGNMENT

Parseghian acknowledges, represents and warrants that it has not assigned, sold, transferred or otherwise disposed of any of the claims or other matters that are being released herein.

15. 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.

[SIGNATURE PAGE TO FOLLOW]

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

Executed on 11/15/2022, at Pasadena, California.

DocuSigned by:
BERJ PARSEGHIAN
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Berj Parseghian

Executed on 11/8/22, at _____, California.

John Becker
Quinoa Corporation
By: John Becker
Its: CEO

APPROVED AS TO FORM BY:

Executed on 11/15/2022, at Glendale, California.

DocuSigned by:
[Signature]
D911CF9328F0472...
**Tro Krikorian, Esq. Attorney for Berj Parseghian
KJT Law Group, LLP**

Executed on 11/15/2022, at Los Angeles, California.

Jonathan C. Sandler
**Jonathan C. Sandler, Esq. Attorney for Quinoa Corporation
Brownstein Hyatt Farber Schreck, LLP**