

SETTLEMENT AND RELEASE AGREEMENT

1. INTRODUCTION

1.1. Clean Product Advocates, LLC and Garza Food Ventures, LLC

This Settlement Agreement is entered into by and between Clean Products Advocates, LLC ("CPA"), on the one hand, and Garza Food Ventures, LLC ("GFV"), on the other hand, with CPA and GFV each individually referred to as a "Party" and collectively referred to as the "Parties."

1.2. General Allegations

CPA alleges that GFV manufactured and distributed and offered for sale in the State of California "Grain Free Cookies" 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.* and its implementing regulations ("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. GFV expressly denies the allegations asserted by CPA and expressly asserts that it is in compliance with all applicable laws, including Proposition 65.

1.3. Product Description

The products that are covered by this Settlement Agreement are defined as Grain Free Cookies that GFV has manufactured, imported, sold, offered for sale or distributed in California. All such items shall be referred to herein as the "Products."

1.4. Notice of Violation

On November 07, 2022 CPA served GFV, Sprouts Farmers Market, and the requisite 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" ("Notice") that provided GFV and such public enforcers with notice that GFV was allegedly in violation of California Health & Safety Code section 25249.6 for failing to warn consumers and customers that the 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. GFV's participation in this Settlement Agreement does not represent an admission that the Notice was properly served or that the contents of the Notice complied with the requirements of Proposition 65.

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 GFV's compliance with Proposition 65. GFV denies the material, factual and legal allegations contained in CPA's Notice and maintains that all

products that it has manufactured for sale and distribution in California, including the 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 GFV 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 GFV of any fact, binding, conclusion, issue of law, or violation of law, such being specifically denied by GFV on its behalf. However, nothing in this section shall diminish or otherwise affect the obligations, responsibilities, and duties of GFV 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 (fully signed).

2. INJUNCTIVE RELIEF: REFORMULATION AND WARNINGS

2.1. Reformulation Standards

Commencing on the Effective Date, and continuing thereafter, GFV agrees to "Distribute into the State of California" or directly sell in the State of California Product resulting in exposures of less than 0.5 micrograms of lead per day, or alternatively comply with the warning requirements under Section 2.2.

As used in this Settlement Agreement, the term "Distribute into the State of California" shall mean to directly ship the Product into California for sale in California or to sell the Product to a distributor, retailer, or other business entity that GFV knows or has reason to know will sell the Product in California. Products that were supplied or contracted to be supplied to third parties by GFV prior to 6 months after the Effective Date shall be deemed exempted from the requirements of this Section 2 and shall be permitted to be sold through as previously manufactured, packaged and labeled.

2.2. Clear and Reasonable Warnings

In the alternative to reformulation, GFV shall use, one of the following warnings ("Warning") for the Covered Product:

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 – <http://www.p65warnings.ca.gov/food>

GFV shall use the phrase "cancer and" in the Warning if GFV has reason to believe that the daily lead exposure level is greater than 15 micrograms of lead or if GFV 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 the Product and it must be set off from other surrounding information. GFV shall provide the same Warning—in full text or through a hyperlink—on any website it controls that sells the Product in California. In addition, GFV shall inform any third-party website to which it sells its Product to include the same Warning—in full text or through a hyperlink—as a condition of selling the 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 significantly detracts from the Warning. An asterisk or other identifying method must be utilized to identify which product 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 significantly 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."

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 the Product or its immediate container or wrapper.

For purposes of this Settlement Agreement, GFV 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 Product. No Proposition 65 warning shall be required for any Products that are supplied or contracted to be supplied to third parties by GFV prior to 6 months after the Effective Date, and all such Products are hereby deemed to be exempt from Proposition 65 enforcement.

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

In full satisfaction of all potential civil penalties and attorney's fees, costs and any other expenses incurred by CPA or its counsel, GFV shall pay the total Settlement amount of Eleven Thousand Dollars (\$11,000) (The "Settlement Amount") as set forth below.

3.1 Civil Penalties to Health & Safety Code 25249.7(b)(2):

One Thousand Dollars of the Settlement Amount shall be considered a "civil penalty" pursuant to California Health and Safety Code § 25249.7(b)(2). GFV shall issue two separate checks

within ten (10) days of the Effective Date for a total amount of One Thousand Dollars (\$1000) as follows.

3.1 (a) One Check made payable to the State of California's Office of Environmental Health Hazard Assessment ("OEHHA") in the amount of Seven Hundred and Fifty Dollars (\$750), representing 75% of the total civil penalty; and

3.1 (b) One check payable to "Clean Product Advocates, LLC" in the amount of Two Hundred and Fifty Dollars (\$250), representing 25% of the total civil penalty.

3.2 Attorney's Fees and Costs:

Ten Thousand Dollars (\$10,000) of the total Settlement Amount shall be paid to Cliffwood Law Firm, PC within ten (10) days of the Effective Date, as CPA's attorneys, for reasonable investigation fees, and costs, attorney's fees, and any other cost incurred as a result of investigating and bringing this matter to GFV's attention.

4. PAYMENT PROCEDURES

4.1 All Payments owed to OEHHA, pursuant to section 3.1(a) shall be delivered directly to OEHHA (Memo line "Prop 65 Penalties NOV #2022-02709") at the following address:

Attn: Mike Gyurics
Fiscal Operations Branch Chief
Office of Environmental Health Hazard Assessment
P.O. Box 4010
Sacramento, CA 95812-4010

4.2 All Payments owed to CPA, pursuant to Section 3.1(b) shall be delivered to:

c/o CPA
Attn: Elham Shabatian
Cliffwood Law Firm, PC
12100 Wilshire Blvd, Suite 800
Los Angeles, CA 90025

4.3 All Payments owed to Cliffwood Law Firm, PC pursuant to Section 4.3, shall be delivered to:

Cliffwood Law firm, PC
Attn: Elham Shabatian
12100 Wilshire Blvd, Suite 800
Los Angeles, CA 90025

4.4 PROOF OF PAYMENT

A copy of each check payable to OEHHA, shall be mailed to Cliffwood Law firm, PC, simultaneous with payment to Cliffwood Law Firm, PC at the address set forth above, as proof of payment to OEHHA.

5. RELEASE OF ALL CLAIMS

5.1. Release of GFV, 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 and 4 above, CPA, on behalf of itself and its respective owners, principals, shareholders, officers, directors, employees, parents, subsidiaries its past and current agents, representatives, attorneys, successors and/or assignees (collectively, "Releasers"), hereby waives all rights to institute or participate in, directly or indirectly, any form of legal action and fully releases all claims relating to the Products, 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) of any nature whatsoever, whether known or unknown, fixed or contingent (collectively "Claims"), against (a) GFV (b) each of GFV's downstream distributors in the stream of commerce (including but not limited to KeHE and Sprouts Farmers Market and any other upstream or downstream entities in the distribution chain for the Products, including, but not limited to, manufacturers, wholesalers, vendors, licensors, licensees, auctioneers, retailers, franchisees, dealers, shareholders, cooperative members, customers, owners, purchasers, third-party re-sellers, and users, (c) GFV's parent companies, corporate affiliates, subsidiaries, affiliates, doing business as entities ("DBAs"), successor companies, and their respective officers, directors, attorneys, representatives, shareholders, agents, and employees, and sister and parent entities, and (d) the employees, shareholders, officers, directors, members, managers, equity owners, insurers, attorneys, predecessors, successors and assigns of any of the entities identified in subsection (a), (b), and (c), above (collectively "Releasees"). CPA also, on behalf of itself, its past and current agents, representatives, attorneys, successors, and/or assignees and *not* in its representative 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, known or unknown, suspected or unsuspected, against GFV and the Releasees.

5.2 GFV's Release of CPA

GFV, on behalf of itself, its past and current agents, representatives, attorneys, successors and/or assignees, hereby waives any and all claims against CPA, her attorneys and other representatives, for any and all actions taken or statements made (or those that could have been taken or made) by CPA and/or her attorneys and other representatives, whether in the course of investigating claims or otherwise seeking to enforce Proposition 65 against it in this matter or with respect to the Products.

5.3 California Civil Code § 1542.

It is possible that other claims not known to the Parties arising out of the facts alleged in the Notice and relating to the Products will develop or be discovered. CPA on behalf of itself only, on one hand, and GFV, on the other hand, acknowledge that this Agreement is expressly intended to cover and include all such claims up through the Effective Date, including all rights of action therefor. The Parties acknowledge that the claims released in §§ 5.1 and 5.2, above, may include unknown claims, and nevertheless waive California Civil Code § 1542 as to any such unknown claims. California Civil Code § 1542 reads 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.

CPA and GFV each acknowledge and understand the significance and consequences of this specific waiver of California Civil Code § 1542.

6. 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 GFV shall have no further obligations pursuant to 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 personally delivered or sent by:

(i) electronic mail; or (ii) overnight courier on any party by the other party at the following addresses:

For Garza Food Ventures, LLC.:

Christopher Denney, Esq.
Dechert LLP
3000 El Camino Real,
Five Palo Alto Square, Suite 650
Palo Alto, CA 94306

For Clean Product Advocates, LLC:

Elham Shabatian Esq.
Cliffwood Law Firm, PC
12100 Wilshire Blvd, Suite 800
Los Angeles, CA 90025

Any party, from time to time, may specify in writing to the other party a change of address or electronic mail to which all notices and other communications shall be sent.

8. 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.

9. 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.

10. MODIFICATION

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

11. 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.


Agreed to as to form:

Date: August 9, 2023

/s/ Christopher Denney

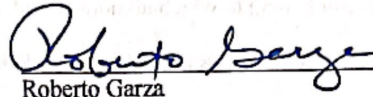
Christopher Denney
Dechert LLP
Attorney for
Garza Food Ventures, LLC

Date: August 28, 2023


Elham Shabatian, Esq.
Cliffwood Law Firm, PC
Attorney for
Clean Product Advocates, LLC

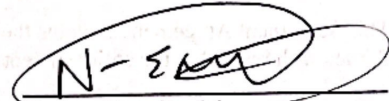
Agreed to as to substance:

SPT
Date: August 11, 2023



Roberto Garza
Garza Food Ventures, LLC
General Counsel

SPT 12
Date: August 12, 2023



Narjees Esmailzadeh
Clean Product Advocates, LLC
Director