

SETTLEMENT AND RELEASE AGREEMENT

1. INTRODUCTION

1.1. Clean Product Advocates, LLC and CPF Legacy, LLC dba C. Pacific

This agreement (“Settlement Agreement”) is entered into by and between Clean Product Advocates, LLC (“CPA”), on the one hand, and CPF Legacy, LLC dba C. Pacific (“C. Pacific”), on the other hand, with CPA and C. Pacific collectively referred to as the “Parties.”

1.2. General Allegations

CPA alleges that C. Pacific manufactured, imported, distributed, and sold or offered for sale in the State of California “Jackpot Winter Bamboo Shoots” 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.

1.3. Product Description

The products that are covered by this Settlement Agreement are defined as Jackpot Winter Bamboo Shoots, including but not limited to UPC #464067851249, that C. Pacific has manufactured, imported, distributed, and sold or offered for sale in California. All such items shall be referred to herein as the “Products.”

1.4. Notice of Violation

On June 22, 2023, CPA served New Taiwan Trading Corp., C. Pacific, China Pacific Foods, Inc., Rongcheng Trading LLC, CJ United Food Corporation, and Asia Supermarket 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 Intent to Sue” (“Notice”) that provided C. Pacific and such public enforcers with notice that C. Pacific was allegedly in violation of Proposition 65 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.

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 C. Pacific’s compliance with Proposition 65. C. Pacific denies the material, factual, and legal allegations contained in the Notice and maintains that all products that it has manufactured, imported, distributed, and sold or offered for sale in California, including the Products, have been and are in compliance with Proposition 65 and all

other statutory, regulatory, or common law requirements or doctrines. Nothing in this Settlement Agreement shall be construed as an admission by C. Pacific of any fact, finding, conclusion, issue of law, or violation of law; nor shall compliance with this Settlement Agreement constitute or be construed as an admission by C. Pacific of any fact, finding, conclusion, issue of law, or violation of law, such being specifically denied by C. Pacific. However, nothing in this section shall diminish or otherwise affect the obligations, responsibilities, and duties of C. Pacific 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 by all Parties hereto.

2. INJUNCTIVE RELIEF: REFORMULATION AND WARNINGS

As of the Effective Date, C. Pacific, at its sole discretion, agrees to either (a) cease selling, offering for sale or distributing the Products in California, (b) manufacture, import, or otherwise source for authorized sale in California only Reformulated Products, as defined pursuant to Section 2.1 below, or (c) provide a clear and reasonable Proposition 65 warning on the Products pursuant to Section 2.2 below.

2.1. Reformulation Standards Option

The Products shall be deemed to comply with Proposition 65 with regard to lead and be exempt from any Proposition 65 warning requirements for lead if the Products’ serving size does not exceed 0.5 micrograms of lead (“Reformulated Products”). Products that were already in the stream of commerce as of 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.

For the Purpose of this Settlement Agreement, the amount of lead a person is exposed to from the Products 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).

2.2. Warning Option

Products that do not fall within the warning exemption standard set forth in Section 2.1 above shall be accompanied by a warning as described in Section 2.3 below. This warning requirement shall only be required as to Products that are manufactured, distributed, marketed, imported, sold, shipped for sale or offered for sale to consumers by C. Pacific in the State of California. No Proposition 65 warning shall be required for any Products already in the stream of commerce as of the Effective Date, and all such Products are hereby deemed to be exempt from Proposition 65 enforcement and are expressly subject to the releases provided in Section 5.

2.3. Warning Language

(a) Where required to meet the criteria set forth in Section 2.2, C. Pacific shall display either of the following warning statements, enclosed in a box, on the packaging label of the Products that do not meet the warning exemption standard set forth in Section 2.1 above:

WARNING: Consuming this product can expose you to 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

WARNING: Cancer and Reproductive Harm- www.P65Warnings.ca.gov/food

C. Pacific may include the names of additional chemicals in the warning if they are present in the Products at a level that C. Pacific reasonably believes would require a Proposition 65 warning.

(b) The requirements for warnings, set forth in subsection (a) above, are imposed pursuant to the terms of this Settlement Agreement. The Parties recognize that these are not the exclusive methods of providing a warning under Proposition 65 and its implementing regulations. C. Pacific shall be deemed to be in compliance with the warning requirements of this Settlement Agreement by either adhering to this Section 2.3 or by complying with the Proposition 65 warning requirements adopted by the State of California Office of Environmental Health Hazard Assessment (“OEHHA”) as of or after the Effective Date.

(c) If Proposition 65 warnings for lead should no longer be required, C. Pacific shall have no further obligations pursuant to this Settlement Agreement.

(d) INTERNET - Products directly sold by C. Pacific on the Internet to persons located in California shall also provide the warning message by a clearly marked hyperlink on the product display page, or otherwise prominently displayed to the purchaser before the purchaser completes his or her purchase of the Product.

(e) FOREIGN LANGUAGE - If the Product has “consumer information” (as defined in 27 CCR § 25600.1(c)) in a foreign language, then the package must also contain the WARNING in that foreign language.

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

In full satisfaction of all potential civil penalties and attorneys’ fees, costs and any other expenses incurred by CPA or its counsel, C. Pacific shall pay the total Settlement amount of Seventeen Thousand Dollars (\$17,000.00) (The “Settlement Amount”) as set forth below.

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

One Thousand Dollars of the Settlement Amount shall be considered a “civil penalty” pursuant to California Health and Safety Code § 25249.7(b). C. Pacific shall issue two separate checks within two weeks of the Effective Date (assuming C. Pacific’s timely receipt of required tax

documentation) for a total amount of One Thousand Dollars (\$1,000.00) as follows, and all payments shall be delivered to the addresses listed below.

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 (\$750.00), 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 (\$250.00), representing 25% of the total civil penalty.

3.2 Attorney's Fees and Costs:

Sixteen Thousand Dollars (\$16,000.00) of the total Settlement Amount shall be paid to Cliffwood Law Firm, PC within two weeks of the Effective Date (assuming C. Pacific's timely receipt of required tax documentation), as CPA's attorneys, for reasonable investigation fees and costs, attorneys' fees, and any other cost incurred as a result of investigating and bringing this matter to C. Pacific'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 #2023-01801") at the following address by United States Postal Service Delivery:

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 3.2, shall be delivered to:

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

4.4 Tax Documentation

C. Pacific agrees to provide a completed IRS 1099 for its payments to, and CPA agrees to provide IRS W-9 forms for, each of the payees under this Settlement Agreement, including CPA and Cliffwood Law Firm. The Parties acknowledge that C. Pacific cannot issue any settlement payments pursuant to Section 4 until after C. Pacific receives all of the requisite W-9 forms from CPA's counsel.

5. RELEASE OF ALL CLAIMS

5.1. CPA's Release of C. Pacific, Downstream Customers and Upstream Vendors

This Settlement Agreement is a full, final, and binding resolution of all claims under Proposition 65 between CPA, on its own behalf and not on behalf of the public, and C. Pacific of any violation of Proposition 65 that was or could have been asserted by CPA, on its own behalf, on behalf of its past and current agents, representatives, attorneys, successors and assignees, against C. Pacific and each of its respective parents, subsidiaries, affiliated entities under common ownership, directors, officers, members, employees, attorneys, and each entity to whom C. Pacific directly or indirectly distributes, offers for sale or sells the Products, including, but not limited to, its downstream distributors, wholesalers, customers, retailers, franchisees, cooperative members and licensees, including, but not limited to, New Taiwan Trading Corp. and Rongcheng Trading LLC (collectively "Releasees") based on the alleged failure to warn about exposures under Proposition 65 in the Products manufactured, imported, distributed, sold or offered for sale in California by C. Pacific before the Effective Date, as alleged in the Notice.

In further consideration of the promises and agreements herein contained, CPA on its own behalf and not on behalf of the public, on behalf of its past and current agents, representatives, attorneys, successors and assignees hereby waives any and all rights it may have to institute or participate in, directly or indirectly, any form of legal action and releases all claims against C. Pacific and Releasees including, without limitation, all actions and causes of action, suits, liabilities, demands, obligations, damages, costs, fines, penalties, losses or expenses including, but not exclusively, investigation fees, expert and attorneys' fees arising under Proposition 65 with respect to the alleged or actual failure to warn about exposures required under Proposition 65 in the Products manufactured, imported, distributed, sold or offered for sale by C. Pacific, before the Effective Date.

5.2 C. Pacific's Release of CPA

C. Pacific, on behalf of itself, its past and current agents, representatives, attorneys, successors and/or assignees, hereby waives any and all claims against CPA, its attorneys and other representatives, for any and all actions taken or statements made by CPA and/or its 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 C. Pacific, on the other hand, acknowledge that this Settlement Agreement is expressly intended to cover and include all such claims up through the Effective Date, including all rights of action thereof. 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 C. Pacific each acknowledge and understand the significance and consequences of this specific waiver of California Civil Code § 1542.

6. PUBLIC BENEFIT

It is C. Pacific's understanding that the commitments it has agreed to herein, and actions to be taken by C. Pacific under this Settlement Agreement, would confer a significant benefit to the general public, as set forth in California Code of Civil Procedure § 1021.5 and California Code of Regulations tit. 11, § 3201. As such, it is the intent of C. Pacific that to the extent any other private party initiates an action alleging a violation of Proposition 65 with respect to C. Pacific's failure to provide a warning concerning exposure to lead prior to use of the Products it has manufactured, distributed, sold, or offered for sale in California, or will manufacture, distribute, sell, or offer for sale in California, such private party action would not confer a significant benefit on the general public as to those Products addressed in this Settlement Agreement, provided that C. Pacific is in material compliance with this Settlement Agreement.

7. 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, preempted, or is otherwise rendered inapplicable or limited by reason of law generally, or as to the Products, then C. Pacific shall have no further obligations pursuant to this Settlement Agreement.

8. REPORT OF THE SETTLEMENT AGREEMENT

Pursuant to Health & Safety Code § 25249.7(f), CPA shall report this Settlement Agreement to the California Attorney General's Office within five (5) days of the Effective Date.

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

For C. Pacific:

Weiss, Malcolm C., Esq. (mweiss@huntonak.com)
MikoLevine, Jennifer, Esq. (jmikolevine@huntonak.com)
Hunton Andrews Kurth LLP
550 South Hope Street, Suite 2000
Los Angeles, CA 90071

For Clean Product Advocates, LLC:

Elham Shabatian Esq. (ellie@cliffwoodlaw.com)
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.

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. SEVERABILITY

If, subsequent to the execution of this Settlement Agreement, any of the provisions of this Settlement Agreement are deemed by a court to be unenforceable, the validity of the enforceable provisions remaining shall not be adversely affected, but only to the extent the deletion of the provision deemed unenforceable does not materially affect or otherwise result in the effect of the Settlement Agreement being contrary to the Parties' intent in entering into this Settlement Agreement.

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 all related prior discussions

13. MODIFICATION

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

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.

Agreed to:

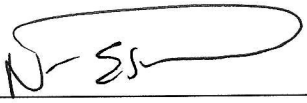
Date: December , 2023
December 5, 2023

Signature:  _____

Name: Samuel Chan

Title: CFO

Date: December, 2023
12/5/2023

Signature:  _____

Name: Nages Edmiljade

Title: Director CPA