

SETTLEMENT AGREEMENT

1. INTRODUCTION

1.1 The Parties. This Settlement Agreement is entered into by and between Armsco, Inc. (“Armsco”), Griffon Ventures, Inc. (“Griffon”), Next Petroleum (together, “Service Station Entities”), and Ramy Eden (“Eden”). The Service Station Entities and Eden are collectively referred to as the “Parties.” Eden is an individual who resides in the State of California and seeks to promote awareness of exposures to toxic chemicals and to improve human health by reducing or eliminating hazardous substances present at commercial establishments as well as those contained in consumer products. Eden alleges that the Service Station Entities are persons in the course of doing business for purposes of the Safe Drinking Water and Toxic Enforcement Act of 1986, Health & Safety Code § 25249.6, et seq. (“Proposition 65”).

1.2 Notices of Violation. Eden served the Service Station Entities and various public enforcement agencies and with notices of violation regarding the respective service stations that the Service Station Entities own and/or operate. Such notices were served on Griffon on July 7, 2023; on Armsco on July 20, 2023; and on Next Petroleum on July 25, 2023. These notices (collectively, “Notices”) alleged that the Service Station Entities were in violation of California Health & Safety Code § 25249.6 for exposing individuals to the chemical unleaded gasoline at the location set forth in the Service Station Entities’ respective Notice(s) without first providing such individuals with the health hazard exposure warning required by Proposition 65. To date, no public enforcer has diligently prosecuted the allegations set forth in the Notices. The Notices alleged that unleaded gasoline is listed pursuant to Proposition 65 as a chemical known to the State of California to cause cancer.

1.3 General Allegations. Eden alleges that the Service Station Entities exposed individuals to the chemical unleaded gasoline at the location set forth in the Service Station Entities’ respective Notice(s) without first providing individuals the health hazard exposure warning required by Proposition 65. Unleaded gasoline is listed pursuant to Proposition 65 as a chemical known to the State of California to cause cancer.

1.4 Description of Subject Locations. The locations covered by this Settlement Agreement are the service stations identified under the “Location(s)” column of Exhibit 1 to each of the Notices (“Subject Locations”).


1.5 No Admission. the Service Station Entities deny the material, factual, and legal allegations

contained in the notices of violation and maintain that, to the best of their knowledge, the Subject Locations have been and are in compliance with all laws. Nothing in this Settlement Agreement shall be construed as an admission by the Service Station Entities 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 the Service Station Entities of any fact, finding, conclusion, issue of law or violation of law, such being specifically denied by the Service Station Entities. However, this section shall not diminish or otherwise affect the obligations, responsibilities and duties under this Settlement Agreement. Notwithstanding the allegations in the Notices, the Service Station Entities maintain that they have not violated Proposition 65.

1.6 Effective Date. The Settlement Agreement shall only become effective if, as of September 29, 2023, no public enforcer has commenced prosecuting any of the allegations set forth in any of the Notices. The term “Effective Date” shall mean the later of the following dates: (a) September 29, 2023 (so long as, by that date, no public enforcer has commenced prosecuting any of the allegations set forth in any of the Notices); and (b) the date on which Eden executes and returns this Settlement Agreement to Service Station Entities.

2. **INJUNCTIVE RELIEF: WARNINGS**

2.1 Clear and Reasonable Warning. As of the Effective Date, and continuing thereafter, a clear and reasonable exposure warning as set forth in this § 2.1 must be provided at each of the Subject Locations so long as at least one of the Service Station Entities is “doing business” (as that term is used in California Health and Safety Code section 25249.6) at that Subject Location. The warning shall consist of the following text:

 **WARNING:** Breathing the air in this area or skin contact with petroleum products can expose you to chemicals including benzene, motor vehicle exhaust and carbon monoxide, which are known to the State of California to cause cancer and birth defects or other reproductive harm. Do not stay in this area longer than necessary. For more information go to www.P65Warnings.ca.gov/service-station

The words “**WARNING:**” shall be in all capital letters and in bold font, followed by a colon. The warning symbol to the left of the words “**WARNING:**” shall be a black exclamation point in a yellow equilateral triangle with a black outline. The symbol must be in a size no smaller than the height of the words “**WARNING:**”.

The warning shall be posted on a sign at each gas pump at the Subject Location and the warning must be printed in no smaller than 22-point type and be enclosed in a box. If other signage at the Subject Location is

provided for the public in a language other than English, the warning must be provided in English and that other language.

2.2 Compliance with Warning Regulations. The Parties agree that the Service Station Entities shall be deemed to be in compliance with this Settlement Agreement by either adhering to § 2.1 of this Settlement Agreement or by providing warnings that comply with Health and Safety Code § 25249.6 or by complying with warning requirements adopted by the State of California’s Office of Environmental Health Hazard Assessment (“OEHHA”) after the Effective Date.

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

Pursuant to California Health and Safety Code § 25249.7(b)(2), and in settlement of all the claims alleged in the Notices or referred to in this Settlement Agreement, the Service Station Entities shall collectively pay a total of nine thousand dollars (\$9,000.00) as a Civil Penalty in accordance with this Section. The Civil Penalty payment shall be allocated in accordance with California Health & Safety Code §§ 25249.12(c)(1) and (d), with 75% of the Civil Penalty remitted to OEHHA and the remaining 25% of the Civil Penalty remitted to Eden. The Civil Penalty payments shall be delivered to the addresses identified in § 3.2, below. The Service Station Entities shall be jointly and severally liable for payment of the Civil Penalty.

3.1 Date for Payment of Civil Penalty. Within three (3) days of the Effective Date, the Service Station Entities shall collectively issue two separate checks for the Civil Penalty payment: one check made payable to “OEHHA” in the amount of six thousand seven hundred fifty dollars (\$6,750.00); and one check made payable to “Ramy Eden” in the amount of two thousand two hundred fifty dollars (\$2,250.00). The Civil Penalty payment(s) shall be delivered to the addresses identified in § 3.2, below.

3.2 Payment Procedures.

(a) Issuance of Payments. Payments shall be delivered as follows:

(i) All payments owed to Eden, pursuant to § 3, shall be delivered to address set forth in Eden’s IRS Form W-9;

(ii) All payments owed to OEHHA pursuant to § 3 shall be delivered directly to OEHHA (Memo Line “Prop 65 Penalties”) at the following addresses:

For United States Postal Service Delivery:

Mike Gyurics
Fiscal Operations Branch Chief
Office of Environmental Health Hazard Assessment

P.O. Box 4010
Sacramento, CA 95812-4010

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

(b) Copy of Payments to OEHHA. The Service Station Entities agree to provide Eden’s counsel with a copy of checks payable to OEHHA, simultaneous with their penalty payments to Eden, which copy shall be delivered to the address provided in § 8(a), as proof of payment to OEHHA.

(c) Tax Documentation. The Service Station Entities agree to provide a completed IRS 1099 for their payments to, and Eden agrees to provide IRS W-9 forms for, each of the following payees under this Settlement Agreement:

- (i) “Ramy Eden” whose address and tax identification number shall be provided within five (5) days after this Settlement Agreement is fully executed by the Parties;
- (ii) “Jarrett Charo APC” (EIN: 84-2408511) at the address provided in Section 8(a); and
- (iii) “Office of Environmental Health Hazard Assessment” (EIN: 68-0284486) 1001 I Street, Sacramento, CA 95814.

Eden shall be solely responsible for any tax liability he may have as a result of his receipt of payments the Service Station Entities make to him pursuant to this Settlement Agreement.

4. REIMBURSEMENT OF FEES AND COSTS

The Parties acknowledge that Eden and his counsel offered to reach preliminary agreement on the material terms of this dispute before reaching terms on the amount of fees and costs to be reimbursed to them. The Parties thereafter reached an accord on the compensation due to Eden and his counsel under general contract principles and the private attorney general doctrine and principles codified at California Code of Civil Procedure § 1021.5, for all work performed through the settlement of this matter. Under these legal principles, the Service Station Entities shall reimburse Eden’s counsel for fees and costs incurred as a result of investigating and bringing this matter to the Service Station Entities’ attention and negotiating a settlement in the public interest. Within three (3) days of the Effective Date, Service Station Entities shall collectively issue one check payable to “Jarrett

Charo APC” in the amount of twenty-seven thousand dollars (\$27,000.00) and deliver it to the address identified in § 8(a), below. The Service Station Entities shall be jointly and severally liable for this payment.

5. RELEASE OF ALL CLAIMS

5.1 Release of the Service Station Entities and affiliated entities. This Settlement Agreement is a full, final and binding resolution between Eden, acting solely on his own behalf, and the Service Station Entities of any violation of Proposition 65 that was or could have been asserted by Eden or on behalf of his past and current agents, representatives, attorneys, successors, and/or assigns (“Releasers”) against the Service Station Entities and each of its respective parents, subsidiaries, assigns, predecessors, successors, affiliated entities, directors, officers, members, employees, agents, and attorneys (“Releasees”), based on the alleged failure to warn about exposures to unleaded gasoline under Proposition 65 at the Subject Locations up through the Effective Date, as alleged in the Notices. Compliance with the terms of this Settlement Agreement constitutes compliance with Proposition 65 with respect to exposures to unleaded gasoline at the Subject Locations, as set forth in the notices of violation.

5.2 The Service Station Entities’ Release of Eden. The Service Station Entities, on behalf of themselves, their past and current agents, representatives, attorneys, successors and/or assignees, each hereby waive any and all claims against Eden, his attorneys and other representatives, for any and all actions taken or statements made (or those that could have been taken or made) by Eden and/or his attorneys and other representatives, whether in the course of investigating claims, otherwise seeking to enforce Proposition 65 against them in this matter, or with respect to the Subject Locations.

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 Notices and relating to alleged violations of Proposition 65 at the Subject Locations will develop or be discovered. Eden on behalf of himself only, on one hand, and the Service Station Entities, 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 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.

Eden, and the Service Station Entities each acknowledge and understand the significance and consequences of this specific waiver of California Civil Code § 1542.

5.5. Public Benefit. It is the Service Station Entities' understanding that the commitments agreed to herein, and the actions they are to take 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 the Service Station Entities that to the extent any other private party initiates an action alleging a violation of Proposition 65 with respect to the Service Station Entities' alleged failure to provide Proposition 65 service station warnings at the Subject Locations, such private party action would not confer a significant benefit on the general public as to the Subject Locations addressed in this Settlement Agreement, provided that the Service Station Entities is in material compliance with this Settlement Agreement.

5.6 No Pending Claims. Other than the material, factual, and legal allegations contained in the notices of violation, Eden: (a) is not aware of any complaint, claim or action pending by him, or by any other person or entity, against the Releasees in any federal, state or local court or government agency or before any arbitrator or other tribunal; (b) is not aware of any conduct by any of the Releasees which Eden believes violated or currently violates any law, rule, regulation, or public policy; and (c) has no present intention of participating in any claim against the Releasees for the material, factual, or legal allegations contained in the notices of violation.

6. 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 intent of the Parties in entering into this Settlement Agreement.

7. GOVERNING LAW

The terms of this Settlement Agreement shall be governed by the law 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 unleaded gasoline, then the Service Station Entities

may provide written notice to Eden of any asserted change in the law, and shall have no further obligations pursuant to this Settlement Agreement with respect to, and to the extent that, the Subject Locations are so affected.

8. NOTICES

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

(a). For Eden:

Jarrett S. Charo
Jarrett Charo APC
4079 Governor Drive, No. 1018
San Diego, CA 92122
jcharo@charolaw.com

(b). For Service Station Entities:

For Armsco:

Ali M. Mahmoodi
PO Box 2090
San Ramon, CA 94583
ali6051@aol.com

For Griffon:

Ali Mahmoodi
3180 Stonegate Drive
Alamo, CA 94507
alim@falcoinc.net

For Next Petroleum:

Mehdi Mahmoodi
PO Box 1006
San Ramon, CA 94583
mehdi@nextpetro.com

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

9. COUNTERPARTS: SIGNATURES

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

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

Eden agrees to comply with the reporting requirements referenced in California Health & Safety Code § 25249.7(f).

11. MODIFICATION

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

12. ENTIRE AGREEMENT

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.

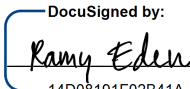
13. AUTHORIZATION

The undersigned are authorized to execute this Settlement Agreement and have read, understood, and agree to each of the terms and conditions contained of this Settlement Agreement.

Agreed and accepted:

9/22/2023


Date:

By:  _____
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Ramy Eden

Agreed and accepted:

9/24/2023

Date:

By:  _____
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Ali M. Mahmoodi, CEO of Armsco, Inc., on behalf of Armsco, Inc.

Agreed and accepted:

9/27/2023

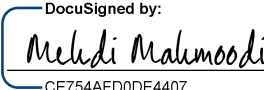
Date:

By:  _____
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Ali Mahmoodi, CEO of Griffon Ventures, Inc., on behalf of Griffon Ventures, Inc.

Agreed and accepted:

9/22/2023

Date:

By:  _____
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Mehdi Mahmoodi, CEO of Next Petroleum, on behalf of Next Petroleum