

SETTLEMENT AND RELEASE AGREEMENT

1. **INTRODUCTION**

1.1. **Parseghian and Craize Snacks, 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 Craize Snacks, Inc. ("Craize"), on the other hand, with Parseghian and Craize collectively referred to as the "Parties."

1.2. **General Allegations**

Parseghian alleges that Craize manufactured and distributed and offered for sale products in the State of California, which contain Lead, and that such sales have not been accompanied by Proposition 65 warnings. Lead is listed under Proposition 65 as a chemical known to the State of California to cause cancer and birth defects or other reproductive harm.

1.3. **Product Description**

The products covered by this Settlement Agreement is: Craize – Authentic Flavor. Limitless Possibilities – Seeded – Toasted Corn Crackers – Extra Thin & Crunchy; UPC #: 8 60001 57492 0, that Craize has sold, offered for sale, manufactured, or distributed in California. All such items shall be referred to herein as the "Covered Product."

1.4. **Notice of Violation**

On July 10, 2024, Parseghian served Craize 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 Craize and such public enforcers with notice that Craize 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 Craize's compliance with Proposition 65. Specifically, Craize denies the material factual and legal 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 Craize 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 Craize of any fact, finding, conclusion, issue of law, or violation of law, such being specifically denied by Craize. However, nothing in this section shall diminish or otherwise affect the obligations, responsibilities, and duties of Craize 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.

1.7 **Compliance Date**

For purposes of this Settlement, the term "Compliance Date" means one hundred and twenty (120) days from the Effective Date.

2. INJUNCTIVE RELIEF: WARNINGS AND REFORMULATION

Beginning on or before the Compliance Date, Craize agrees to distributing, or directly selling in the State of California only Covered Products that result in exposures of a "Daily Lead

Exposure Level” of more than 0.5 micrograms of lead per day, unless such Covered Products comply with the warning requirements under Section 2.2.

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 Craize 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 is already in the stream of commerce or has left the possession, and is no longer under the control of Craize as of the Compliance Date, and all claims as to such Covered Product is released in this Settlement Agreement.

For purposes of this Settlement Agreement, "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 as stated on the label, multiplied by servings of the product per day stated 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

Commencing on the Compliance Date, if Craize 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 <http://www.p65warnings.ca.gov/food>

Craize shall use the phrase "cancer and" in the Warning if Craize has reason to believe that the daily lead exposure is greater than 15 micrograms.

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. 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. The warning must be set off from other surrounding information, enclosed in a box. If consumer information on the package is in a foreign language, the warning must also be provided in the foreign language. 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 comply with the Safe Harbor Provisions, applicable to the Covered Product and chemical at issue, as those regulations may be amended from time to time.

3. PENALTIES PURSUANT TO HEALTH & SAFETY CODE SECTION

25249.7(b)

In settlement of all the claims referred to in this Settlement Agreement, \$2,500.00 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% (i.e., \$1,875.00) of the funds remitted to the California Office of Environmental Health Hazard Assessment (“OEHHA”) and the remaining 25% (i.e., \$625.00) of the penalty remitted to Parseghian.

4. REIMBURSEMENT OF FEES AND COSTS

In settlement of all the claims referred to in this Settlement Agreement, \$20,000.00 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.

5. PAYMENT INFORMATION:

Craize shall send all payments payable to “KJT Law Group,” via certified mail, unless other payment transmittal directions are provided. Upon receipt, KJT Law Group will distribute the civil penalty payments to OEHHA and Parseghian. The payment schedule is as follows:

- \$12,500.00 due fourteen (14) days after the Effective Date;
- \$2,500.00 due on or before November 30, 2024;
- \$2,500.00 due on or before December 30, 2024;
- \$2,500.00 due on or before January 30, 2025;
- \$2,500.00 due on or before February 28, 2025;

All payments owed shall be payable and delivered to the following payment address:

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

6. RELEASE OF ALL CLAIMS

6.1. Release of Craize, 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 Craize, and its respective equity owners, parents, subsidiaries, affiliates, sister and related entities, successors and assigns (collectively "Releasees") and any and all upstream manufacturers, vendors, ingredient suppliers, distributors, wholesalers, licensors, licensees, and retailers (specifically, but not limited to Bristol Farms) including but not limited to franchisees, dealers, customers, owners, purchasers, users (collectively "Upstream and Downstream Releasees") and their respective officers, directors, attorneys, representatives, shareholders, agents, and employees and sister and parent entities for injunctive relief or damages, penalties, fines, sanctions, mitigation, fees (including fees of attorneys, experts and others), costs, expenses, or any other sum incurred or claimed, for any alleged violations of Proposition 65, or any other alleged violation of statutory or common law, arising from Craize, Releasees or Upstream or Downstream Releasees to provide clear, accurate and reasonable warnings under Proposition 65 regarding exposure to lead arising from the sale,

distribution or use of any Covered Products sold, manufactured or distributed by Craize, Releasees or Upstream or Downstream Releasees in California, up through the Compliance Date.

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. California Civil Code section 1542 provides:

“A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.”

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.

8. 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 Craize: Shelly Garg
Garg Law PLLC
7150 East Camelback Road, Suite 444
Scottsdale, AZ 85251

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.

9. 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.

10. 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.

11. MODIFICATION

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

12. 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.

13. 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 10/21/2024.

DocuSigned by:
BERJ PARSEGHIAN
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Berj Parseghian

Executed on 10 / 22 / 2024.

Craize Snacks, LLC



By: Leonardo Cotter
Its:

CEO