

SETTLEMENT AGREEMENT

1. INTRODUCTION

1.1 Parties

This Settlement Agreement is entered into by and between CalSafe Research Center, Inc. (“CRC”), on the one hand, and Catalina Snacks, Inc. (“Catalina Snacks”) on the other hand, with CRC and Catalina Snacks (each individually referred to as a “Party” and collectively as the “Parties”).

1.2 General Allegations

CRC alleges that Catalina Snacks sells and/or distributes in California certain products, specified in Section 1.3 below, containing lead without a warning as required by Health and Safety Code §§ 25249.5 *et seq.* (“Proposition 65”). Lead is listed pursuant to Proposition 65 as a chemical known to cause cancer and birth defects or other reproductive harm. Catalina Snacks denies these allegations and denies having violated Proposition 65 or any other law or regulation.

1.3 Product Descriptions

The product covered by this Settlement Agreement is defined as, and expressly limited to, “Catalina Crunch, Cinnamon Toast Keto Cereal (UPC# 860479001522)” (the “Product(s)”).

1.4 Notice of Violation

On June 20, 2025, CRC served a 60-Day Notice of Violation (“the Notice”) on Catalina Snacks, the California Attorney General and the other requisite public enforcers, alleging that Catalina Snacks and others violated Proposition 65 when they failed to warn consumers in California of the alleged exposures to lead from the Product. Catalina Snacks denies these allegations.

To the best of the Parties’ knowledge, no public enforcer has commenced or is diligently prosecuting an action to enforce the violations alleged in the Notice.

1.5 No Admission

Catalina Snacks denies the material, factual and legal allegations in the Notice and maintains that all of the Product it sold and/or distributed for sale in California, have been, and are, in compliance with all laws. Nothing in this Settlement Agreement shall be construed as an admission by Catalina Snacks or any of its officers, directors, shareholders, employees, agents, parent companies, subsidiaries, divisions, affiliates, franchisees, licensees, customers, suppliers, distributors, wholesalers, or retailers 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 Catalina Snacks or any of its officers, directors, shareholders, employees, agents, parent companies, subsidiaries, divisions, affiliates, franchisees, licensees, customers, suppliers, distributors, wholesalers, or retailers of any fact, finding, conclusion, issue of law or violation of law, such being specifically denied by Catalina Snacks. This Section shall not, however, diminish or otherwise affect Catalina Snacks’ obligations, responsibilities, and duties 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

2.1 Clear and Reasonable Warnings or Safe Harbor Requirements

Commencing 120 days after the Effective Date, Catalina Snacks shall be permanently enjoined from manufacturing for sale in the State of California, “Distributing into the State of California,” or directly selling in the State of California, Product (defined above) that expose a person to an exposure level of more than 0.5 micrograms of lead per serving with serving size measured by the serving size specified on the label of the Product.

As used in this Settlement Agreement, the term “Distributing 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 that Catalina Snacks knows or has reason to know will sell the Products in California.

Products that are manufactured, packed, or labeled prior to the Effective Date shall be permitted to be sold as previously manufactured, packed, or labeled.

3. MONETARY SETTLEMENT TERMS

3.1 Total Settlement Payment

In full satisfaction of all potential civil penalties, attorneys’ fees, and costs, Catalina Snacks shall make a total settlement payment of Twenty-Three Thousand Dollars **(\$23,000.00)** (“Total Settlement Amount”). The Total Settlement Amount shall be apportioned into a Civil Penalty and Attorney’s Fees and Costs as set forth in Sections 3.2 and 3.3 below. Other than the payment specified herein, each side is to bear its own attorneys’ fees and costs.

3.2 Civil Penalty Payment

Pursuant to Health and Safety Code § 25249.7(b)(2), and in settlement of all claims alleged in the Notice or referred to in this Settlement Agreement, Catalina Snacks agrees to pay Two Thousand Three Hundred Dollars **(\$2,300.00)** in civil penalties. The penalty payment will be allocated in accordance with California Health and Safety Code §§ 25249.12(c)(1) & (d), with 75% of the penalty amount paid to the California Office of Environmental Health Hazard Assessment (“OEHHHA”) and the remaining 25% of the penalty amount retained by CRC. Within fifteen (15) days of the Effective Date, Catalina Snacks shall, pursuant to the instructions below, wire to CRC the amount of Five Hundred and Seventy-Five Dollars **(\$575.00)**, and One Thousand Seven Hundred and Twenty-Five Dollars **(\$1,725.00)**. CRC will then distribute the civil penalties to the appropriate agencies.

All penalty payments shall be sent via wire to CRC:

Wire Instructions:

Account Name: The Law Offices of Joseph R. Manning
Bank Name: J.P. Morgan Chase Bank, N.A.
Bank Address: 2967 Michelson Dr, Ste A, Irvine, CA 92612
Wire Routing / ABA Number: 021000021
Swift Code: CHASUS33
Account Number: 579068902

For further benefit of: Civil Penalty Payment File No. P65-1193.

3.3 Attorney Fees and Costs

The Parties reached an accord on the compensation due to CRC and its counsel under the private attorney general doctrine and principles of contract law. Under these legal principles, within fifteen (15) days of the Effective Date, Catalina Snacks agrees to pay Twenty-Thousand Seven Hundred Dollars (\$20,700.00) to CRC and its counsel for all fees and costs incurred in investigating, bringing this matter to the attention of Catalina Snacks, and negotiating a settlement.

The payment shall be sent via wire to:

Wire Instructions:

Account Name: The Law Offices of Joseph R. Manning
Bank Name: J.P. Morgan Chase Bank, N.A.
Bank Address: 2967 Michelson Dr, Ste A, Irvine, CA 92612
Wire Routing / ABA Number: 021000021
Swift Code: CHASUS33
Account Number: 579068902
For further benefit of: Attorney's Fees and Costs File No. P65-1193.

3.4 Tax Documentation

Manning Law agree to provide IRS W-9 forms for each of the payees under this Agreement. The Parties acknowledge that Catalina Snacks cannot issue any settlement payments pursuant to Section 3 above until after Catalina Snacks receives the requisite W-9 forms from CRC's counsel.

4. CLAIMS COVERED AND RELEASED

4.1 CRC's Release of Catalina Snacks

CRC, acting on its own behalf and not on behalf of the public, fully releases and discharges Catalina Snacks and its franchisees, licensees, customers, suppliers, and distributors, including Target Corporation, and each of their respective officers, directors, shareholders, employees, agents, parent companies, subsidiaries, divisions, and affiliates (the "Catalina Snacks Releasees"), and all entities to which Catalina Snacks Releasees directly or indirectly distribute or sell the Product, and any other distributors, wholesalers, customers, retailers, franchisees, licensors, and licensees, (collectively, the "Released Parties" and individually, a "Released Party"). CRC, on behalf of itself and its officers, directors, shareholders, employees, agents,

parent companies, subsidiaries and divisions hereby fully releases and discharges the Released Parties from any and all claims, actions, causes of action, suits, demands, liabilities, damages, penalties, fees, costs, and expenses asserted, or that could have been asserted based on or related to the handling, use, sale, distribution or consumption of the Product in California, as to any alleged violation of Proposition 65 or its implementing regulations in relation to the Product, including without limitation any failure to provide Proposition 65 warnings on the Products with respect to exposures to lead.

4.2 Catalina Snacks' Release of CRC

Catalina Snacks on behalf of its past and current agents, representatives, attorneys, successors and assignees hereby waives any and all claims against CRC and its attorneys and other representatives, for any and all actions taken, or statements made by CRC and its attorneys and other representatives, whether in the course of investigating claims, otherwise seeking to enforce Proposition 65 against it in this matter, or with respect to the Product.

4.3 California Civil Code Section 1542

It is possible that other claims not known to the Parties, arising out of the Notice, or relating to the Product, will develop or be discovered. CRC on behalf of itself only, and Catalina Snacks on behalf of itself only, acknowledge that this Settlement Agreement is expressly intended to cover and include all such claims up through and including the Effective Date, including all rights of action, therefore. CRC and Catalina Snacks acknowledge that the claims released in Sections 4.1 and 4.2 above may include unknown claims and nevertheless waive California Civil Code Section 1542 as to any such unknown claims. California Civil Code Section 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.

5. SEVERABILITY

In the event that any of the provisions of this Settlement Agreement are held by a court of competent jurisdiction to be unenforceable, the validity of the remaining enforceable provisions shall not be adversely affected.

6. GOVERNING LAW

The terms of this Settlement Agreement shall be governed by the laws of the State of California, without regard to its conflicts of law principals.

7. NOTICE

When any Party is entitled to receive any notice under this Settlement Agreement, the notice shall be sent by first class mail or electronic mail to the address set forth in this paragraph. Any Party may modify the person and address to whom the notice is to be sent by sending the other Party notice by certified mail, return receipt requested. Said change shall take effect on the

date the return receipt is signed by the Party receiving the change.

Notices shall be sent to:

For CRC:

Joseph R. Manning, Jr.
Manning Law, APC
26100 Towne Center Drive
Foothill Ranch, CA 92610
Tel: Office (949) 200-8757
Fax: (866) 843-8309
p65@manninglawoffice.com

For Catalina Snacks:

Brent Owen
Haynes and Boone, LLP
675 15th St #1100
Denver, CO 80202
Tel: (972) 762-7300
Fax: (303) 382-6210

Annie Nicholson
Haynes and Boone, LLP
600 Anton Blvd Suite 700
Costa Mesa, CA 92626
Tel: (949) 202-3055
Fax: (949) 202-3001

8. COUNTERPARTS: FACSIMILE SIGNATURES

This Settlement Agreement may be executed in counterparts and by facsimile or portable document format (“PDF”) signature, each of which shall be deemed an original, and all of which, when taken together, shall constitute one and the same document. Signatures by scanned and emailed image, DocuSign, or facsimile transmission shall have the same force and effect as original signature and as an electronic record adopted and executed by a Party with the intent to sign the electronic record pursuant to Civil Code §§ 1633.1 *et seq.*

9. COMPLIANCE WITH HEALTH AND SAFETY CODE § 25249.7(f)

CRC and its attorneys agree to comply with the reporting form requirements referenced in California Health and Safety Code § 25249.7(f).

10. MODIFICATION

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

11. ENTIRE AGREEMENT

This Settlement Agreement contains the sole and entire agreement and understanding 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. No representations, oral or otherwise, express or implied, other than those specifically referred to in this Settlement Agreement have been made by, or relied on, any Party.

12. INTERPRETATION

No inference, assumption or presumption shall be drawn, and no provision of this Settlement Agreement shall be construed against any Party, based upon the fact that one of the Parties and/or their counsel prepared or drafted any portion of this Settlement Agreement. It is conclusively presumed that the Parties participated equally in the drafting of this Settlement 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.

14. REPRESENTATIONS BY CRC'S COUNSEL

The following representations and warranties are made solely in connection with the Product identified in Section 1.3 and the Notice of Violation identified in Section 1.4, and do not apply to any unrelated matters or products. CRC and CRC's Counsel represent and warrant that CRC's Counsel does not currently represent any other individual in connection with Proposition 65 claims related to the Product and Notice of Violation identified in this Agreement. CRC's Counsel further represents that they have no present intention to initiate any additional legal action under Proposition 65 involving the Product and Notice of Violation addressed in this Agreement, and that they are not aware of any other individual or attorney who currently intends to bring such claims. Nothing in this Section shall be construed to prohibit CRC's Counsel from lawfully practicing law, representing clients in unrelated matters, conducting independent investigations into other products or conduct, or responding to legal obligations including subpoenas, court orders, or government agency inquiries.

AGREED TO:

Date: 10/8/2025

By: 
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CalSafe Research Center, Inc.

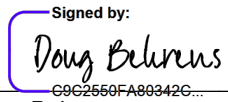
**AS TO PARAGRAPH 14 ONLY:
MANNING LAW OFFICE**

Date: 10/8/2025

By: 

AGREED TO:

Date: October 7, 2025

By: 
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 Doug Behrens CEO

Catalina Snacks, Inc.