

SETTLEMENT AND RELEASE AGREEMENT

1. INTRODUCTION

1.1. Clean Product Advocates, LLC and Southwind Foods, LLC

This Settlement Agreement ("Agreement") is entered into by and between Clean Products Advocates, LLC ("CPA"), on the one hand, and Southwind Foods, LLC ("Southwind"), on the other hand, with CPA and Southwind collectively referred to as the "Parties."

1.2. General Allegations

CPA alleges that Southwind manufactured and distributed and offered for sale in the State of California the following products:

1.2.1 Sea Scallops Water Added (CPA's 60-Day Notice of Intent to Sue ("Notice") dated March 9, 2024);

1.2.2 Stater Bros. Raw Sea Scallops (Notice dated May 19, 2025, served on Stater Bros. Markets);

1.2.3 Great American Seafood Crab & Seafood Cakes (Notice dated January 9, 2026);

1.2.4 Great American Shrimp Fajita (Notice dated December 8, 2025);

1.2.5 Great American Shrimp Kung Pao (Notice dated December 8, 2025);

1.2.6 Great American Scallops (Notice dated February 25, 2026);

1.2.7 Great American Shrimp Skillet (Notice dated January 27, 2026);

1.2.8 First Street Scallops (Notice dated January 26, 2026, served on Smart & Final Stores, LLC)

For purposes of this Agreement, the products identified in paragraphs 1.2.1 through 1.2.8 shall be referred to herein as the "Covered Products." Further, CPA agrees that, to the extent it has served retail sellers or other persons or entities with notices of violation pertaining to any other products manufactured, imported, or distributed by Southwind Foods, such products shall be considered Covered Products within the scope of this agreement.

CPA further alleges that the Covered Products contain lead or cadmium or both lead and cadmium, and that sales of the Covered Products to California consumers 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 and birth defects or other reproductive harm and cadmium as a chemical known to the State of California to cause birth defects or other reproductive harm.

Southwind denies CPA's allegations, denies that it has violated Proposition 65, and denies that it is liable to CPA under Proposition 65 or any other law.

1.3. Notices of Violation

On the dates listed in paragraphs 1.2.1 through 1.2.8, above, CPA served Southwind Foods, Great American Seafood Imports, LLC, Smart & Final LLC, Smart & Final Stores LLC, and/or Stater Bros. Markets 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 Intent to Sue" ("Notice") that provided Southwind and such public enforcers with notice that Southwind was allegedly in violation of California Health & Safety Code section 25249.6 for failing to warn consumers and customers that the Covered Products exposed users in California to lead or cadmium. To the best of the Parties' knowledge, no public enforcer has commenced or is diligently prosecuting the allegations set forth in the Notice.

1.4. No Admission

The Parties enter into this Settlement Agreement to settle disputed claims between them as set forth herein and in the Notices concerning Southwind's compliance with Proposition 65. Southwind denies the material factual and legal allegations contained in CPA's Notices and maintains that all products that it has manufactured for sale and distribution in California, including the Covered 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 Southwind 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 Southwind of any fact, binding, conclusion, issue of law, or violation of law, such being specifically denied by Southwind on its behalf. However, nothing in this section shall diminish or otherwise affect the obligations, responsibilities, and duties of Southwind under this Settlement Agreement.

1.5. Effective Date and Compliance Date.

For purposes of this Settlement Agreement, the term "Effective Date" shall mean the date this Settlement Agreement is fully executed, and the "Compliance Date" shall mean the date that is six (6) months after the Effective Date.

2. INJUNCTIVE RELIEF: REFORMULATION AND WARNINGS

As of the Effective Date, and as to each of the Covered Products, Southwind, at its sole discretion, agrees to either (a) cease selling, offering for sale or distributing the Covered Product in California, (b) manufacture, import, or otherwise source for authorized sale in California only

a Reformulated Covered Product, as defined pursuant to Section 2.1 below, or (c) provide a clear and reasonable Proposition 65 warning on the Covered Product pursuant to Section 2.2 below.

2.1. Reformulation Standards

Any of the Covered Products shall be deemed to comply with Proposition 65 with regard to lead or cadmium and be exempt from any Proposition 65 warning requirements for lead in the Covered Products if the exposure does not exceed 0.5 micrograms of lead per day and exempt from any Proposition 65 warning requirements for cadmium in the Covered Products if the exposure does not exceed 4.1 micrograms of cadmium per day as calculated below (“Reformulated Products”).

For purposes of this Agreement, the amount of lead or cadmium a person is exposed to from the Covered Product shall be calculated using the following formula: micrograms of lead or cadmium per gram of product, multiplied by grams of product per serving of the product (using the largest serving size appearing on the product label), multiplied by servings of the product per day (using the largest number of servings recommended on the product label), which equals micrograms of lead or cadmium exposure per day. If the product label does not recommend any number of servings per day, the number of servings per day shall be one.

2.2. Warning Option

Covered Products that do not meet 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 Covered Products that are manufactured, distributed, marketed, imported, sold, shipped for sale or offered for sale to consumers by Southwind in the State of California. No Proposition 65 warning shall be required for any Covered Products that are supplied or contracted to be supplied to third parties by Southwind prior to the Compliance Date, and all such Products are hereby deemed to be exempt from Proposition 65 enforcement.

2.3. Warning Language

A clear and reasonable exposure Proposition 65 Warning must be provided for Covered Product(s) that do not qualify as Reformulated Products under Section 2.1 and that Southwind distributes into the State of California after the Compliance Date. The Warning shall comply with the warning form and content requirements set forth in the Proposition 65 regulations at California Code of Regulations, title 27, division 4, chapter 1, article 6, as the same may be amended

2.4. Grace Period

2.4.1 Covered Products that were supplied or contracted to be supplied to third parties by Southwind prior to the Compliance 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.

2.4.2 The injunctive requirements of Section 2 shall not apply to Covered Products that are already in the stream of commerce as of the Effective Date, which Covered Products are expressly subject to the releases and other terms provided in Section 5. For the avoidance of doubt, Covered Products in the stream of commerce specifically include, but are not limited to, Covered Products in the process of manufacture.

2.5. Compliance With Proposition 65

The Parties agree that compliance with Proposition 65, including the regulations promulgated under Proposition 65, as the same may be modified from time to time, shall be deemed compliance with Section 2 of this Agreement.

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, Southwind shall pay the total Settlement amount of Twenty Thousand Dollars (\$20,000) (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. Southwind shall issue two separate checks within thirty (30) days of the Effective Date for a total amount of One Thousand Dollars (\$1,000) as follows, and all payments shall be delivered to the addresses listed below.

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

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

3.2 Attorney's Fees and Costs:

Nineteen Thousand Dollars (\$19,000) of the total Settlement Amount shall be paid within thirty (30) days of the Effective Date to Cliffwood Law Firm, PC, as CPA's attorneys, for reasonable investigation fees, and costs, attorney's fees, and any other costs incurred as a result of investigating and bringing this matter to Southwind's attention.

4. PAYMENT PROCEDURES

4.1 All Payments owed to OEHHA, pursuant to section 3.1.1 shall be delivered directly to OEHHA (Memo line "Prop 65 Penalties") 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 3.1.2 shall be delivered to:

CPA
% Elham Shabatian, Esq.
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, Esq.
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 Southwind, 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 past, current, and future members, owners, principals, shareholders, officers, directors, employees, parents, subsidiaries, agents, representatives, attorneys, predecessors, successors and/or assignees, agents, consultants, and any person acting in concert with or at the direction of CPA (collectively, "Releasers"), hereby waives all rights to institute or participate in, directly or indirectly, any form of legal action, and fully releases all claims and causes of action relating to the Covered 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, past, present, or future (collectively "Claims"), against (a) Southwind; (b) Great American Seafood Imports, LLC; (c) Smart & Final LLC and Smart & Final Stores LLC; (d) Stater Bros. Markets; (e) each of Southwind's downstream distributors and retail sellers in the stream of commerce; (f) 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; (g) Southwind '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 (h) the employees, shareholders, officers, directors, members, managers, equity owners, insurers, attorneys, predecessors, successors and assigns of any of the entities identified in subsections (a) through (h), 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 Southwind and the Releasees.

5.2 Representation of Legal Counsel

CPA's legal counsel, Cliffwood Law Firm, PC, hereby represents and warrants as follows:

5.2.1 That they are not, at the time of execution of this Agreement, aware of any other clients currently represented by them, or any persons or entities who are currently in the client intake process, who have a potential claim against Southwind or any of the other Releasees under Proposition 65 in regards to any of the Covered Products or any other products manufactured, imported, distributed by Southwind;

5.2.2 That they do not, at the time of execution of this Agreement, represent any other persons in connection with any potential claims against Southwind or any of the other Releasees under Proposition 65 in regards to any of the Covered Products or any other products manufactured, imported, distributed by Southwind;

5.2.3 That they have no knowledge, at the time of execution of this Agreement, of any products, other than the Covered Products, that are manufactured, imported, distributed, sold, or offered for sale in California by Releasees and that contain lead, cadmium, or any other chemicals listed under Proposition 65; and

5.2.4 That they do not, at the time of execution of this Agreement, have any intention of serving any further notices of violation of Proposition 65 or asserting any further claims under Proposition 65 against Southwind or the other Releasees.

CPA and its legal counsel, Cliffwood Law Firm, PC, acknowledge that the representations and warranties in this Section 5.2 are a material inducement for Southwind to enter into this Agreement.

5.3 Southwind's Release of CPA

Southwind, 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 (or those that could have been taken or 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 Covered Products.

5.4 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 the Covered Products will develop or be discovered. CPA on behalf of itself only, on one hand, and Southwind, on the other hand, acknowledge that this Agreement is expressly intended to cover and include all such claims up through the Compliance Date, including all rights of action thereof. The Parties acknowledge that the claims released in sections 5.1 and 5.3, 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 Southwind each acknowledge and understand the significance and consequences of this specific waiver of California Civil Code § 1542.

5.5 Further Enforcement Not in the Public Interest

CPA and its legal counsel, Cliffwood Law Firm, PC, on behalf of themselves, their agents, successors, and assigns, acknowledge and agree that, because Southwind has begun labeling the packaging of the Covered Products and other of its seafood products with Proposition 65 warnings, and so long as it continues to do so in compliance with Proposition 65, any further enforcement actions against Southwind for alleged violations of Proposition 65 that pre-date the Compliance Date would not: (a) result in the enforcement of an important right affecting the public interest; (b) confer a significant benefit, whether pecuniary or nonpecuniary, on the general public or a large class of persons; or (c) be necessary to enforce Proposition 65 or other California law.

6. GOVERNING LAW

The terms of this 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 Covered Products, then Southwind shall have no further obligations pursuant to this Agreement.

7. NOTICES

Unless specified herein, all correspondence and notices required to be provided pursuant to this 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 Southwind Foods, LLC:

Sean M. Sherlock
Snell & Wilmer L.L.P
600 Anton Blvd Ste 1400
Costa Mesa, CA 92626-7689

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 contact, address or electronic mail to which all notices and other communications shall be sent.

8. COUNTERPARTS; FACSIMILE/E-SIGNATURES

This Agreement shall not be effective, binding, or enforceable unless and until it is signed by both of the Parties and CPA's legal counsel, as provided in the signature blocks below. This 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 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 Agreement may be modified only by a written agreement signed by the Parties.

11. SEVERABILITY

If any provision of this Agreement, or the application thereof to any person or circumstance, is held invalid, illegal, or unenforceable by a court of competent jurisdiction, upon such

determination becoming final and non-appealable, the Parties shall negotiate in good faith to replace the affected provision with a valid, legal, and enforceable provision that, to the maximum extent permitted by applicable law, achieves the same purpose and reflects as closely as possible the original intent of the Parties as expressed in the invalidated provision. Any such replacement provision shall be incorporated into this Agreement by written amendment executed by all Parties. Pending the execution of such amendment, the remaining provisions of this Agreement shall continue to govern the rights and obligations of the Parties. In the event that the Parties cannot reach agreement on a satisfactory amendment within 30 days, the Party for whose benefit the invalid, illegal, or unenforceable term was intended may rescind this Agreement. Nothing herein shall require such Party to exhaust its appeals and legal remedies to challenge the decision of a court of competent jurisdiction finding a term or terms to be invalid, illegal, or unenforceable.

12. REPORTING


CPA shall be responsible for any reporting obligations under Proposition 65 as concerns this Agreement.

13. AUTHORIZATION

The undersigned are authorized to execute this Agreement on behalf of their respective Parties and legal counsel, and have read, understood and agree to all of the terms and conditions of this Agreement.

Agreed to:


Date: May , 2026


Name: Sakuntala Galletti
Title: PRESIDENT
Southwind Foods, LLC

Date: May , 2026
5/14/2026


Name:
Title: Deki Yangzom, Director
Clean Products Advocates, LLC

Date: May , 2026
5/14/2026


Name: Elham Shabatian, esq
Title:
Cliffwood Law Firm, PC