

## SETTLEMENT AND RELEASE AGREEMENT

### 1. **INTRODUCTION**

#### 1.1. **Keep America Safe and Beautiful and The Carrington Tea Company, LLC:**

This Settlement Agreement is entered into by and between Keep America Safe and Beautiful ("KASB"), represented by its attorneys KJT Law Group, LLP on the one hand, and The Carrington Tea Company, LLC ("CARRINGTON"), on the other hand, with KASB and CARRINGTON collectively referred to as the "Parties."

#### 1.2. **General Allegations**

KASB alleges that CARRINGTON manufactured, distributed, and offered for sale in the State of California, certain products 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.* ("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 product covered by this Settlement Agreement is defined as Carrington Farms – Mushroom Powder Adaptogen Blend, that has been 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 May 16, 2025, KASB served CARRINGTON 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 CARRINGTON and such public enforcers with notice that CARRINGTON 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 CARRINGTON's compliance with Proposition 65. Specifically, CARRINGTON denies the allegations contained in KASB'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 CARRINGTON 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 CARRINGTON of any fact, finding, conclusion, issue of law, or violation of law, such being specifically denied by CARRINGTON. However, nothing in this section shall diminish or otherwise affect the obligations, responsibilities, and duties of CARRINGTON under this Settlement Agreement.

Notwithstanding the allegations in the Notice and/or its compliance with this Settlement Agreement, CARRINGTON maintains that it has not knowingly or intentionally caused exposures to chemicals in violation of Proposition 65. Nothing in this Settlement Agreement shall prejudice, waive, or impair any right, argument, or defense that the Parties may have with respect to the allegations contained in the Notice or with respect to any other future legal proceedings, except as otherwise provided herein.

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 Beginning on the Effective Date, CARRINGTON shall be permanently enjoined from "Distributing into the State of California," or directly selling in the State of California, any Covered Product that exposes a person to a "Daily Lead Exposure Level" of more than 0.5 micrograms of lead per day, unless it meets 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 CARRINGTON knows or has reason to know will sell the Covered Product in California. The injunctive requirements in this Section 2 shall not apply to any Covered Product that is already in the stream of commerce as of the Effective Date, including Covered Product already labeled by CARRINGTON, or already in the possession or control of CARRINGTON's customers, distributors, or shippers, and all claims as to such Covered Product is released in this Settlement Agreement.

For purposes of this Settlement Agreement, the "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 (using the largest serving size appearing on the product label), multiplied by servings of the product per day (using the largest number of recommended daily servings appearing 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

If CARRINGTON 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](http://www.P65Warnings.ca.gov/food).

### Option 2:

**WARNING:** Can expose you to lead, a [carcinogen and] reproductive toxicant. See [www.P65Warnings.ca.gov/food](http://www.P65Warnings.ca.gov/food).

### Option 3:

**WARNING:** Risk of [cancer and] reproductive harm from exposure to lead. See [www.P65Warnings.ca.gov/food](http://www.P65Warnings.ca.gov/food).

CARRINGTON shall use the phrase "cancer and" or "carcinogen and" in the Warning if the exposure level is greater than 15 micrograms of lead per day.

The Warning shall be securely affixed to or printed upon the label of each Covered Product. 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.

For any Covered Product sold by CARRINGTON over the internet to customers located in California, the warning requirements of this section shall be satisfied if the foregoing warning appears in a manner permitted under 27 Cal. Code Regs. § 25602(b). This includes presentation of the warning or of a clearly marked hyperlink using the "**WARNING**" or the words "**CA WARNING**" or "**CALIFORNIA WARNING**" either: (a) on the same web page on which a Product is displayed and/or described; or (b) on one or more web pages displayed to a purchaser prior to purchase.

The requirements for Warnings set forth in this Section are imposed pursuant to the terms of this Settlement Agreement. However, the Parties recognize that these are not the exclusive methods of providing a warning under Proposition 65 and its implementing regulations and CARRINGTON may fulfill its warning obligations by any means permitted under Proposition 65 and its implementing regulations applicable to the Covered Product and chemical at issue

In the event that the California Office of Environmental Health Hazard Assessment ("OEHHA") promulgates one or more regulations requiring or permitting warning text and/or methods of warning transmission different than those set forth above, CARRINGTON shall be entitled to use, at its discretion, such other warning text and/or method of transmission without being deemed in breach of this Agreement.

In the event that Proposition 65 or its implementing regulations are repealed or are otherwise rendered inapplicable by reason of law generally, or as to the Covered Products, then CARRINGTON may modify this Settlement Agreement to reflect such changes to the law, as set forth in Section 11.

**3. CONSIDERATION**

In settlement of all the claims referred to in this Settlement Agreement, the Parties reached an accord on the compensation due, under the private attorney general doctrine and principles of contract law. Under these legal principles, CARRINGTON shall pay \$13,000.00 as settlement and for fees and costs, incurred as a result of investigating and bringing this matter to CARRINGTON's attention.

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

In settlement of all the claims referred to in this Settlement Agreement, \$1,500.00 shall be considered a "civil penalty." The civil penalty payment will be allocated in accordance with California Health & Safety Code section 25249.12(c)(1) & (d), with 75% of the funds (\$1,125.00) remitted to the California Office of Environmental Health Hazard Assessment ("OEHHA") and the remaining 25% of the penalty (\$375.00) shall be remitted to KASB. CARRINGTON shall deliver the penalty payment to KASB's counsel. CARRINGTON shall make these payments on or before the date that is ten (10) business days after the Effective Date, at which time such payments shall be made as follows:

(a) The \$375.00 payment owed to KASB shall be delivered by the way of wire transfer to the following payment address:

Beneficiary: Keep America Safe and Beautiful  
Wells Fargo Bank Routing Number: 121000248  
Wells Fargo Bank Account Number: 6767279471  
Beneficiary Address: 10512 Sycamore Avenue, Stanton, CA 90680-2629

(b) The \$1,125.00 payment owed to OEHHA shall be delivered directly to OEHHA at the following addresses:

For United States Postal Delivery:

Mike Gyurics  
Fiscal Operations Branch Chief  
Office of Environmental Health Hazard Assessment  
P.O. Box 4010  
Sacramento, CA. 95812-0410

For Non-United States Postal Service Delivery:

Mike Gyurics  
Fiscal Operations Branch Chief  
Office of Environmental Health Hazard Assessment  
1001 I Street, MS #19B  
Sacramento, CA 95814.

**5. REIMBURSEMENT OF FEES AND COSTS**

In settlement of all the claims referred to in this Settlement Agreement, \$11,500.00 shall be considered reimbursement of KASB'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 KASB and its counsel under the private attorney general doctrine and principles of contract law. CARRINGTON shall make these payments on or before the date that is ten (10) business days after the Effective Date, at which time such payments shall be made as follows:

The \$11,500.00 payment owed to KASB's counsel shall be delivered via U.S. mail or any other delivery method to:

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

**6. RELEASE OF ALL CLAIMS**

**6.1. Release of CARRINGTON, Downstream Entities 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, KASB, on behalf of itself, its past

and current agents, representatives, attorneys, successors and/or assignees (“Releasers”), 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 CARRINGTON, its equity owners, parent companies, corporate affiliates, subsidiaries, predecessors, successors and assigns, and each of its manufacturers, distributors, wholesalers, licensors, licensees, auctioneers, and retailers, including but not limited to Amazon.com Services, LLC (collectively “Releasees”), for any alleged violations of Proposition 65, or any other alleged violations of statutory or common law, arising from alleged exposure to lead in relation to the Covered Product, up through the Effective Date.

KSAB in its own capacity and on behalf of Releasers and not in its representative capacity, provides a general release herein which shall be effective 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 CARRINGTON and the Releasees. KSAB acknowledges that it is familiar with California Civil Code section 1542, and KSAB’s counsel has advised it of its legal effect, which statute provides 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.**

KSAB, in its capacity only, and on behalf of Releasors, 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. KSAB and CARRINGTON each acknowledge and understand the significance and consequences of this specific waiver of California Civil Code section 1542.

#### **6.2. Public Benefit**

It is CARRINGTON's understanding that the commitments it has agreed to herein, and actions to be taken by CARRINGTON under this Settlement Agreement, would confer a significant benefit to the general public, as set forth in Code of Civil Procedure § 1021.5 and Cal. Admin. Code tit. 11, § 3201. As such, any future action alleging a violation of Proposition 65 with respect to CARRINGTON and/or the Releasees relating to the Covered Product they have 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 Agreement, provided that CARRINGTON is in material compliance with this 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.

#### **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 CARRINGTON: Ana Tagvoryan, Esq.  
Erica R. Graves, Esq.  
Blank Rome LLP  
2029 Century Park East, 6th Floor  
Los Angeles, CA 90067

For KASB: 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.**

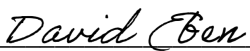
Executed on 2/5/2026.

Keep America Safe and Beautiful

  
\_\_\_\_\_  
By: Lance Nguyen  
CEO

Executed on 1/28/26.

The Carrington Tea Company, LLC

  
\_\_\_\_\_  
By: David Eben

Its: On Behalf of The Carrington Tea Company LLC