

SETTLEMENT AGREEMENT

1. INTRODUCTION

1.1 Parties

This Settlement Agreement ("Agreement") is entered into by and between CalSafe Research Center, Inc. ("CRC"), on the one hand, and North American Herb and Spice, LTD, LLC ("NAH&S") on the other hand, with CRC and NAH&S each individually referred to as a "Party" and collectively as the "Parties."

1.2 General Allegations

CRC alleges that NAH&S manufacturers, imports, sells, offers for sale, and/or distributes in California certain product, 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. NAH&S denies these allegations.

1.3 Product Descriptions

The product covered by this Agreement is defined as, and expressly limited to "North American Herb & Spice, ChagaBlack Tea (UPC# 635824005797)" that allegedly contains lead and that is manufactured, sold, offered for sale, or distributed for sale in California by NAH&S ("Product").

1.4 Notice of Violation

CRC served a 60-Day Notice of Violation, dated June 26, 2025 ("Notice") on NAH&S, the California Attorney General and the other requisite public enforcers, alleging that NAH&S and others violated Proposition 65 when they failed to warn consumers in California of the alleged exposures to lead from the Product.

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

1.5 No Admission

NAH&S denies the material, factual and legal allegations in the Notice and maintains that all of the products it sold and/or distributed for sale in California, including the Product, have been, and are, in compliance with all laws. Nothing in this Agreement shall be construed as an admission by NAH&S 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 Agreement constitute or be construed as an admission by NAH&S 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 NAH&S. This Section shall not, however, diminish or otherwise affect NAH&S's obligations, responsibilities, and duties under this Agreement.

1.6 Effective Date

For purposes of this Agreement, the term "Effective Date" shall mean the date this Agreement is fully executed and a signed copy is returned to NAH&S.

2. INJUNCTIVE RELIEF

2.1 Clear and Reasonable Warnings

Beginning within 30 days of the Effective Date, NAH&S 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 that expose a person to a 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, unless it meets the warning requirements under Section 2.2.

As used in this 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 NAH&S knows will sell the Product in California.

2.2 General Warning Requirements

NAH&S agrees that each warning shall be prominently placed with such conspicuousness, as compared with other words, statements, designs, or devices, as to render it likely to be read and understood by an ordinary individual under customary conditions before purchase or use. Each warning shall be provided in a manner such that the consumer or user understands to which *specific* Product the warning applies, so as to minimize the risk of consumer confusion.

For the purposes of this Agreement, a clear and reasonable warning for the Product shall consist of a warning affixed to the packaging, label, tag, or directly to each Product sold or distributed in California by NAH&S that contains one of the following statements:

- 1) **WARNING:** Consuming this product can expose you to 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.
 - 2) **WARNING:** Risk of cancer and reproductive harm from exposure to lead. See www.P65Warnings.ca.gov/food.
- or
- 3) **WARNING:** Can expose you to lead, a carcinogen and reproductive toxicant. See www.P65Warnings.ca.gov/food.

NAH&S may, at its option, use the words "CA WARNING:" or "CALIFORNIA WARNING:" instead of the word "WARNING:".

The warning shall be offset in a box with black outline.

For internet purchases, the warning must also be provided by NAH&S including either the warning or a clearly marked hyperlink using the word "WARNING" or "CA WARNING" or "CALIFORNIA WARNING" on the Product display page, or by otherwise prominently displaying the warning to the purchaser prior to completing the purchase.

For Product that NAH&S provides to a downstream entity it knows will sell on the internet, NAH&S shall include an instruction that the entity comply with the warning requirements of this section.

Where a consumer product sign, label or shelf tag used to provide a warning includes consumer information in language(s) other than English, the warning must also be provided in the other language(s) in addition to English.

(i) Changes in Warning Regulations or Statutes

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 transmission different than those set forth above, NAH&S 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. If regulations or legislation are enacted or issued providing that a Proposition 65 warning for the Product is no longer required, a lack of warning will not thereafter be a breach of this Agreement.

2.3 Grace Period for Existing Inventory of Product

The injunctive requirements of Section 2 shall not apply to Product that is already in the stream of commerce as of the Effective Date, which Product is expressly subject to the releases provided in Section 6.1.

3. CIVIL PENALTY PAYMENT PURSUANT TO HEALTH & SAFETY CODE § 25249.7(B).

Pursuant to Health and Safety Code§ 25249.7(b)(2), and in settlement of all claims alleged or could have been alleged in the Notice or referred to in this Agreement, NAH&S agrees to pay One Thousand Nine Hundred Dollars (\$1,900.00) in civil penalties. The penalty payment will be allocated by CRC's counsel in accordance with California Health and Safety Code§§ 25249.12(c)(1) & (d), with 75% of the penalty amount paid to OEHHA and the remaining 25% of the penalty amount retained by CRC. Within ten (10) days of the Effective Date, CRC's counsel shall issue a check to OEHHA in the amount of One Thousand Four Hundred and Twenty-Five Dollars (\$1,425.00) and shall, pursuant to the instructions below, wire to CRC the amount of Four Hundred and Seventy-Five Dollars (\$475.00). CRC's counsel shall provide NAH&S's counsel with conformation of such delivery at the time it is made.

4. REIMBURSEMENT OF FEES AND COSTS

The Parties reached an accord on the compensation due to CRC and its counsel under the private attorney general doctrine codified at California Code of Civil Procedure § 1021.5, and principles of contract law for all work performed relating to the mutual execution of this Agreement. Under these legal principles, within thirty (30) days of the Effective Date, NAH&S agrees to pay Seventeen Thousand One Hundred Dollars (\$17,100.00) to CRC and its counsel for all fees and costs incurred in investigating, bringing this matter to the attention of NAH&S, and negotiating a settlement in the public interest, subject to Section 5.2 regarding tax documentation.

5. PAYMENT AND TAX DOCUMENTATION

5.1 Total Settlement Payment

In full satisfaction of all potential civil penalties, attorneys' fees, and costs, NAH&S shall make a total settlement payment of Nineteen Thousand Dollars (\$19,000.00) ("Total Settlement Amount") within

thirty (30) days of the Effective Date to the Law Offices of Joseph R. Manning.

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. P65-1203

5.2 Tax Documentation

NAH&S agrees to provide a completed IRS 1099 form for its payments and CRC and Manning Law agree to provide IRS W-9 forms for each of the payees under this Agreement. The Parties acknowledge that NAH&S cannot issue any payments pursuant to Sections 3 and 4 above until after NAH&S receives the requisite W-9 forms from CRC's counsel.

6. CLAIMS COVERED AND RELEASED

6.1 CRC's Release of NAH&S

This Agreement is a full, final, and binding resolution between CRC and NAH&S of any violation of Proposition 65 that was or could have been asserted by CRC, acting on its own behalf or on behalf of its past and current agents, representatives, attorneys, successors, and assignees (collectively, "Releasers") against NAH&S and its respective officers, directors, shareholders, employees, agents, attorneys, parent companies, subsidiaries, divisions, affiliates, franchisees, licensees, customers, suppliers, distributors (the "NAH&S Releasees") and all entities to which NAH&S 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") for unwarned exposure to lead from the Product manufactured, distributed, imported, sold, offered for sale, or distributed for sale in California prior to the Effective Date.

In further consideration of the promises and agreements herein, and for the payments to be made pursuant to Sections 3 and 4 above, CRC, on behalf of itself and its officers, directors, shareholders, employees, agents, parent companies, subsidiaries and divisions hereby waives any and all rights to institute or participate in, directly or indirectly, any form of legal action, and fully releases and discharges the Released Parties from any and all claims, actions, causes of action, suits, demands, liabilities, damages, penalties, fees, costs, losses, or expenses asserted, or that could have been asserted, including without limitation, investigation fees, expert fees, and attorneys' fees of any nature whatsoever, whether known or unknown, fixed or contingent (collectively, "Claims") 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 Product with respect to exposures to lead, as alleged in the Notice.

6.2 NAH&S's Release of CRC

NAH&S 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.

6.3 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 acknowledges it is familiar with California Civil Code section 1542 which 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.

CRC on behalf of itself, its past and current agents, successors and/or assignees, and not in its representative capacity, hereby expressly waives and relinquishes any and all rights and benefits it may have under 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 Releasors may lawfully waive such rights or benefits pertaining to released matters. The Parties agree that compliance with the terms of this Agreement shall constitute compliance by NAH&S and any Released Party with Proposition 65.

7. PUBLIC BENEFIT

The parties agree that the commitments contained herein, and the actions to be taken by CRC under this Agreement, confer a significant benefit to the general public, as set forth in Code of Civil Procedure § 1021.5 and 11 Cal. Code of Regulations § 3201. As such, it is the intent of CRC that to the extent any other party serves a notice and/or initiates an action alleging a violation of Proposition 65 with respect to NAH&S' alleged failure to provide a warning concerning actual or alleged exposure to lead prior to use of the product it has manufactured, imported, distributed, sold, or offered for sale in California, or will manufacture, import, distribute, sell, or offer for sale in California, such private party action would not confer a benefit on the general public as to the Product addressed in this Agreement, provided that NAH&S is in material compliance with this Agreement.

8. 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.

9. GOVERNING LAW

The terms of this Agreement shall be governed by the laws of the State of California, without regard to its conflicts of law principals. In the event that Proposition 65 is repealed or is otherwise rendered inapplicable by reason of law generally, or as to the Product, then the NAH&S may provide written notice to CRC of any asserted change in the law, and have no further obligations pursuant to this Agreement, with respect to, and to the extent that, the Product are so affected. Nothing in this Agreement shall be interpreted to relieve NAH&S from any obligation to comply with any pertinent state or federal toxics control laws.

10. ENFORCEMENT

If CRC alleges that NAH&S has failed to comply with this Agreement, then prior to filing an action

or a notice of violation as to NAH&S or any Released Party, CRC shall first provide NAH&S sixty (60) days' advance written notice of the alleged violation(s), including testing results, lot numbers, and photographs of the packaging for the product at issue. NAH&S and CRC shall meet and confer during such 60-day period in a good faith effort to resolve the matter informally without the need for a new 60-day notice of violation or litigation.

11. NOTICE

When any Party is entitled to receive any notice under this Agreement, the notice shall be sent by (i) first class, registered or certified mail, return receipt requested, (ii) recognizable overnight courier or (iii) electronic mail to the party at the following address:

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 NAH&S

Abigail Contreras
Clare Ellis
50 California Street, Suite 1700
San Francisco, CA 94111
acontreras@hunton.com
cellis@hunton.com

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.

12. COUNTERPARTS: FACSIMILE SIGNATURES

This 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 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.*

13. 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); however, CRC and its attorneys agree to not promote this Agreement via mediums including but not limited to the press and social media.

14. MODIFICATION

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

15. ENTIRE AGREEMENT

This 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 Agreement have been made by, or relied on, any Party.

16. INTERPRETATION


No inference, assumption or presumption shall be drawn, and no provision of this 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 Agreement. The Parties waive the provisions of Civil Code § 1654. It is conclusively presumed that the Parties participated equally in the drafting of this Agreement.

17. AUTHORIZATION

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

AGREED TO:

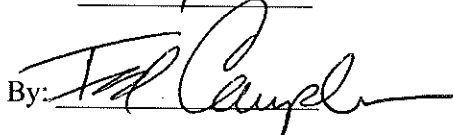
Date: 12/17/2025

By: 
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CalSafe Research Center, Inc.

AGREED TO:

Date: 12/12/25

By: 

North American Herb and Spice Co., LTD, LLC