

## 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 The Carrington Tea Company, LLC ("Carrington") on the other hand, with CRC and Carrington each individually referred to as a "Party" and collectively as the "Parties."

#### **1.2 General Allegations**

In the Notice of Violation, CRC alleges that Carrington 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. Carrington denies these allegations.

#### **1.3 Product Descriptions**

The products covered by this Settlement Agreement are defined as, and expressly limited to "Carrington Farms, Keto Bread Crumbs Italian Seasoning" and "Carrington Farms, Mushroom Powder" (the "Products") that are manufactured, sold or distributed by Carrington.

#### **1.4 Notice of Violation**

On October 3, 2025, CRC states it served a 60-Day Notice of Violation ("the Notice") on Carrington, the California Attorney General and the other requisite public enforcers, alleging that Carrington and others violated Proposition 65 when they failed to warn consumers in California of the alleged exposures to lead from the Products.

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**

Carrington 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 Products, have been, and are, in compliance with all laws. Nothing in this Settlement Agreement shall be construed as an admission by Carrington 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 the existence of or compliance with this Settlement Agreement constitute or be construed as an admission by Carrington 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 Carrington. This Section shall not, however, diminish or otherwise affect Carrington's 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

Beginning on the Effective Date, Carrington 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, Products 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 Products, 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 the Products into California for sale in California or to sell the Products to a distributor that Carrington knows will sell the Products to consumers in California.

### 2.2 General Warning Requirements

Carrington agrees that each warning shall be placed according to Proposition 65 requirements, in that they 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 Product the warning applies.

For the purposes of this Settlement Agreement, a clear and reasonable warning for the Products shall be satisfied by a warning affixed to the packaging, label, shelf tag, or directly to each of the Products sold or distributed in California by Carrington 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 birth defects or other reproductive harm. For more information go to [www.P65Warnings.ca.gov/food](http://www.P65Warnings.ca.gov/food).

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

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

or

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

Carrington 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, as provided by Proposition 65 the warning can alternatively be provided by including either the warning or a clearly marked hyperlink using the word "WARNING" or "CA WARNING" or "CALIFORNIA WARNING" on the respective Product display page, or by otherwise prominently displaying the warning to the purchaser prior to completing the purchase.

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.

For Products that Carrington provides for a downstream entity, Carrington may satisfy its obligations under this Settlement Agreement by complying with Cal. Code Regs. Tit. 27, Section 25600.2(b) or (c) of the Proposition 65 Regulations.

(i) Changes in Warning Regulations or Statutes

In the event that the Office of Environmental Health Hazard Assessment promulgates one or more regulations requiring or permitting warning text and/or methods of 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 Settlement Agreement. If regulations or legislation are enacted or issued providing that a Proposition 65 warning for the Products is no longer required, a lack of warning will not thereafter be a breach of this Settlement Agreement.

**2.3 Grace Period for Existing Inventory of Products**

The injunctive requirements of Section 2 shall not apply to Products that are already in the stream of commerce as of the Effective Date, which Products are expressly subject to the releases provided in Section 4.1.

**3. MONETARY SETTLEMENT TERMS**

**3.1 Total Settlement Payment**

In full satisfaction of all potential civil penalties, attorneys' fees, and costs, Carrington shall make a total settlement payment of Thirteen Thousand Five Hundred Dollars (**\$13,500.00**) ("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.

**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, Carrington agrees to pay One Thousand Three Hundred and Fifty Dollars (**\$1,350.00**) 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 ("OEHHA") and the remaining 25% of the penalty amount retained by CRC. Within thirty (30) days of the Effective Date, Carrington shall issue a check to "OEHHA" in the amount of One Thousand Twelve Dollars and Fifty Cents (**\$1,012.50**) and shall, pursuant to the instructions below, wire or send via check to CRC the amount of Three Hundred and Thirty-Seven Dollars and Fifty Cents (**\$337.50**).

All payments owed to OEHHA (EIN: 68-0284486) pursuant to this Section shall be delivered directly to OEHHA (Memo Line "Prop 65 Penalties") at the following addresses:

For United States Postal Delivery Service:

Mike Gyurics

Fiscal Operations Branch Chief  
Office of Environmental Health Hazard Assessment  
P.O. Box 4010, MS 19B  
Sacramento, CA 95812-4010

For Non-United States Postal Delivery Service:

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

All penalty payments owed to CRC shall be sent via check or via wire to:

**Check Instructions:**

Checks shall be made payable to: Manning Law, APC  
Checks shall be mailed to:  
Manning Law, APC  
26100 Towne Center Drive  
Foothill Ranch, CA 92610  
Memo: Civil Penalty Payment File No. P65-1310

**Wire Instructions:**

Account Name: Manning Law, APC  
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. P65-1310

**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 thirty (30) days of the Effective Date, Carrington agrees to pay Twelve Thousand One Hundred and Fifty Dollars (**\$12,150.00**) to CRC and its counsel for all fees and costs incurred in investigating, bringing this matter to the attention of Carrington, and negotiating a settlement.

The payment shall be sent via check or via wire to:

**Check Instructions:**

Checks shall be made payable to: Manning Law, APC  
Checks shall be mailed to:  
Manning Law, APC  
26100 Towne Center Drive  
Foothill Ranch, CA 92610  
Memo: Attorney's Fees and Costs File No. P65-1310

**Wire Instructions:**

Account Name: Manning Law, APC

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. P65-1310

**3.4 Tax Documentation**

Carrington agrees to provide a completed IRS 1099 form for its payments to, and CRC and Manning Law agree to provide IRS W-9 forms for each of the payees under this Settlement Agreement. The Parties acknowledge that Carrington cannot issue any settlement payments pursuant to Section 3 above until after Carrington receives the requisite W-9 forms from CRC's counsel. The Parties further agree that Carrington has no responsibility or liability regarding taxes, tax treatment, or tax reporting relating to any payments issued pursuant to this Settlement Agreement.

**4. CLAIMS COVERED AND RELEASED**

**4.1 CRC's Release of Carrington**

CRC, acting on its own behalf and not on behalf of the public, fully releases and discharges Carrington and its parent companies, subsidiaries, divisions, affiliates, and each of their respective officers, directors, shareholders, employees, agents, franchisees, licensees, customers, suppliers, distributors (the "Carrington Releasees") and all entities to which Carrington 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, divisions, and each of their employees and agents, 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 Products in California, as to any alleged violation of Proposition 65 or its implementing regulations in relation to the Products, including without limitation any failure to provide Proposition 65 warnings on the Products with respect to exposures to lead.

**4.2 Carrington's Release of CRC**

Carrington 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, issuing the Notice of Violation or relating to the negotiation of this Settlement Agreement.

**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 Products, will develop or be discovered. CRC on behalf of itself only, and Carrington 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 Carrington 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 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

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

For Carrington

David Eben  
The Carrington Tea Company, LLC  
7 Reuten Drive  
Closter, NJ 07624

**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 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. THIRD PARTY BENEFICIARIES**

This Settlement Agreement shall inure to the benefit of, and be enforceable by, each of the Released Parties set forth in Section 4.1.

**12. 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.

**13. 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. The Parties waive the provisions of Civil Code § 1654. It is conclusively presumed that the Parties participated equally in the drafting of this Settlement Agreement.

**14. 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.

AGREED TO:

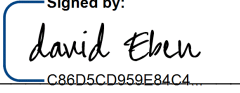
Date: 5/7/2026

By:   
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CalSafe Research Center, Inc.

AGREED TO:

Date: 5/4/2026

By:   
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The Carrington Tea Company, LLC