

SETTLEMENT AGREEMENT BETWEEN THE LIVING GALLERY, LLC AND OREGON CHAI, INC.

1. RECITALS

1.1 The Parties

1.1.1 This Settlement Agreement (“Agreement”) is entered into by and between The Living Gallery, LLC (“LG”) and Oregon Chai, Inc. (“Oregon Chai”). LG and Oregon Chai shall hereinafter collectively be referred to as the “Parties”.

1.1.2 LG is an organization based in California with an interest in protecting the environment, improving human health and the health of ecosystems, and supporting environmentally sound practices, which includes promoting awareness of exposure to toxic chemicals and reducing exposure to hazardous substances found in consumer products.

1.1.3 LG alleges that Oregon Chai is a person in the course of doing business as the term is defined in California *Health & Safety Code* section 25249.6 et seq. (“Proposition 65”).

1.2 Allegations

1.2.1 LG alleges that Oregon Chai distributed, sold or made available for sale Oregon Chai brand of Green Tea Matcha Latte, including but not limited to 7-07082-76151-4 (hereinafter, the “Product(s)”) causing users in California to be exposed to lead without providing “clear and reasonable warnings”, in violation of Proposition 65. Lead is potentially subject to Proposition 65 warning requirements because it is listed by the State of California as known to cause cancer and birth defects or other reproductive harm.

1.2.2 On April 15, 2026, LG served a Sixty-Day Notice of Violation (“Notice”), along with a Certificate of Merit, to Oregon Chai, as well as Amazon.com, Inc. and the various public enforcement agencies regarding the alleged violation of Proposition 65 with respect to the Products.

1.3 No Admissions

Oregon Chai denies all allegations in LG's Notice and maintains that the Products have been, and are, in compliance with all laws, and that Oregon Chai has not violated Proposition 65. This Agreement shall not be construed as an admission of liability by Oregon Chai but to the contrary as a compromise of claims that are expressly contested and denied. However, nothing in this section shall affect the Parties' obligations, duties, and responsibilities under this Agreement.

1.4 Compromise

The Parties enter into this Agreement as a full, final, and binding resolution of the controversy described above in a manner consistent with prior Proposition 65 settlements and consent judgments that were entered on behalf of the public interest and to avoid prolonged and costly litigation between them.

1.5 Effective Date

The "Effective Date" shall be the date upon which a complete and fully executed copy of the Agreement is delivered to each Party or its counsel.

1.6 Compliance Date

The "Compliance Date" shall be thirty (30) days from the Effective Date.

2. INJUNCTIVE RELIEF

2.1 Reformulation Standard

As of the Compliance Date, Oregon Chai shall not sell, distribute, or cause the Products to be offered for sale in California unless: (a) the Products expose a person to no more than 0.5 micrograms of lead per day based on the recommended Daily Serving as calculated below in Section 2.2, or (b) the Products are distributed, sold, or offered for sale with a clear and reasonable warning as described below in Section 2.3.

2.2 Exposure Calculation

2.2.1 A "Daily Serving" (for purposes of determining Proposition 65 compliance for chemicals present in the Products) shall be defined by the serving size set forth on the label of the Products under "Nutrition Facts", "Supplement Facts", or equivalent. If the

label, package, or Product display page on the internet¹ does not recommend a number of daily servings, then the number of daily servings shall be one.

2.2.2 The daily exposure shall be calculated by using the following formula: micrograms of lead per gram, multiplied by grams of Product per serving, multiplied by servings of the Product per day.

2.3 Proposition 65 Warnings

Whenever a warning is required under Section 2.1, Oregon Chai shall use one of the following options:

Option 1

WARNING [*or* **CA WARNING** *or* **CALIFORNIA WARNING**]:

Consuming this product can expose you to [chemicals including] Lead, which is [or “are”] 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.

Option 2

WARNING [*or* **CA WARNING** *or* **CALIFORNIA WARNING**]: Risk of [cancer and] reproductive harm from exposure to lead. See

www.P65Warnings.ca.gov/food.

or

WARNING [*or* **CA WARNING** *or* **CALIFORNIA WARNING**]: Can expose you to lead, a [carcinogen and] reproductive toxicant. See

www.P65Warnings.ca.gov/food.

Option 3 (for Product manufactured and labeled before January 1, 2028)

WARNING: [Cancer and] Reproductive Harm -www.P65Warnings.ca.gov/food.

If Oregon Chai reasonably believes that the daily exposure for the Product exceeds 15 micrograms of lead, where daily exposure is determined pursuant to Section 2.2, Oregon Chai

¹ The “Product display page on the internet” applies to Products purchased therefrom, not to Products purchased elsewhere, such as a brick-and-mortar retail store.

shall include the phrase “cancer and” or “carcinogen and” in the warning. If Oregon Chai reasonably believes that warnings are required for exposures to other listed chemicals in the Product, it may include the bracketed phrase and word “chemicals including” and “are” in the Option 1 warning.

Nothing in this Agreement shall prevent Oregon Chai from modifying any warning contained in Option 1 or 2 to disclose the presence of additional chemicals if Oregon Chai determines that such disclosure is appropriate or required.

Under Option 3, the warning shall be accompanied by a symbol consisting of a black exclamation point in a yellow equilateral triangle with a bold black outline. Where the label for the product is not printed using the color yellow, the symbol may be printed in black and white. The symbol shall be placed to the left of the text of the warning, in a size no smaller than the height of the word “WARNING”.

Each warning shall be provided on the Product label, set off from other surrounding information, enclosed in a box. Additionally, if the Product contains consumer information, as defined in Title 27, California Code of Regulations, Section 25600.1(c), in a foreign language, the warning must be provided in the foreign language and English. The Products shall carry said warning on each label with such conspicuousness as compared with other words, statements or designs as to render it likely to be read and understood by an ordinary consumer under customary conditions of purchase. A Product that is sold by Oregon Chai on the internet to persons located in California shall also provide the warning message to Californians by a clearly marked hyperlink on the product display page, or otherwise prominently displayed to the California purchaser before the purchaser completes his or her purchase of the Product. For Products that Oregon Chai provides for a downstream entity to sell on the internet to persons located in California, Oregon Chai shall comply with 27 CCR section 25600.2(b) and (c) and include an instruction that the entity comply with the warning requirements of this section.

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, Oregon Chai 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.

The requirements of Section 2 shall not apply to Product that is already in the stream of commerce downstream from Oregon Chai as of the Compliance Date, which Product is expressly subject to the releases provided in Section 4.1.

The Parties agree that Oregon Chai's compliance with this Section 2 shall be deemed compliance with Proposition 65 as to alleged exposures to lead in the Product.

3. PAYMENTS

3.1 Civil Penalty Pursuant To Proposition 65

In settlement of all claims referred to in this Agreement, Oregon Chai shall pay a total civil penalty of one thousand five hundred dollars (\$1,500.00) to be apportioned in accordance with *Health and Safety Code* section 25249.12(c)(1) and (d), with 75% (\$1,125.00) for State of California Office of Environmental Health Hazard Assessment ("OEHHA"), and the remaining 25% (\$375.00) for LG.

Oregon Chai shall issue these payments as part of the total payment described below in Section 3.2 via wire transfer to Law Offices of Lucas T. Novak. After receipt of the wire transfer, Law Offices of Lucas T. Novak shall be responsible for forwarding the respective payments to OEHHA and LG.

3.2 Reimbursement Of LG's Fees And Costs

Oregon Chai shall reimburse LG's reasonable experts' and attorney's fees and costs incurred in prosecuting the instant action, for all work performed through execution of this Agreement, in the amount of eighteen thousand five hundred dollars (\$18,500.00). Accordingly, Oregon Chai shall remit total payment via wire transfer to Law Offices of Lucas T. Novak in the amount of twenty thousand dollars (\$20,000.00) which includes the civil penalty described in Section 3.1, within five (5) business days of the Effective Date. Wire instructions have been exchanged between the Parties.

4. RELEASES

4.1 LG's Release Of Oregon Chai

LG, in consideration of the promises and monetary payments contained herein, hereby releases Oregon Chai, its parents, subsidiaries, affiliated companies under common ownership or control, shareholders, directors, members, managers, officers, partners, agents, employees, representatives, attorneys, successors and assignees, as well as its downstream distributors, wholesalers, retailers, and franchisees, including but not limited to Amazon.com, Inc., and any other person to whom the Product was directly or indirectly distributed (collectively, "Released Parties"), from any alleged Proposition 65 violation claims asserted in the Notice regarding failure to warn about lead exposure from the Products sold or distributed by Oregon Chai for sale or potential sale in California before the Compliance Date. This Agreement is a full, final, and binding resolution of all claims that LG asserted or could have asserted arising out of the Notice.

4.2 Oregon Chai's Release Of LG

Oregon Chai, by this Agreement, waives all rights to institute any form of legal action against LG, its shareholders, directors, members, officers, employees, attorneys, experts, successors and assignees for actions or statements made or undertaken, whether in the course of investigating claims or seeking enforcement of Proposition 65 against Oregon Chai in this matter. If any of the Released Parties should institute any such action, then LG's release of said Released Party in this Agreement shall be rendered void and unenforceable.

4.3 Waiver Of Unknown Claims

Each of the Parties acknowledges that it is familiar with Section 1542 of California Civil Code which 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.

Each of the Parties waives and relinquishes any right or benefit it has or may have under

Section 1542 of California Civil Code or any similar provision under the statutory or non-statutory law of any other jurisdiction to the full extent that it may lawfully waive all such rights and benefits. The Parties acknowledge that each may subsequently discover facts in addition to, or different from, those that it believes to be true with respect to the claims released herein. The Parties agree that this Agreement and the releases contained herein shall be and remain effective in all respects notwithstanding the discovery of such additional or different facts.

5. SEVERABILITY

Should any part or provision of this Agreement for any reason be declared by a Court to be invalid, void or unenforceable, the remaining portions and provisions shall continue in full force and effect.

6. GOVERNING LAW

The terms of this Agreement shall be governed by the laws of the State of California. This Agreement is entered into in the State of California and may only be enforced in the State of California.

7. NOTICES

All correspondence and notices required to be provided under this Agreement shall be in writing and delivered personally or sent by first class or certified mail addressed as follows:

TO OREGON CHAI: Legal Department Kerry Inc. 3400 Millington Road Beloit, WI 53511 With copy to: Ann G. Grimaldi, Esq. Grimaldi Law Offices 1160 Battery St. East, Suite 100 San Francisco, CA 94111	TO LG: Lucas Novak, Esq. Law Offices of Lucas T. Novak 8335 W Sunset Blvd., Suite 217 Los Angeles, CA 90069
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8. COUNTERPARTS

This Agreement may be executed in counterparts, each of which shall be deemed an

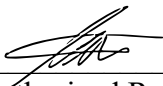
original, and all of which, when taken together, shall constitute the same document. Execution and delivery of this Agreement by e-mail, facsimile, or other electronic means shall constitute legal and binding execution and delivery. Any photocopy of the executed Agreement shall have the same force and effect as the originals.

9. AUTHORIZATION

The undersigned are authorized to execute this Agreement on behalf of their respective Parties. Each Party has read, understood, and agrees to all of the terms and conditions of this Agreement. Each Party warrants to the other that it is free to enter into this Agreement and is not subject to any conflicting obligation that will or might prevent or interfere with the execution or performance of this Agreement by said Party.

AGREED TO:

Date: 9/24/26

By: 
Authorized Representative of The Living Gallery, LLC

AGREED TO:

Date: 9/23/2026

By: Liam Loughnane
Authorized Representative of Oregon Chai, Inc.