SETTLEMENT AGREEMENT

AG Notice No. 2026-03282

1. INTRODUCTION

1.1 Epps and V. Sattui Winery

This settlement agreement (Settlement Agreement) is entered into by and between Jay Epps ("Epps") and V. Sattui Winery ("Settling Entity" or "VSW") with Epps and VSW each individually referred to as a "Party" and collectively as the "Parties." Epps is an individual residing in California who seeks to promote awareness of exposures to toxic chemicals and to improve human health by reducing or eliminating hazardous substances contained in consumer products. VSW employs ten or more persons. Epps alleges that VSW is a person in the course of doing business for purposes of the Safe Drinking Water and Toxic Enforcement Act of 1986, California Health & Safety Code §§25249.5, et seq. (Proposition 65).

1.2 General Allegations

Epps alleges that the Settling Entity distribute, retail, sell and/or otherwise facilitate for online sales to California consumers alcoholic beverages, specifically, "Wine" containing ethyl alcohol, and that it does so without providing the online health hazard warnings he contends are required by Proposition 65. All such alcoholic beverages are referred to hereinafter individually as "Product" or, collectively, as "Products." Proposition 65 lists Alcoholic Beverages and ethyl alcohol in alcoholic beverages as a chemical known to the State of California to cause cancer and reproductive toxicity.

This Settlement Agreement covers all Products offered for sale in California, or delivered to a consumer in California, or made available for curbside pick-up at a California retail location.

1.3 Notice of Violation

On July 9, 2026, Epps served the Settling Entity and certain requisite public enforcement agencies with a 60-Day Notice of Violation ("Notice") alleging that VSW violated Proposition 65 by failing to warn consumers in California that the Products can expose users to ethyl alcohol in alcoholic beverages. 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 Settling Entity denies the material, factual and legal allegations contained in the Notice and maintains that all Products sold or distributed for sale in California have been and are in compliance with all laws. Nothing in this Settlement Agreement shall be construed as either a waiver or admission by the Settling Entity of any fact, finding, conclusion of law, issue of law, or violation of law, in this or any other matter, nor shall compliance with this Settlement Agreement constitute or be construed as an admission by the Settling Entity of any fact, finding, conclusion of law, issue of law, or violation of law, the same being specifically denied by VSW. This Settlement Agreement is the product of negotiation and compromise and is accepted by Settling Entity solely for purposes of settling, compromising, and resolving issues disputed in the Notice. This subsection shall not, however, diminish or otherwise affect the obligations, responsibilities, and duties under this Settlement Agreement.

1.5 Effective Date

For purposes of this Settlement Agreement, the term "Effective Date" shall mean the date on which this Agreement is fully executed and delivered. The term "Compliance Date" shall be 30 calendar days following the Effective Date.

2. INJUNCTIVE RELIEF: WARNINGS

2.1 Injunctive Relief

Pursuant to the terms set forth below, with respect to Products sold to consumers located in California, the Settling Entity, at its option, agrees to provide clear and reasonable Proposition 65 warnings for the Products as set forth in subsection 2.2. The Parties understand and agree that some Products may appear online that contain no warning, but are not available for sale to California consumers (sales cannot be completed) and that this complies with this subsection 2.1, so long as they are not shipped or delivered to a California address or made available for curbside pick-up at a California retail location.

2.2 Clear and Reasonable Warnings (Products Sold Online)

Commencing on the Compliance Date, for all Products sold in or into California through VSW's online platforms, VSW shall display an online warning that complies with the requirements of Title 27 California Code of Regulations § 25603 by one of the following methods: (1) A warning on the product display page; (2) A clearly marked hyperlink using the word "WARNING" or the words "CA WARNING" or "CALIFORNIA WARNING" on the product display page that links to the warning; or (3) An otherwise prominently displayed warning provided to the purchaser prior to completing the purchase. VSW shall provide the following warning statement, pursuant to Cal. Code Regs. tit. 27 § 25603:

> **WARNING**: Drinking distilled spirits, beer, coolers, wine and other alcoholic beverages may increase cancer risk, and, during pregnancy, can cause birth defects. For more information go to www.P65Warnings.ca.gov/alcohol.

2.4 Foreign Language Requirement

The Settling Entity shall comply with the requirements set forth in 27 California Code of Regulations §25602(d).

2.5 Products in the Stream of Commerce

The Injunctive Relief requirements in this Section 2 shall not apply to Product in the stream of commerce as of or prior to the Compliance Date.

2.6 Right to Cure

As of the date of this Settlement Agreement, neither Epps nor his counsel have any specific knowledge of the presence of any other Products listed to be sold and shipped or delivered to a California address or made available for curbside pick-up at a California retail location that, in their opinion, fail to comply with Proposition 65's warning requirement. Epps represents and warrants neither he nor his agents or attorneys have assigned or otherwise transferred, or attempted to assign, or transfer, any claim or claims against the Settling Entity. Epps further warrants that neither he nor his agents or attorneys are aware of any other potential private enforcer or attorney who intends to bring litigation based on the subject matter of the Settlement Agreement.

To the extent Epps, his agents, or his attorneys, identify any Products for sale and shipment or delivery to a California address or for curbside pick-up at a California retail location through VSW's online platforms to consumers in California in the future, which they believe are not in compliance with this Settlement Agreement, Epps agrees to advise the Settling Entity of such potential violation in the manner set forth in Section 7, and provide the Settling Entity with 45 days (calculated from the date notice is provided electronically) to cure any alleged violation (pursuant to the applicable options set forth in Sections 2.1) (the "Notice to Cure"). Such Notice to Cure to VSW should contain information sufficient for VSW to identify the Product, including the name of the Product, a photograph of the Product, a screenshot of the

online listing (also known as the product display page), and a less than two page summary as to why Epps believes the Product is not in compliance with this Settlement Agreement.

If the alleged non-compliance is cured, Epps shall take no further action to enforce Proposition 65 or this Settlement Agreement with respect to the alleged failure to comply with Proposition 65 or the terms of this Settlement Agreement, and the matter shall be deemed to be resolved. Further, so long as the Settling Entity cures the alleged non-compliance relating to a Product subject to this Settlement Agreement within the 45 days of receiving the Notice to Cure, the Settling Entity shall not be in breach or violation of this Settlement Agreement in any respect and Settling Entity shall not be liable (whether for civil penalties, attorneys' fees or costs, or injunctive relief) for sales of such products referenced in the Notice to Cure occurring prior to the expiration of the forty-five (45) day cure period.

3. MONETARY SETTLEMENT TERMS

3.1 Civil Fines

Pursuant to Health & Safety Code §25249.7(b), and in settlement of all claims alleged in the Notice, the Settling Entity agrees to pay a total of $4,300.00 in civil fines. This payment will be allocated in accordance with Health & Safety Code §25249.12(c)(1) and (d), with 75% of the penalty amount paid to the Office of Environmental Health Hazard Assessment (OEHHA), and the remaining 25% of the penalty amount paid to and retained by Epps.

Within fifteen (15) calendar days of the Effective Date and VSW's receipt of a current W-9 from Plaintiff, whichever date is later, VSW will deliver its civil penalty payment to the address in Section 3.3 by overnight courier, with a tracking number, or through an automatic electronic transfer. VSW acknowledges that it has received the requested W-9s as of November 3, 2026. For non-electronic payments, the Settling Entity shall provide two checks made payable

to: (a) "OEHHA" in the amount of $3,225.00; and (b) "Jay Epps" in the amount of $1,075.00. Thereafter, Epps' counsel shall send the portions of the penalties paid by the Settling Entity to OEHHA and Epps.

3.2 Reimbursement of Attorneys' Fees and Costs

The Parties acknowledge that Epps and his counsel offered to resolve this dispute without reaching terms on the amount of fees and costs to be reimbursed to them, thereby leaving the issue to be resolved after the material terms of the agreement had been settled. Shortly after the other settlement terms had been finalized, the Settling Entity expressed a desire to resolve Epps' fees and costs. The Parties then negotiated a resolution of the compensation due to Epps' counsel under general contract principles, Proposition 65 implementing regulation for fee awards at 11 California Code of Regulations §3201 and/or the private attorney general doctrine codified at California Code of Civil Procedure §1021.5. For all work performed in connection with the claims alleged in the Notice through the mutual execution of this agreement, the Settling Entity shall reimburse Epps' counsel $29,700.00.

Within 15 calendar days of the Effective Date and VSW's receipt of a current W-9 from Plaintiff and Plaintiff's counsel, whichever date is later, VSW will deliver its payment to the address in Section 3.3 by courier, with a tracking number, or through an automatic electronic transfer. For non-electronic payments, VSW shall provide a check made payable to "Chanler, LLC." VSW acknowledges that it has received the requested W-9s as of November 3, 2026.

This reimbursement shall cover all fees and costs incurred by Epps investigating, bringing this matter to the Settling Entity's attention, and negotiating a settlement for the claims alleged in the Notice in furtherance of the public interest for the Products.

3.3 Payment Address

All non-electronic payments required by this Settlement Agreement shall be delivered to the following address:

Chanler, LLC
Attn: Proposition 65 Controller
72 Huckleberry Hill Road
New Canaan, CT 06840

4. CLAIMS COVERED AND RELEASED

4.1 Epps' Release of the Settling Entity and Releasees

This Settlement Agreement is a full, final and binding resolution between Epps, as an individual (and not on behalf of the public yet furthers its health interest), and the Settling Entity, of any violation of Proposition 65 that was or could have been asserted by Epps on behalf of himself, his past and current agents, representatives, attorneys, successors, and/or assignees, against the Settling Entity and each of its parents, subsidiaries, affiliated entities under common ownership, directors, officers, employees, attorneys, agents, e-commerce vendors and each entity to whom VSW directly or indirectly distributes or sells the Products, including, but not limited, to downstream distributors, wholesalers, customers, including, without limitation, VSW, retailers, franchisees, cooperative members, and licensees (collectively, Releasees), for failure to warn about alleged exposures to ethyl alcohol contained in the Products. This release is expressly limited to Products in the stream of commerce before the Compliance Date.

In further consideration of the promises and agreements herein contained, Epps as an individual and not on behalf of the public, on behalf of himself, his past and current agents, representatives, attorneys, successors, and/or assignees, hereby fully waives all of his rights to institute or participate in, directly or indirectly, any form of legal action, and releases all claims

that he may have against VSW and Releasees, 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 without limitation investigation fees, expert fees, and attorneys' fees), arising under Proposition 65 with respect to alcoholic beverages and ethyl alcohol in alcoholic beverages in the Products. Nothing in this subsection shall affect Epps' right to commence an action under Proposition 65 against the Settling Entity and its Releasees that does not involve the Products covered by this Settlement Agreement.

4.2 The Settling Entity's Release of Epps

The Settling Entity, on behalf of itself, its past and current agents, representatives, attorneys, successors, and assignees, hereby waives any and all claims against Epps and his attorneys and other representatives, for any and all actions taken or statements made (or those that could have been taken or made) by Epps and his attorneys and other representatives, whether in the course of investigating claims or otherwise seeking to enforce Proposition 65 in connection with the Notice or Products.

4.3 California Civil Code Section 1542

It is possible that other claims not known to the Parties including those arising out of the facts alleged in the Notice relating to the Products will develop or be discovered. Epps, on behalf of himself, his past and current agents, representatives, attorneys, successors, and or assignees only and the Settling Entity acknowledges that this Settlement Agreement is expressly intended to cover and include all such claims against Releasees and upstream suppliers for the Products sold by the Settling Entity through the Compliance Date. The Parties acknowledge that the claims released in §§ 4.1 and 4.2, above, may include unknown claims, and nevertheless waive

California Civil Code § 1542 as to any such unknown claims related to the Products. California Civil Code § 1542 reads as follows:

> "A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY."

Epps and the Settling Entity each acknowledge and understand the significance and consequences of this specific waiver of California Civil Code § 1542.

4.4 Representations

Epps' counsel agrees that as of the Effective Date of this Agreement, they are not aware of, and have not been informed of, any other person, potential claimant, plaintiff, or attorney who, to their knowledge, intends to bring the same or similar claims against the Releasees, as defined above, that Epps has asserted in the Notice concerning the Products.

5. SEVERABILITY

If, subsequent to its execution, any of the provisions of this Settlement Agreement are deemed by a court to be unenforceable, the validity of the enforceable provisions remaining shall not be adversely affected.

6. GOVERNING LAW & ENFORCEMENT

The terms of this Settlement 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, preempted, or is otherwise amended or rendered inapplicable by reason of law generally, or as to any of the Products or any of the alleged violations set forth in any of the Notice, then VSW's obligations under this Settlement Agreement shall terminate or be reformed consistent with such repeal, preemption, or amendment. Nothing in this Settlement Agreement shall be interpreted to

relieve the Settling Entity from any obligation to comply with any other applicable state or federal law or regulation.

The Parties agree that if the OEHHA changes any of its applicable regulations, including those relating to the online warning regulations, VSW may either conform with the revised regulations or continue to conform with the terms provided in this Settlement Agreement.

7. NOTICE

Unless specified herein, all correspondence, notices, and service of process required to be provided pursuant to this Settlement Agreement shall be in writing and: (a) personally delivered; (b) sent by first class (registered or certified mail) return receipt requested; or (c) sent by overnight courier; and (d) electronically transmitted to one party by the other party at the following addresses:

For the Settling Entity:

Sean M. Sherlock
Snell & Wilmer
Plaza Tower
600 Anton Boulevard
Suite 1400
Costa Mesa, CA 92626
ssherlock@swlaw.com

For Epps:

Proposition 65 Coordinator
Chanler, LLC
72 Huckleberry Hill Road
New Canaan, CT 06840
clifford@chanlerllc.com

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. Such changes do not require modification of this Settlement Agreement pursuant to Section 10.

8. COUNTERPARTS; FACSIMILE AND 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.

9. COMPLIANCE WITH HEALTH & SAFETY CODE § 25249.7(F)

Epps and his counsel agree to comply with the reporting requirements referenced in Health & Safety Code §25249.7(f).

10. MODIFICATION

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

11. 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 any and all prior discussions, negotiations, commitments, or understandings related thereto, if any, are hereby merged herein and therein. There are no warranties, representations, or other agreements between the Parties or any of their counsel except as expressly set forth herein. No representations, oral or otherwise, express or implied, other than those specifically contained or referred to in this Settlement Agreement have been made by any Party hereto or any of their counsel. No other agreements not specifically contained or referenced herein, oral or otherwise, shall be deemed to exist or to bind any of the Parties hereto or any of their counsel.

12. AUTHORIZATION

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

AGREED TO:

Date: November 9, 2026

By: _____

JAY EPPS

AGREED TO:

Date: November 6, 2026

By: _____

NAME: Tom C. DAVIES

TITLE: PRESIDENT

V. SATTUI WINERY