

SETTLEMENT AGREEMENT

1. INTRODUCTION

1.1 Parties

This Settlement Agreement (“Agreement”) is entered into as of the last date of execution by a Party hereto (“Effective Date”) by and between Environmental Health Advocates, Inc. (“EHA”), on the one hand, and Dricks Enterprises, Inc. (“Dricks”), on the other hand. EHA and Dricks are referred to collectively as “Parties” and each as a “Party”. EHA is a corporation in the State of California serving in the interest of the general public by seeking to promote awareness of exposures to toxic chemicals and to improve human health by reducing or eliminating hazardous substances used in consumer products. EHA alleges that Dricks is a person in the course of doing business for purposes of the Safe Drinking Water and Toxic Enforcement Act of 1986, California Health and Safety Code § 25249.6 *et seq.* (“Proposition 65”).

1.2 General Allegations

EHA alleges that Dricks distributes for sale in California, receipt paper products that contain Bisphenol S (BPS) and that it does so without first providing the health hazard warning required by Proposition 65. BPS is listed pursuant to Proposition 65 as a chemical known to cause reproductive harm.

1.3 Product Description

The product covered by this Settlement Agreement is defined as, and expressly limited to register receipt paper (“Covered Product”), that is provided, distributed, and/or offered to customers in California by Dricks.

1.4 Notice of Violation

On or around August 1, 2025, and October 17, 2025, EHA served Dricks, the California Attorney General, and certain other public enforcement agencies with a 60-Day Notice of Violation of Proposition 65 (“Notice”). The Notice alleged that Dricks had violated Proposition 65 by failing to sufficiently warn consumers in California of the health hazards associated with exposures to BPS contained in Covered Product.

To the best of the parties’ knowledge, no public enforcer has commenced or is otherwise prosecuting an action to enforce the violations alleged in the Notice.

1.5 No Admission

Dricks 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 Covered Product, have been, and are, in compliance with all laws. Nothing in this Settlement Agreement shall be construed as an admission by Dricks of any fact, finding, conclusion, issue of law or violation of law, nor shall compliance with this Settlement Agreement constitute or be construed as an admission by Dricks of any fact, finding, conclusion, issue of law or violation of law, such being specifically denied by Dricks. This Section shall not, however, diminish or otherwise affect Dricks'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 executed by the Parties.

2. INJUNCTIVE RELIEF

2.1 Purchasing and Distribution Standard

Beginning thirty (30) days after the Effective Date, Dricks shall be permanently enjoined from purchasing for use, distributing, providing, or offering to provide thermal receipt paper in California or in any shipments to California addresses that contains greater than 200 parts per million ("ppm") of Bisphenol S ("BPS") unless complying with the warning provisions in Section 2.2 below. Dricks can comply by purchasing thermal receipt paper supported by supplier or manufacturer representations, product labeling, specifications, certifications, or other commercial documentation, based on test results, stating the receipt paper contains less than 200 parts per million ("ppm") of BPS using Liquid Chromatography Mass-Spectrometer testing methodology. Any certificate, based on test results stating the thermal receipt paper contains less than 200 ppm of BPS is assumed and can be considered to not contain BPS as an intentionally added ingredient. Dricks shall have no independent obligation to test Covered Products and may satisfy its obligations under this Section by reasonably relying on supplier-provided test results.

2.2 Warning Requirements

Commencing on the Effective Date, Dricks agrees any thermal Covered Product sold, provided, distributed to or offered to the purchaser that does not comply with paragraph 2.1 shall

contain a “clear and reasonable” Proposition 65 warning, within the meaning of Section 25249.6 of the Act. Dricks agrees that each warning shall be prominently placed on the cash register or cashier’s desk or station with such conspicuousness, as compared with other words, statements, designs, or devices as to render it likely to be seen, read and understood by an ordinary individual under customary conditions before being provided Covered Product. Each warning shall be provided in a manner such that the consumer or user understands to which specific Covered Products the warning applies, and which listed chemical(s) is/are implicated, so as to minimize the risk of consumer confusion.

Specifically, pursuant to § 25603(a) – (d), one of the following statements must be utilized:

- | | |
|---|---|
| | 1)  “WARNING:” [or] “CA WARNING:” [or] “CALIFORNIA WARNING:” Thermal receipt paper can expose you to bisphenol S 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 . |
| | OR |
| SHORT FORM | 2)  “WARNING:” [or] “CA WARNING:” [or] “CALIFORNIA WARNING:” Risk of reproductive harm from exposure to bisphenol S. See www.P65Warnings.ca.gov . |
| | OR |
| SHORT FORM | 3)  “WARNING:” [or] “CA WARNING:” [or] “CALIFORNIA WARNING:” Can expose you to bisphenol S, a reproductive toxicant. See www.P65Warnings.ca.gov . |
| | OR |
| SHORT FORM ON
A PRODUCT
MANUFACTURED/
LABELED PRIOR
TO 1/1/28,
REGARDLESS OF
DATE OF SALE | 4)  “WARNING:” Reproductive Harm--
www.P65Warnings.ca.gov . |

The triangle above shall be yellow on the warning statement. Where the sign, label, or shelf tag 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 warning text, in a size no smaller than the height of the word, "WARNING." A short-form warning must be provided on a product in a type size that complies with Cal. Code Regs Tit. 27, § 25601(c). In no case shall a warning statement displayed on the Covered Products' packaging appear in a type size smaller than 6-point type. Where a sign, labeling, or label as defined in Section 256001.1 is used to provide a warning that includes consumer information about a product in a language other than English, the warning must also be provided in that language in addition to English.

So long as Dricks does not provide, distribute or offer the purchaser thermal receipt Covered Products to online purchasers it will not have to comply with online warnings set forth in the Cal. Code Regs. Tit. 27, Sections 25600, 25602 and 25603. As set forth in Cal. Code Regs. Tit. 27, § 25602(b), to the extent thermal receipt Covered Products are provided, distributed to or offered to the purchaser, a warning that complies with the content requirements of Cal. Code Regs Tit. 27, § 25603 must be provided via of the following methods: (1) A warning on the receipt display page; (2) A clearly marked hyperlink using the word "WARNING" or the words "CA WARNING" or "CALIFORNIA WARNING" on the thermal receipt Covered Products that are provided, distributed to or offered to the purchaser by Dricks in conjunction with a product sold into California. In addition, Dricks shall instruct any third-party website to which it directly provides, distributes to or offers its thermal Covered Products to include the same online warning, as set forth above, as a condition of providing, distributing to or offering the thermal Covered Products in California.

There shall be no obligation for Dricks to provide a warning for Covered Products that entered the stream of commerce prior to the thirty days (30 days) after the Effective Date, and the Section 4 release applies to all such Covered Products.

(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 Proposition 65 warning text and/or methods of transmission applicable to the thermal Covered Products and the chemical at issue, which are different than those set forth above, Dricks 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 providing that Proposition 65 warnings as to BPS in this Covered Product are no longer required, a lack of warning by Dricks will not thereafter be a breach of this Agreement.

2.3 Grace Period for Existing Inventory of the Covered Product

The injunctive requirements of Section 2 shall not apply to Covered Product that is already in the stream of commerce as of the Effective Date, which Covered Product is expressly subject to the releases provided in Section 4.1. For the avoidance of doubt, Covered Product that is in the stream of commerce specifically includes, but is not limited to, Covered Product that was procured by Dricks prior to its receipt of the Notice.

3. MONETARY SETTLEMENT TERMS

3.1 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, Dricks agrees to pay one thousand dollars (\$1,000.00) 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 EHA. Dricks shall issue two separate checks for the civil penalty payment to (a) “OEHHA” and (b) Environmental Health Advocates, Inc. as follows:

- One payment of \$750.00 to OEHHA, due fourteen (14) days after the Effective Date.
- One payment of \$250.00 to EHA, due fourteen (14) days after the Effective Date.

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 Service Delivery:

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

For Non-United States Postal Service Delivery:

Mike Gyurics
Fiscal Operations Branch Chief
Office of Environmental Health Hazard Assessment

1001 I Street
Sacramento, CA 95814

All penalty payments owed to EHA shall be sent to:

Environmental Health Advocates
225 Broadway, Suite 1900
San Diego, CA 92101

3.2 Attorney Fees and Costs

The Parties reached an accord on the compensation due to EHA and its counsel under the private attorney general doctrine and principles of contract law. Under these legal principles, Dricks agrees to pay fourteen thousand dollars (\$14,000.00) to EHA and its counsel for all fees and costs incurred in investigating, bringing this matter to the attention of Dricks, and negotiating a settlement. The fourteen thousand dollars (\$14,000.00) in Attorney's Fees and Costs shall be payable to Entorno Law, LLP as one payment of \$14,000.00 due fourteen (14) days after the Effective Date and receipt of the documents EHA agrees to provide in paragraph 3.3.

All payments required under this Section shall be payable to Entorno Law, LLP and delivered to:

Attn: Isaac Fayman
Entorno Law, LLP
225 Broadway, Suite 1900
San Diego, CA 92101

3.3 Tax Documentation

Dricks agrees to provide a completed IRS 1099 for its payments to, and EHA agrees to provide IRS W-9 forms for, each of the payees under this Settlement Agreement. The Parties acknowledge that Dricks cannot issue any settlement payments pursuant to Section 3.1 and 3.2 above until after Dricks receives the requisite W-9 forms from EHA's counsel.

4. CLAIMS COVERED AND RELEASED

4.1 EHA's Release of Dricks

This Settlement Agreement is a full, final, and binding resolution of all claims between EHA, on its own behalf, and Dricks for all claims that can or could have been asserted by EHA, on its own behalf, on behalf of its past and current agents, representatives, officers, directors, members,

attorneys, insurers, predecessors, successors, responsible individual(s), assignees, shareholders, members, employees, representatives, attorneys (collectively "EHA Releasers"), fully and forever releases, acquits, and discharges Dricks, its Affiliates, insurers, predecessors, successors, and assigns, and each of the foregoing entities' respective officers, directors, shareholders, members, employees, representatives, attorneys and agents, including, but not limited to each entity to whom Dricks directly or indirectly distributes or provides or sells the Covered Product, including, but not limited to, its downstream distributors, wholesalers, customers, retailers, franchisees, cooperative members and licensees (collectively, "Dricks Releasees"), from any and all claims, demands, losses, damages, actions, causes of action, suits, debts, promises, liabilities, obligations, costs, expenses, attorneys' fees, indemnities or duties, whether known or unknown, fixed or contingent, accrued or not yet accrued, matured or not yet matured, anticipated or unanticipated, arising from Covered Product (collectively, "Claims"), as of the Effective Date; provided, however, that nothing in this release shall be deemed to excuse any person or entity from its obligations under this Agreement, as alleged in the Notice, or for any other reason and that this release includes the waiver in Section 4.3 below.

In further consideration of the promises and agreements herein contained, EHA on its own behalf, on behalf of EHA Releasers hereby waives any and all rights it may have to institute or participate in, directly or indirectly, any form of legal action and releases all claims against Dricks Releasees including, without limitation, all actions and causes of action, suits, liabilities, demands, obligations, damages, costs, fines, penalties, losses or expenses including, but not exclusively, investigation fees, expert fees and attorney fees arising under Proposition 65 with respect to the alleged or actual failure to warn about exposures to BPS required under Proposition 65 in the Covered Product manufactured, distributed, sold or offered for sale by Dricks, before the Effective Date.

4.2 Dricks's Release of EHA

In consideration of and in return for the mutual releases and waivers herein, including mutual waivers of attorneys' fees and costs (except as provided in Section 3.2) Dricks, on its own behalf and on behalf of Dricks Releasees, fully and forever releases, acquits, and discharges hereby waives any and all claims against EHA Releasers from any and all Claims (as defined in Paragraph 4.1, above), as of the Effective Date; provided, however, that nothing in this release shall be deemed to

excuse any person or entity from its obligations under this Agreement, and that this release includes the waiver in Section 4.3 below.

4.3 California Civil Code Section 1542

It is possible that other claims not known to the Parties arising out of the facts alleged in the Notice and relating to the Covered Product will develop or be discovered. EHA on behalf of itself and the EHA Releasors only, on one hand, and Dricks on behalf of itself and the Dricks Releasees only, on the other hand, acknowledge that this Settlement Agreement is expressly intended to cover and include all such claims up through the Effective Date. The Parties acknowledge that the claims released in Sections 4.1 and 4.2 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.

EHA and Dricks each acknowledge and understand the significance and consequences of this specific waiver of California Civil Code § 1542.

5. SEVERABILITY

If, subsequent to the execution of this Settlement Agreement, any provision of this Settlement Agreement is held by a court to be unenforceable, the validity of the remaining 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 and apply within the State of California.

7. ENFORCEMENT

In any action to enforce the terms of this Settlement Agreement, the prevailing party shall be entitled to its reasonable attorneys' fees and costs.

8. NOTICE

Unless specified herein, all correspondence and notice required to be provided pursuant to this Settlement Agreement shall be in writing and sent by: (a) personal delivery; (b) first-class, registered or certified mail, return receipt requested; or (c) a recognized overnight courier on any Party by the other at the following addresses:

For Dricks:

Gayle Rangel
Dricks Enterprises, Inc
720 Avenida Azor
San Clemente, CA 92673
gayle.rangel@petsplusca.com

For EHA:

Noam Glick
Entorno Law, LLP
225 Broadway, Suite 1900
San Diego, CA 92101

Any Party may, from time to time, specify in writing to the other a change of address to which all notices and other communications shall be sent.

9. 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.

10. COMPLIANCE WITH HEALTH & SAFETY CODE § 25249.7(f)

EHA and its attorneys agree to comply with the reporting form requirements referenced in California Health and Safety Code § 25249.7(f).

11. MODIFICATION

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

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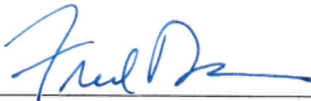
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12. **AUTHORIZATION**

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: 8/20/26

By: 
ENVIRONMENTAL HEALTH
ADVOCATES, INC.

AGREED TO:

Date: 8/19/26

By: 
DRICKS ENTERPRISES, INC.