

SETTLEMENT AGREEMENT

1. INTRODUCTION

1.1 Parties

This Settlement Agreement is entered into by and between Environmental Health Advocates, Inc. (“EHA”), on the one hand, and Blacktop Restaurant Group, Inc. (“Blacktop”), on the other hand, with EHA and Blacktop each individually referred to as a “Party” and collectively as the “Parties.” 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 Blacktop 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 Blacktop sells and/or distributes for sale in California, thermal receipt paper products that contain Bisphenol S (BPS) and that it does so without first providing the 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 thermal receipt paper (“Covered Product”), that is used, distributed, and/or provided to customers in California by Blacktop.

1.4 Notice of Violation

On or around December 12, 2025, EHA served Blacktop, 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 Blacktop is noncompliant with Proposition 65 by failing to sufficiently warn consumers in California of the exposures to BPS from the 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

Blacktop denies all the material, factual, and legal allegations in the Notice and maintains that all of the products it sold and/or distributed in California, including Covered Product, have been, and are, in compliance with all laws, including Proposition 65. Nothing in this Settlement Agreement shall be construed as an admission by Blacktop 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 Blacktop of any fact, finding, conclusion, issue of law or violation of law, all such being specifically denied by Blacktop. This Section shall not, however, diminish or otherwise affect Blacktop'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.

1.7 Compliance Date

For purposes of this Settlement Agreement, the term "Compliance Date" shall mean 60-days following the Effective Date.

2. INJUNCTIVE RELIEF

2.1 Reformulation Standard

Beginning on the Compliance Date, Defendant 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 is not BPS Free. "BPS Free" means thermal paper that contains less than 200 parts per million ("ppm") of BPS when tested for total content using a Liquid Chromatography Mass-Spectrometer.

2.2 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 Compliance 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 Blacktop prior to the Compliance Date.

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, Blacktop 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. Blacktop shall issue two separate checks for the initial civil penalty payment to (a) “OEHHA” and (b) Environmental Health Advocates, Inc. as follows:

- One payment of \$750.00 to OEHHA, due thirty (30) days after the Effective Date.
- One payment of \$250.00 to EHA, due thirty (30) 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, Blacktop agrees to pay eleven thousand five hundred dollars (\$11,500.00) to EHA and its counsel for all fees and costs incurred in investigating, bringing this matter to the attention of Blacktop, and negotiating a settlement. The eleven thousand five hundred dollars (\$11,500.00) in Attorney's Fees and Costs shall be payable to Entorno Law, LLP as one payment of \$11,500.00 due thirty (30) days after the Effective Date.

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

Blacktop 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 Blacktop cannot issue any settlement payments pursuant to Section 3.1 and 3.2 above until after Blacktop receives the requisite W-9 forms from EHA's counsel. Any delay in Blacktop's payment(s) required under this Agreement due to EHA's failure to timely provide the information necessary to effectuate such payment shall be excused.

4. CLAIMS COVERED AND RELEASED

4.1 EHA's Release of Blacktop

This Settlement Agreement is a full, final, and binding resolution of all claims between EHA, on its own behalf, and Blacktop 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, attorneys, successors and assignees, against Blacktop and each of its respective parents, owners, shareholders, subsidiaries, affiliated entities, divisions, subdivisions, directors, officers, members, employees, attorneys, and any entity, including, but not limited to each entity from whom Blacktop sources the Covered Product,

including materials used in the Covered Product, and any entity to whom Blacktop directly or indirectly distributes or sells the Covered Product, including, but not limited to, its downstream distributors, wholesalers, customers, retailers, franchisees, cooperative members and licensees (“Releasees”), based on the failure to warn about exposures to BPS required under Proposition 65 in the Covered Product sold or distributed for sale in California by Blacktop before the Compliance Date, as alleged in the Notice, or for any other reason.

In further consideration of the promises and agreements herein contained, EHA on its own behalf, on behalf of its past and current agents, representatives, attorneys, successors and assignees 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 Blacktop and 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 under Proposition 65 in the Covered Product manufactured, distributed, sold or offered for sale by Blacktop, before the Compliance Date.

4.2 Blacktop’s Release of EHA

Blacktop, on its own behalf and on behalf of its past and current agents, representatives, attorneys, successors, and assignees, hereby waives any and all claims against EHA and its attorneys and other representatives, for any and all actions taken or statements made by EHA and its attorneys and other representatives, whether in the course of investigating claims, otherwise seeking to enforce Proposition 65 against it in this matter, with respect to the Covered Product.

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 only, on one hand, and Blacktop on behalf of itself 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 Blacktop each acknowledge and understand the significance and consequences of this specific waiver of California Civil Code § 1542.

5. PUBLIC BENEFIT

It is Blacktop's understanding that the commitments it has agreed to herein, and actions to be taken by Blacktop under this Settlement Agreement confer a significant benefit to the general public, as set forth in Code of Civil Procedure § 1021.5 and Cal. Admin. Code tit. 11, § 3201. As such, it is the intent of Blacktop that to the extent any other private party serves a notice and/or initiates an action alleging a violation of Proposition 65 with respect to Blacktop's alleged failure to provide a warning concerning actual or alleged exposure to BPS prior to use of the Covered Product it has manufactured, distributed, sold, or offered for sale in California, or will manufacture, distribute, sell, or offer for sale in California, such private party action would not confer a significant benefit on the general public as to the Covered Product addressed in this Settlement Agreement, provided that Blacktop is in material compliance with this Settlement Agreement.

6. 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.

7. 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. In the event that Proposition 65, either as a whole or as specifically applicable to the Covered Products or BPS is repealed or federally preempted, or if new or different safe harbor levels are established as applicable to the Covered Products, or if

Proposition 65 is otherwise rendered inapplicable to the Covered Products or to BPS, or if any of the provisions of this Settlement Agreement are specifically rendered inapplicable or no longer required as to the Covered Products as a result of any regulatory or statutory change or repeal or preemption, then Blacktop may provide written notice to EHA of any asserted change in the law, and it shall have no further obligations pursuant to this Settlement Agreement with respect to the Covered Products, to the extent that the Covered Products are so affected, and to the extent that it complies with the law.

8. MODIFICATION & ENFORCEMENT

This agreement may be modified by written agreement of the Parties. If a dispute arises with respect to either Party's compliance with the terms of this Settlement Agreement, the Parties shall meet and confer in writing and endeavor to resolve the dispute in an amicable manner, for a period of thirty (30) days following receipt of the aggrieved Party's written notification outlining the basis for the dispute. No action may be filed in the absence of such good faith attempt to resolve the dispute for the aforementioned period of at least thirty (30) days which may be extended by mutual agreement of the Parties. Should an exceedance of the reformulation standard(s) in Section 2.1 be alleged, Blacktop must be provided with written notice and data supporting such an allegation and thirty (30) days to address the allegations before an enforcement action may be filed. No violation of this Settlement Agreement shall be deemed to occur if Blacktop demonstrates that its own testing of the Covered Product, or sourcing of BPS-free Covered Products show compliance with Section 2.1. Additionally, if a California court enters judgment in another Proposition 65 enforcement action involving exposure to BPS in Covered Products or product substantially similar to Covered Products that imposes different injunctive relief than what is set forth in this Settlement Agreement, Blacktop may seek to modify Section 2.1 of this Settlement Agreement to conform with the injunctive relief provided in such judgment. In any action to enforce the terms of this Settlement Agreement, the prevailing party shall be entitled to its reasonable attorneys' fees and costs.

9. 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 Blacktop:

Hazel Ocampo
Greenberg Traurig LLP
12830 El Camino Real, Ste. 350
San Diego, CA 92130
ocampoh@gtlaw.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.

10. FORCE MAJEURE

The inability of Blacktop to comply with any deadline set forth in this Settlement Agreement due to an act of terrorism, fire, earthquake, civil disorders, war, an act of God or similar event that is beyond the reasonable control of Blacktop shall be grounds to amend the deadlines set forth in this Agreement.

11. 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.

12. 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).

13. 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:

AGREED TO:

Date: 5/27/26

Date: MAY 27, 2026

By: 
ENVIRONMENTAL HEALTH
ADVOCATES, INC.

By: 
BLACKTOP RESTAURANT GROUP, INC.