

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 CA Breakfast Republic, Inc., Breakfast Republic, Inc., 92104 Hospitality, LLC, Breakfast Republic Ocean Beach, LLC, BR Los Angeles LLC, Breakfast Republic East Village, LLC, Breakfast Republic Encinitas, LLC, Breakfast Republic Liberty, Inc., Breakfast Republic Mission Valley, LLC, Breakfast Republic OC, LLC, Breakfast Republic-Pacific Beach, LP, JEDL Restaurants, LLC, Breakfast Republic West Hollywood, LLC (collectively, “Breakfast Republic”), on the other hand, with EHA and Breakfast Republic 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 Breakfast Republic 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 Breakfast Republic 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 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 thermal receipt paper (“Covered Product”), that is used, distributed, and/or provided to customers in California by Breakfast Republic.

1.4 Notices of Violation

On or around July 11, 2025, EHA served Breakfast Republic, the California Attorney General, and certain other public enforcement agencies with a 60-Day Notice of Violation of Proposition 65

(the “Notice”). On December 19, 2025, an amended 60-Day Notice of Violation of Proposition 65 (the “Amended Notice”) was issued, adding additional parties. The original and amended notices (collectively, the “Notices”) alleged that Breakfast Republic 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 Notices.

1.5 No Admission

Breakfast Republic denies the material, factual, and legal allegations in the Notices 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 Breakfast Republic 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 Breakfast Republic of any fact, finding, conclusion, issue of law or violation of law, such being specifically denied by Breakfast Republic. This Section shall not, however, diminish or otherwise affect Breakfast Republic’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 Reformulation Standard

Beginning thirty (30) days after the Effective 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 or Bisphenol A (“BPA”) when tested for total content using a Liquid Chromatography Mass-Spectrometer, and does not contain either BPA or BPS as an intentionally added ingredient.

At Breakfast Republic's option, if it obtains a test result for thermal receipt paper made by a particular manufacturer showing that such paper is "BPS Free", as defined above, this shall constitute compliance with this reformulation standard for all such thermal paper.

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 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 Breakfast Republic prior to its receipt of the Notices.

2.3 Correction Notice

In the event Breakfast Republic is allegedly not in compliance with Section 2 of this Agreement, Breakfast Republic upon receiving a written notice of non-compliance (the "Compliance Notice"), may bring Covered Product into compliance or demonstrate that Covered Product is already compliant within thirty (30) days of receipt of the Compliance Notice. If Covered Product is brought into compliance during this period, Breakfast Republic shall not be required to make any additional monetary payment or settlement amount.

2.4 Most Favored Nations Provision

EHA represents and warrants that as of the Effective Date, it has not entered into any settlement agreement with any other party nor has any court entered any judgment that sets forth a reformulation standard that is higher (less strict) than the one set forth herein, i.e., more than 200 ppm of BPS when tested for total content or allows the use of thermal receipt paper as long as it does not contain intentionally added BPS. If, after the Effective Date, EHA enters into any settlement agreement and/or a court enters any judgment in any Proposition 65 enforcement action over exposure to BPS that imposes a different, higher (less strict) reformulation standard from that set forth in this Settlement Agreement, or uses a standard of intentionally added BPS, or that allows for something other than a test result for thermal receipt paper made by a particular manufacturer to serve as proof of compliance with the reformulation standard, the Parties agree Section 2.1 of this Settlement Agreement is automatically modified to conform with the obligations or injunctive relief provided in

such later agreement or judgment. If, after the Effective Date, a court of competent jurisdiction enters a judgment in a Proposition 65 enforcement action that determines no Proposition 65 warnings premises on exposure to BPS from thermal receipt paper are required and/or no warnings are required for thermal receipt paper used, distributed, and/or provided to customers in California by a retailer/restaurant, the Parties agree that the obligations in Section 2.1 of this Settlement Agreement will immediately and automatically end.

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 Notices or referred to in this Settlement Agreement, Breakfast Republic 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. Breakfast Republic 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 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, Breakfast Republic agrees to pay eleven thousand dollars (\$11,000.00) to EHA and its counsel for all fees and costs incurred in investigating, bringing this matter the attention of Breakfast Republic, and negotiating a settlement. The eleven thousand dollars (\$11,000.00) to Attorney's Fees and Costs shall be payable to Entorno Law, LLP as one payment of \$11,000.00 due fourteen (14) 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

Breakfast Republic 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 Breakfast Republic cannot issue any settlement payments pursuant to Section 3.1 and 3.2 above until after Breakfast Republic receives the requisite W-9 forms from EHA's counsel.

4. CLAIMS COVERED AND RELEASED

4.1 EHA's Release of Breakfast Republic

This Settlement Agreement is a full, final, and binding resolution of all claims between EHA, on its own behalf, and Breakfast Republic 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 Breakfast Republic and each of its respective parents, subsidiaries, affiliated entities under common ownership, directors, officers, members, employees, attorneys, and any entity, including, but not limited to each entity to whom Breakfast Republic 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 Breakfast Republic before the Effective Date, as alleged in the Notices, 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 Breakfast Republic 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 required under Proposition 65 in the Covered Product manufactured, distributed, sold or offered for sale by Breakfast Republic, before the Effective Date.

4.2 Breakfast Republic’s Release of EHA

Breakfast Republic, 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, or 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 Notices and relating to the Covered Product will develop or be discovered. EHA on behalf of itself only, on one hand, and Breakfast Republic 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 Breakfast Republic each acknowledge and understand the significance and consequences of this specific waiver of California Civil Code § 1542.

5. PUBLIC BENEFIT

It is Breakfast Republic's understanding that the commitments it has agreed to herein, and actions to be taken by Breakfast Republic 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 Breakfast Republic 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 Breakfast Republic'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 Breakfast Republic 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.

8. 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.

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 Breakfast Republic:

Michael Gleason
Hahn Loeser & Parks LLP
One America Plaza, 600 West Broadway, Suite 1500
San Diego, CA 92101
mgleason@hahnlaw.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. 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.

11. 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).

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12. **MODIFICATION**

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

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:

Date: 2/19/26

By: 
ENVIRONMENTAL HEALTH
ADVOCATES, INC.

AGREED TO:

Date: 2/16/2026

Signed by: 
By: E5FF67CCC00C4D5...
Johan Engman - owner
CA Breakfast Republic, Inc.

Date: 2/16/2026
Signed by: 
By: E5FF67CCC00C4D5...
Johan Engman - owner
Breakfast Republic, Inc.

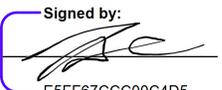
Date: 2/16/2026
Signed by: 
By: E5FF67CCC00C4D5...
Johan Engman - owner
92104 Hospitality, LLC

Date: 2/16/2026
Signed by: 
By: E5FF67CCC00C4D5...
Johan Engman - owner
Breakfast Republic Ocean Beach, LLC

Date: 2/16/2026
Signed by: 
By: E5FF67CCC00C4D5...
Johan Engman - owner
BR Los Angeles LLC

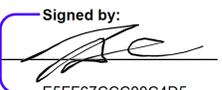
Date: 2/16/2026
Signed by: 
By: E5FF67CCC00C4D5...
Johan Engman - owner
Breakfast Republic East Village, LLC

Date: 2/16/2026
By: 
E5FF67CCC00C4D5...
Johan Engman - owner
Breakfast Republic Encinitas, LLC

Date: 2/16/2026
By: 
E5FF67CCC00C4D5...
Johan Engman - owner
Breakfast Republic Liberty, Inc.

Date: 2/16/2026
By: 
E5FF67CCC00C4D5...
Johan Engman - owner
Breakfast Republic Mission Valley, LLC

Date: 2/16/2026
By: 
E5FF67CCC00C4D5...
Johan Engman - owner
Breakfast Republic OC, LLC

Date: 2/16/2026
By: 
E5FF67CCC00C4D5...
Johan Engman - owner
Breakfast Republic-Pacific Beach, LP

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