

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 Twenty Eight Inc. (“Twenty Eight”), on the other hand, with EHA and Twenty Eight 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 Twenty Eight 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 Twenty Eight violated Proposition 65 by exposing persons to Bisphenol S (“BPS”) contained in thermal receipt paper without first providing a clear and reasonable Proposition 65 warning. Twenty Eight either purchases for use, causes to be purchased for use, provides, or offers to provide thermal receipt paper products in the State of California, or has done so in the past. 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 Twenty Eight.

1.4 Notice of Violation

On or around July 18, 2025, EHA served Twenty Eight, 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 Twenty Eight had violated Proposition 65 by exposing persons to BPS contained in thermal receipt paper without first providing a clear and reasonable Proposition 65 warning. The Notice was subsequently amended on August 29, 2025, to remove Five Tran Investment Group, LLC and name Twenty Eight, Inc. as the true entity at Notice. It was amended again on

October 10, 2025, to provide information identifying the location(s) where exposures occurred.

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

Twenty Eight denies the material, factual, and legal allegations in the Notice and maintains that all of the products it purchased for use, caused to be purchased for use, provided, or offered to provide 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 Twenty Eight 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 Twenty Eight of any fact, finding, conclusion, issue of law or violation of law, such being specifically denied by Twenty Eight. This Section shall not, however, diminish or otherwise affect Twenty Eight'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 only purchase, distribute, or cause to distribute Covered Products for use in its California locations that are BPS Free and shall notify such California locations to only use Covered Products that are 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.

Twenty Eight may, in accordance with the enforcement terms in Section 3 below, rely on written specifications/representations, test results, or a certificate of compliance from its Covered Products supplier(s) to comply with the foregoing obligations.

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 5.1. 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 Twenty Eight prior to its receipt of the Notice.

3. ENFORCEMENT

3.1 General Enforcement Provisions

The Parties may enforce the terms and conditions contained in this Settlement Agreement. Subject to the provisions of Section 3.2, the parties shall meet and confer on any alleged violation of this Settlement Agreement before bringing any action for enforcement.

3.2 Enforcement of Section 2.

3.2.1 Prior to bringing any action to enforce the requirements of Section 2 above, EHA shall provide Twenty Eight with a notice setting forth the factual basis for the alleged violation of Section 2 (“Notice of Violation”). For purposes of enforcement, a detection in excess of 200 parts per million (“ppm”) of total BPS content creates a rebuttable presumption that a Covered Product is not BPS Free. The Notice of Violation must include (i) a copy of the receipt(s), (ii) if a receipt does not contain a register number, a description and/or photograph of the location of the register from which such receipt was printed sufficient to allow Twenty Eight to identify the register, and (iii) any test results or other data establishing that the Covered Product was not BPS Free.

3.2.2 Twenty Eight shall provide its response to the Notice of Violation within 45 days.

3.2.2.1 If Twenty Eight’s response to a Notice of Violation served under this Section 3 demonstrates the Covered Product used at the location identified in the Notice of Violation was obtained directly or indirectly from an upstream supplier that is a party to a consent judgment providing substantially equivalent or more protective reformulation requirements, EHA shall take no further action against Twenty Eight except as set forth herein. If the upstream supplier successfully

demonstrates the Covered Product was BPS Free, EHA shall notify Twenty Eight, which may then respond in accordance with Section 3.2.2.2 or clean the identified register.

3.2.2.2 If thermal receipt paper is the Covered Product at issue in the Notice of Violation, Twenty Eight may respond to a Notice of Violation by providing test results of the thermal receipt paper used in the register identified in the Notice of Violation before and after a receipt is printed.

- a) If the thermal receipt paper before printing contains less than 200 ppm of total BPS and the thermal receipt paper after printing contains less than 200 ppm of total BPS, Twenty Eight shall provide EHA with a sample of the Covered Product printed from the register so that EHA may confirm the testing. In the event that EHA's test of the Covered Product sample shows that the product contains more than 200 ppm of total BPS, the Parties shall meet and confer regarding an appropriate remedy. In the event the Parties are unable to reach an agreement, EHA may bring an enforcement action. In the event that EHA's test of the Covered Product sample confirms that there is less than 200 ppm of total BPS, EHA shall take no further action on the Notice of Violation.
- b) If the thermal receipt paper before printing contains more than 200 ppm of total BPS Twenty Eight's response to the Notice of Violation shall identify all known direct and indirect suppliers of the thermal receipt paper and provide EHA with a sample of the thermal receipt paper from the register identified in the Notice of Violation before printing. If the direct or indirect suppliers of the thermal receipt paper are not party to a consent judgment providing substantially equivalent or more protective reformulation requirements, Twenty Eight shall take commercially reasonable steps to obtain an alternative supplier or work with its current supplier to ensure compliant Covered Product is procured moving forward. If Twenty Eight is unable to do so within 90 days following its receipt of the NOV, it shall meet and confer with EHA regarding an appropriate remedy.
- c) If the thermal receipt paper before printing contains less than 200 ppm of total BPS and the thermal receipt paper after printing contains 200 ppm or more of total BPS, Twenty Eight shall take steps to clean each register identified in the Notice of Violation pursuant to

manufacturer recommendations, in order to reduce the potential for future contamination and shall include in its response to the Notice of Violation confirmation that such cleaning has been or will be promptly undertaken.

- d) EHA shall not be entitled to any monetary remedy for alleged violation of this Settlement Agreement from Twenty Eight if Twenty Eight complies with the injunctive relief in subsections 3.2.2.2(b) and (c) in response to a first Notice of Violation.

3.2.2.3 If in response to a first Notice of Violation, Twenty Eight does not or is unable to produce the testing described in Sections 0, EHA shall take no further action against Twenty Eight if it demonstrates the following in response to a first Notice of Violation under this Settlement Agreement: (i) the thermal receipt paper used at the location at which the allegedly violative Covered Product was provided was obtained from a direct or indirect supplier that had provided a written specification, test result, or certificate of compliance that the Covered Product was BPS Free, and (ii) the alleged violation has been cured by Twenty Eight.

3.2.3 After the first Notice of Violation, subsequent Notices of Violation shall be subject to the provisions of Sections 3.1 and 3.2. Should attempts at informal resolution fail, EHA may file its enforcement action. The prevailing party on any motion to enforce this Settlement Agreement shall be entitled to its reasonable attorneys' fees and costs.

3.2.4 The Parties agree that a Notice of Violation shall not be considered a first notice of violation for purposes of Section 3.2.1 if:

- (a) the Covered Product was (i) released by this Consent Judgment or (ii) otherwise complied with its injunctive terms;
- (b) the Notice of Violation was (i) withdrawn or (ii) successfully contested; or
- (c) the Settling Defendant had not previously received a Notice of Violation for a Covered Product supplied by the same supplier.

3.3 Remedies. In the event that EHA and Twenty Eight are unable to resolve a Notice of Violation at a retail location that Twenty Eight owns or operates, EHA may seek injunctive relief in the form of an order from the Court requiring Twenty Eight to provide a clear and reasonable warning of exposures to BPS in thermal paper at the location(s) identified in the Notice of

Violation, unless Twenty Eight changes suppliers of thermal paper or cleans the printer(s) identified in the Notice of Violation. Nothing in this Section 3 shall affect the Court's authority in an enforcement proceeding to impose appropriate monetary remedies, if any, including penalties, Additional Settlement Payments and/or sanctions.

4. 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, Twenty Eight 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. Twenty Eight 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

4.2 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, Twenty Eight 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 Twenty Eight, 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.

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

4.3 Tax Documentation

Twenty Eight 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 Twenty Eight cannot issue any settlement payments pursuant to Section 4.1 and 4.2 above until after Twenty Eight receives the requisite W-9 forms from EHA's counsel.

5. CLAIMS COVERED AND RELEASED

5.1 EHA's Release of Twenty Eight

This Settlement Agreement is a full, final, and binding resolution of all claims between EHA, on its own behalf, and Twenty Eight 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 Twenty Eight and each of its respective parents, subsidiaries, affiliated entities

under common ownership, directors, officers, members, employees, agents, shareholders, predecessors, successors, assigns, franchisees, licensees, and attorneys, and any entity, including, but not limited to each entity to whom Twenty Eight 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”), of any violation of Proposition 65 based on the failure to warn about exposures to BPS required under Proposition 65 in the Covered Product for all conduct that occurred before the Effective Date.

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 releases, waives, and forever discharges 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 Twenty Eight 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 from any violation of Proposition 65 or any other statutory or common law claims that have been or could have been asserted by EHA with respect to the alleged or actual failure to warn about exposures to BPS required under Proposition 65 arising from or in connection with the Covered Product for all conduct that occurred before the Effective Date and all conduct in compliance with Section 2.1.

5.2 Twenty Eight’s Release of EHA

Twenty Eight, 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.

5.3 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 Twenty Eight 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 5.1 and 5.2 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 Twenty Eight each acknowledge and understand the significance and consequences of this specific waiver of California Civil Code § 1542.

5.4 Compliance with Proposition 65

Provided that Twenty Eight complies in full with its obligations, compliance with the terms of this Settlement Agreement by Twenty Eight shall constitute compliance with Proposition 65 by Twenty Eight and Defendant Releasees with respect to any alleged failure to warn about BPS in Covered Products that Twenty Eight purchases for use, causes to be purchased for use, provides, or offers to provide in the State of California.

6. PUBLIC BENEFIT

It is Twenty Eight's understanding that the commitments it has agreed to herein, and actions to be taken by Twenty Eight 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 Twenty Eight 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 Twenty Eight's alleged failure to provide a warning concerning actual or alleged exposure to BPS prior to use of the Covered Product it has purchased for use, caused to be purchased for use, provided, or offered to provide 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 Twenty Eight is in material compliance with this Settlement Agreement.

7. **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.

8. **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 Twenty Eight:

Anne Marie Ellis
Buchalter LLP
18400 Von Karman Avenue, Suite 800
Irvine, CA 92612-0514
aellis@buchalter.com

For EHA:

Noam Glick
Entorno Law, LLP
225 Broadway, Suite 1900
San Diego, CA 92101
noam@glicklawgroup.com

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. 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 except as expressly set forth herein. No representations, oral or otherwise, express or implied, other than those specifically referred to in this Settlement Agreement have been made by any Party hereto. 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. Any agreements specifically contained or referenced herein, oral or otherwise, shall be deemed to exist or to bind any of the Parties hereto only to the extent that they are expressly incorporated herein. No supplementation, modification, waiver, or termination of this Settlement Agreement shall be binding unless executed in writing by the Party to be bound thereby. No waiver of any of the provisions of this Settlement Agreement shall be deemed or shall constitute a waiver of any of the other provisions hereof whether or not similar, nor shall such waiver constitute a continuing waiver.

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).

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:

AGREED TO:

Date: 6/12/26

Date: June 11, 2026

By: 
ENVIRONMENTAL HEALTH
ADVOCATES, INC.

Signed by:

By: 9D5B570684C942B...
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