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SETTLEMENT AGREEMENT AND GENERAL RELEASE

Gabriel Espinoza v. Burlington Merchandising Corporation

1. INTRODUCTION

1.1 The Parties. This Settlement Agreement and General Release (the "Agreement") is entered into by and among Gabriel Espinoza ("Espinoza") (the "Claimant"), on the one hand, and Burlington Merchandising Corporation ("BMC" or "Burlington" or "Respondent"), on the other hand. The Claimant and Respondent are referred to individually as a "Party" and collectively as the "Parties."

Espinoza is an individual who resides in the State of California and seeks to promote awareness of exposures to toxic chemicals and to improve human health by reducing or eliminating hazardous substances contained in consumer products.

1.2 The Dispute. This Agreement resolves the following dispute between the Parties (the "Dispute"):

> Espinoza Dispute (Proposition 65 – Lead). Espinoza alleges that BMC has exposed individuals to lead from its sales of four piece ramekin sets, LIN # 16227404914911 (the "Lead Products" or "Espinoza Products") without first providing a clear and reasonable health hazard exposure warning as required pursuant to the Safe Drinking Water and Toxic Enforcement Act of 1986, Health & Safety Code § 25249.6, et seq. ("Proposition 65"). Lead is listed pursuant to Proposition 65 as a chemical known to the State of California to cause cancer and birth defects or other reproductive harm. On January 31, 2025 and June 3, 2025, Espinoza served Notices of Violation (the "Notices").

1.3 No Admission. Burlington denies the material factual and legal allegations contained in the Notices and maintains that, to the best of its knowledge, all products that are or have been sold and distributed in California, including the Espinoza Products, have been and are in compliance with all applicable laws. Nothing in this Agreement shall be construed as an admission by Burlington of any fact, finding, issue of law, or violation of law; nor shall compliance with this Agreement constitute or be construed as an admission by Burlington of any fact, finding, conclusion, issue of law, or violation of law, such being specifically denied by Burlington. This Agreement is the product of negotiation and compromise and is accepted by the Parties solely for the purpose of settling, compromising, and resolving the Dispute. This Section shall not diminish or otherwise affect the obligations, responsibilities, and duties of the Parties under this Agreement.

1.4 Effective Date. For purposes of this Agreement, the term "Effective Date" shall mean the date this Agreement is last executed by all Parties and the signature pages are exchanged.

2. INJUNCTIVE RELIEF: REFORMULATION AND/OR WARNINGS

2.1 Lead Products – Reformulation or Warnings. Commencing within sixty (60) days after the Effective Date, and continuing thereafter, four piece ramekin sets, LIN # 16227404914911 (the "Lead Products") that Burlington directly manufactures, imports, distributes, sells, or offers for sale in California shall either be: (a) Reformulated Lead Products pursuant to § 2.2, below; or (b) labeled with a clear and reasonable exposure warning pursuant to §§ 2.3 and 2.4, below. The warning requirement set forth in §§ 2.3 and 2.4 shall not apply to any Reformulated Lead Product.

2.2 Lead Reformulation Standard. "Reformulated Lead Products" shall mean Lead Products that meet BOTH of the following criteria: (a) contain less than or equal to 1.0 microgram (µg) of lead when wiped with a dry or moist towelette per NIOSH method 9100; AND (b) contain less than or equal to 90 parts per million (ppm) of lead in any decorations, markings and/or glazes when analyzed pursuant to U.S. Environmental Protection Agency methodology 3050B or other methodology utilized by federal or state government agencies for the purpose of determining the lead content of such a substance.

2.3 Clear and Reasonable Warning. Commencing within sixty (60) days after the Effective Date, and continuing thereafter, a clear and reasonable exposure warning as set forth in this § 2.3 and § 2.4 must be provided for all Lead Products that Burlington manufactures, imports, distributes, sells, or offers for sale in California that are not Reformulated Lead Products. There shall be no obligation for Burlington to provide an exposure warning for Products that entered the stream of commerce within 60 days after the Effective Date. The warning shall consist of either the Warning or Alternative Warning described in §§ 2.3(a) through (d), as applicable:

(a) Lead Warning. For Lead Products, the "Lead Warning" shall consist of the statement:

⚠ WARNING: This product can expose you to chemicals including lead, which is known to the State of California to cause cancer and birth defects or other reproductive harm. For more information go to www.P65Warnings.ca.gov.

(b) Alternative Warning. Burlington may, but is not required to, use the following alternative short-form warning ("Alternative Warning") in lieu of the Lead Warning:

⚠ WARNING: Cancer and Reproductive Harm - www.P65Warnings.ca.gov.

(c) Warning Format Requirements. A Warning or Alternative Warning provided pursuant to this § 2.3 must print the word "WARNING:" in all capital letters and in bold font, followed by a colon. The warning symbol to the left of the word "WARNING:" must be a black exclamation point in a yellow equilateral triangle with a black outline, except that if the sign or label for the Products does not use the color yellow, the symbol may be in black and white. The symbol must be in a size no smaller than the height of the word "WARNING:". The Warning or Alternative Warning shall be affixed to or printed on the Products' packaging or labeling, or on a placard, shelf tag, sign, or electronic device or automatic process only if such electronic device or automatic process provides the Warning or Alternative Warning without the purchaser having to seek it out, provided that the Warning or Alternative Warning is displayed with such conspicuousness, as compared with other words, statements, or designs as to render it likely to be read and understood by an ordinary individual under customary conditions of purchase or use.

2.4 Internet Sales and Additional Warning Requirements. A Warning or Alternative Warning provided via an electronic device or automatic process does not apply to internet purchases, which are subject to the provisions of Section 25602(b). In addition to affixing the Warning or Alternative Warning to the Product's packaging or labeling, the Warning or Alternative Warning shall be posted on websites where Burlington offers Products for sale to consumers in California. The requirements of this Section shall be satisfied if the Warning or Alternative Warning, or a clearly marked hyperlink using the word "WARNING," appears on the product display page, or by otherwise prominently displaying the warning to the purchaser prior to completing the purchase. To comply with this Section, Burlington shall (a) post the Warning or Alternative Warning on its own website and, if it has the ability to do so, on the websites of its third-party internet sellers; and (b) if it does not have the ability to post the Warning or Alternative Warning on the websites of its third-party internet sellers, provide such sellers with written notice in accordance with Title 27, California Code of Regulations, Section 25600.2. If "consumer information," as that term is defined in Title 27, California Code of Regulations, Section 25600.1(c) as it may be amended from time to time, is provided in a foreign language, Burlington shall provide the Warning or Alternative Warning in the foreign language in accordance with applicable warning regulations adopted by OEHHA. An Alternative Warning on a Product manufactured and labeled after January 1, 2028 shall be provided in accordance with Title 27, California Code of Regulations, § 25603(b).

2.5 Compliance with Warning Regulations. The Parties agree that Burlington shall be deemed to be in compliance with this Agreement with respect to the Lead Products by either adhering to § 2 of this Agreement or by complying with warning regulations adopted by the State of California's Office of Environmental Health Hazard Assessment ("OEHHA") applicable to the Products and the exposures at issue.

3. PENALTIES PURSUANT TO HEALTH & SAFETY CODE § 25249.7(b)

In settlement of all Proposition 65 claims referred to in this Agreement, Burlington shall pay civil penalties as set forth in this Section. Civil Penalty payments shall be allocated in accordance with California Health & Safety Code §§ 25249.12(c)(1) and (d), with 75% of each Penalty remitted to OEHHA and the remaining 25% remitted to the respective Claimant. All Civil Penalty payments shall be made to Claimants' Counsel, Brodsky Smith, LLP ("Claimants' Counsel"), who shall be responsible for remitting payments to third parties in accordance with this Section. For all amounts due and owing that are not received within the payment times set forth below, Burlington shall pay a late civil penalty payment fee equal to $100/day to be allocated in accordance with California Health & Safety Code § 25249.12(c)(1) and (d).

3.1 Civil Penalty. Within thirty (30) calendar days of the Effective Date, Burlington shall issue one (1) check payable to "Brodsky Smith, LLP Trust Account" in the amount of $500.00 (total Civil Penalty: $500.00).

3.2 Payment Procedures for Civil Penalties.

(a) Issuance of Payments. All Civil Penalty payments shall be delivered to Claimants' Counsel as follows:

(i) All Civil Penalty payments pursuant to this Section shall be delivered to the following payment address:

Evan J. Smith, Esquire

Brodsky Smith

Two Bala Plaza, Suite 805

Bala Cynwyd, PA 19004

(ii) Claimants' Counsel shall be responsible for remitting 75% ($375.00) of the Civil Penalty to OEHHA (EIN: 68-0284486) (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

(b) Proof of Payment to OEHHA. Claimants' Counsel shall remit OEHHA's share of the Civil Penalty in accordance with § 3.2(a)(ii) above. Claimants' Counsel shall provide Burlington with proof of payment to OEHHA within fourteen (14) calendar days of remitting such payment, to be delivered to the address provided in § 10 of this Agreement.

(c) Tax Documentation. Burlington agrees to provide completed IRS 1099 forms for its payments, and Espinoza agrees to provide IRS W-9 forms and Burlington Supplier Information Forms for each payee under this Agreement.

4. REIMBURSEMENT OF FEES AND COSTS

The Parties acknowledge that the Claimant and counsel offered to reach preliminary agreement on the material terms of this dispute before reaching terms on the amount of fees and costs to be reimbursed. The Parties thereafter reached an accord on the compensation due to the Claimant and counsel under general contract principles and the private attorney general doctrine and principles codified at California Code of Civil Procedure § 1021.5, for all work performed through the mutual execution of this Agreement. Under these legal principles, Burlington shall reimburse Claimant's counsel for fees and costs incurred as a result of investigating and bringing this matter to Burlington's attention, and negotiating a settlement in the public interest.

4.1 Within thirty (30) calendar days of the Effective Date, Burlington shall issue a check payable to "Brodsky Smith" in the amount of $7,500.00 for delivery to the address identified in § 3.2(a)(i).

5. RELEASE OF ALL CLAIMS

5.1 Release by Espinoza. This Agreement is a full, final and binding resolution between Espinoza, acting on his own behalf, and Burlington, of any violation of Proposition 65 that was or could have been asserted by Espinoza or on behalf of his past and current agents, representatives, attorneys, successors, and/or assigns ("Espinoza Releasors") for failure to provide warnings for alleged exposures to lead from use of the Espinoza Products. Espinoza Releasors hereby release any such claims against Burlington and its parents, subsidiaries, affiliated entities, shareholders, marketplaces, directors, officers, agents, employees, attorneys, successors and assignees, and each entity to whom Burlington directly or indirectly distributes or sells the Products, including but not limited to downstream distributors, entities from whom Burlington purchases products for resale such as upstream suppliers and vendors, wholesalers, customers, retailers, and their respective subsidiaries, affiliates and parents, franchisees, cooperative members and licensees (collectively, the "Espinoza Releasees"), from all claims for violations of Proposition 65 through 60 days after the Effective Date based on exposure to lead from use of the Espinoza Products.

In further consideration of the promises and agreements herein contained, and for the payments to be made pursuant to §§ 3 and 4 above, Espinoza, on behalf of himself, his past and current agents, representatives, attorneys, successors and/or assignees, hereby covenants not to sue and waives any right to institute, participate in, directly or indirectly, any form of legal action and releases all claims that he may have, including without limitation, all actions and causes of action in law and in equity, all obligations, expenses (including without limitation all attorneys' fees, expert fees, and investigation fees, and costs), damages, losses, liabilities and demands against any of the Espinoza Releasees of any nature, character, or kind, whether known or unknown, suspected or unsuspected, limited to and arising out of the alleged or actual exposure to lead from use of the Espinoza Products.

5.2 Burlington's Release of Espinoza. Burlington, on behalf of itself, its past and current agents, representatives, attorneys, successors and/or assignees, hereby waives any and all claims against Espinoza, his attorneys and other representatives, for any and all actions taken or statements made (or those that could have been taken or made) by Espinoza and/or his attorneys and other representatives, whether in the course of investigating claims or otherwise seeking to enforce his legal rights against Burlington in this matter.

5.3 California Civil Code § 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 Products will develop or be discovered. Espinoza on behalf of himself only, on the one hand, and Burlington, on the other hand, acknowledge that this Agreement is expressly intended to cover and include all such claims up through 60 days after the Effective Date, including all rights of action therefor. The Parties acknowledge that the claims released herein may include unknown claims, and nevertheless waive California Civil Code § 1542 as to any such unknown claims. California Civil Code § 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.

Espinoza and Burlington acknowledge and understand the significance and consequences of this specific waiver of California Civil Code § 1542.

5.4 Deemed Compliance with Proposition 65. The Parties agree that compliance by Burlington with this Agreement constitutes compliance by Burlington with Proposition 65 with respect to exposure to lead from use of the Espinoza Products.

5.5 Public Benefit. It is Burlington's understanding that the commitments it has agreed to herein, and actions to be taken by Burlington under this Agreement, would 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 Burlington that to the extent any other private party initiates an action alleging a violation of Proposition 65 with respect to Burlington's failure to provide a warning concerning exposure to lead prior to use of the Espinoza Products it has manufactured, distributed, sold, or offered for sale in California, such private party action would not confer a significant benefit on the general public as to those Products addressed in this Agreement, provided that Burlington is in material compliance with this Agreement.

6. CONFIDENTIALITY

6.1 The Parties shall not disclose the existence or terms of this Agreement to any third party, except to their respective attorneys, insurers, accountants, and tax advisors, to the extent necessary to conduct Burlington's business, to Burlington's vendors, or as required by law, court order, subpoena, or California Rule of Court 3.770.

7. ENFORCEMENT

In the event that any Party believes another Party to be in material breach of any obligation under this Agreement, such Party shall provide written notice to the breaching Party identifying with specificity the nature of the alleged breach. The Party receiving such notice shall have fourteen (14) calendar days from the date of receipt of such notice to cure the breach. If a cure is not effectuated within such period, the non-breaching Party may pursue any available legal remedy to enforce this Agreement. The prevailing Party in any enforcement action shall be entitled to recover reasonable attorneys' fees and costs.

8. SEVERABILITY

If, subsequent to the execution of this Agreement, any of the provisions of this Agreement are deemed by a court to be unenforceable, the validity of the enforceable provisions remaining shall not be adversely affected, so long as the deletion of the provision deemed unenforceable does not materially affect, or otherwise result in the effect of the Agreement being contrary to the intent of the Parties in entering into this Agreement.

9. GOVERNING LAW

The terms of this Agreement shall be governed by the law of the State of California and apply within the State of California.

10. NOTICES

Unless specified herein, all correspondence and notices required to be provided pursuant to this Agreement shall be in writing and personally delivered or sent by: (i) first-class (registered or certified mail) return receipt requested; or (ii) overnight or two-day courier on any Party by the other Party to the following addresses:

For Burlington:

Matthew S. Kenefick
Jeffer Mangels & Mitchell LLP
333 Bush Street
San Francisco, CA 94104

For Espinoza:

Evan J. Smith
Brodsky Smith
Two Bala Plaza, Suite 805
Bala Cynwyd, PA 19004

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

11. COUNTERPARTS; SIGNATURES

This Agreement may be executed in counterparts and by facsimile or .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)

Espinoza agrees to comply with the reporting requirements referenced in Health & Safety Code § 25249.7(f).

13. MODIFICATION

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

14. ENTIRE AGREEMENT

This Agreement contains the sole and entire agreement of the Parties and any and all prior negotiations and understandings related hereto shall be deemed to have been merged within it. No representations or terms of agreement other than those contained herein exist or have been made by any Party with respect to the other Parties or the subject matter hereof. This Agreement is binding upon and shall inure to the benefit of the Parties and their respective heirs, executors, administrators, successors, and assigns.

15. NO ADMISSION OF LIABILITY

Burlington expressly denies any wrongdoing or liability whatsoever as to any claims made by the Claimant. This Agreement shall not be construed as an admission of liability by Burlington. Burlington has entered into this Agreement solely for the purpose of avoiding the uncertainty, expense, and inconvenience of litigation.

16. AUTHORIZATION

The undersigned are authorized to execute this Agreement and have read, understood and agree to all of the terms and conditions contained in this Agreement.

AGREED TO:

Date: ______________________________

By: ______________________________
Gabriel Espinoza

AGREED TO:

Burlington Merchandising Corporation

Date: 7/2/2026

By: Signed by: Lindsay R. Goldstein
554A882E01F446A

Name: Lindsay R. Goldstein

Title: VP Assistant GC

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16. AUTHORIZATION

The undersigned are authorized to execute this Agreement and have read, understood and agree to all of the terms and conditions contained in this Agreement.

AGREED TO:

Date: 07-13-2026

By: ______________________
Gabriel Espinoza

AGREED TO:

Burlington Merchandising Corporation

Date: ______________________

By: ______________________

Name: ______________________

Title: ______________________