Gregory M. Sheffer, State Bar No. 173124 SHEFFER LAW FIRM 81 Throckmorton Ave., Suite 202 2 Mill Valley, CA 94941 DEC - 4 2018 Telephone: 415.388.0911 3 Facsimile: 415.388.9911 JAMES M. KIM, COURT EXECUTIVE Officer 4 MARIN COUNTY SUPERIOR COURT Attorneys for Plaintiff By: C. Lucchesi, Deputy SUSAN DAVIA 5 6 7 SUPERIOR COURT OF THE STATE OF CALIFORNIA 8 FOR THE COUNTY OF MARIN 9 UNLIMITED CIVIL JURISDICTION 10 Case No. CIV 1802994 11 SUSAN DAVIA, 12 **IUDGMENT ON PROPOSITION 65** Plaintiff, **SETTLEMENT** 13 v. Action Filed: August 22, 2018 14 Trial Date: None Assigned WILLIAMS-SONOMA, INC., and DOES 1-150 15 Defendants. 16 17 18 19 20 21 22 23 24 25 26 27

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In the above-entitled action, Plaintiff Susan Davia and Defendant Williams-Sonoma, Inc., having agreed through their respective counsel that a judgment be entered pursuant to the terms of the Settlement Agreement entered into by the parties in resolution of this Proposition 65 action, and following the issuance of an order approving the Parties' Settlement Agreement on this day, IT IS HEREBY ORDERED, ADJUDGED AND DECREED that pursuant to Health & Safety Code § 25249.7(f)(4) and Code of Civil Procedure § 664.6, judgment is hereby entered in accordance with the terms of the Settlement Agreement attached hereto as Exhibit A. By stipulation of the parties, the Court will retain jurisdiction to enforce the settlement under Code of Civil Procedure § 664.6.

IT IS SO ORDERED.

STEPHEN P. FRECCERO

Dated: <u>DEC - 4 2018</u>

Honorable Stephen Freccero Judge Of The Superior Court

EXHIBIT A

1	Gregory M. Sheffer, State Bar No. 173124 SHEFFER LAW FIRM		
2	81 Throckmorton Ave., Suite 202		
3	Mill Valley, CA 94941 Telephone: 415.388.0911 Facsimile: 415.388.9911		
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5	Attorneys for Plaintiff SUSAN DAVIA		
6			
7	SUPERIOR COURT OF THE STATE OF CALIFORNIA		
8	FOR THE COUNTY OF MARIN		
9	UNLIMITED CIVIL JURISDICTION		
10			
11	SUSAN DAVIA,	Case No. CIV1802994	
12	Plaintiff,	CONSENT TO JUDGMENT SETTLEMENT	
13	v.	AGREEMENT	
14	WILLIAMS-SONOMA, INC., and DOES 1-150		
15	Defendants.		
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	CONSENT TO JUDGMENT		

1. INTRODUCTION

1.1 The Parties

This Consent to Judgment ("Consent Judgment" or "Agreement") is entered into by and between plaintiff Susan Davia, ("Davia" or "Plaintiff") and defendant Williams-Sonoma, Inc. ("Defendant" or "Williams-Sonoma"), with Williams-Sonoma and Davia each referred to as a "Party" and collectively as the "Parties."

1.2 Plaintiff

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

1.3 Defendant

For purposes of this Agreement only, Williams-Sonoma represents that it employs 10 or more persons and is a person in the course of doing business for purposes of the Safe Drinking Water and Toxic Enforcement Act of 1986, California Health & Safety Code §§ 25249.6 *et seq.* ("Proposition 65").

1.4 General Allegations

Davia alleges that Defendant manufactured, distributed and/or sold in the State of California certain cookware, barware, kitchenware, tableware, pitchers and trays with handles or other components made with brass that exposed users to Lead without first providing a "clear and reasonable warning" under Proposition 65. Lead is a listed chemical under Proposition 65 and is referred to hereafter as the "Listed Chemical" or "Lead."

1.5 Notice of Violation

On March 22, 2016, Davia represents that she served Williams-Sonoma with a valid and compliant Proposition 65 60-Day Notice of Violation, together with a valid, requisite Certificate of Merit, that provided Williams-Sonoma and public enforcers with notice of alleged violations of Health & Safety Code § 25249.6 for failing to warn consumers of the alleged presence of the Listed Chemical in cookware, barware, kitchenware, tableware, pitchers and trays with handles or other components made with brass sold in California. Williams-Sonoma received the March 22, 2016,

notice of violation (hereafter "Notice"). Each Party represents that, as of the date it executes this Consent Judgment, it understands that no public enforcer is diligently prosecuting a Proposition 65 enforcement action related to the Notice.

1.6 Complaint

On August 22, 2018, Davia, acting in the interest of the general public in California, filed a Complaint (the "Complaint" or the "Action") in the Superior Court of the State of California for the County of Marin, Case No. CIV1802994 alleging violations by Williams-Sonoma, and Does 1-150 of Health & Safety Code § 25249.6 based, *inter alia*, on the alleged California consumer exposures to the Listed Chemical contained in cookware, barware, kitchenware, tableware, pitchers and trays with handles or other components made with brass (the "Covered Products").

1.7 No Admission

This Consent Judgment resolves claims that are denied and disputed by Williams-Sonoma. The Parties enter into this Consent Judgment pursuant to a full and final settlement of any and all claims between the Parties for the purpose of avoiding prolonged litigation. Williams-Sonoma denies the material factual and legal allegations contained in the Notice and Complaint, maintains that it did not knowingly or intentionally expose California consumers to the Listed Chemical through the reasonably foreseeable use of the Covered Products, and contends that all products it has manufactured, distributed and/or sold in California have been and are in compliance with all applicable laws and are completely safe for their intended use. Nothing in this Agreement shall be construed as an admission against interest by Williams-Sonoma 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 Williams-Sonoma of any fact, finding, conclusion, issue of law, or violation of law, such being specifically denied by Williams-Sonoma. Notwithstanding the foregoing, however, this section shall not diminish or otherwise affect Williams-Sonoma's obligations, responsibilities, and duties under this Agreement.

1.8 Consent to Jurisdiction

For purposes of this Agreement only, the Parties stipulate that this Court has jurisdiction over Williams-Sonoma as to the obligations contained in the Agreement, that venue is proper in the

County of Marin, and that this Court has jurisdiction to enter and enforce the provisions of this Consent Judgment. As an express part of this Agreement, pursuant to C.C.P. §664.6, the Court in which this Consent Judgment is entered shall retain jurisdiction over the Parties to enforce this Agreement until performance in full of the terms of the settlement.

2. DEFINITIONS

- 2.1 The term "Private Label Covered Product" means any Covered Product Williams-Sonoma, Pottery Barn or West Elm designs and manufactures through a third party vendor with handles or other components made with brass. Private Label Covered Products include, but are not limited to, West Elm Smooth Copper-finish Moscow Mule mug with solid brass handle, Pottery Barn 15 oz. Moscow Mule mug with brass handle, Pottery Barn Copper Pitcher with brass handle, Pottery Barn Copper Cocktail Shaker with brass handle on lid, Pottery Barn Copper Lidded Ice Bucket with brass handle on lid, Pottery Barn Copper Tray with brass handles, Pottery Barn Copper Drink Coasters with brass stand, Williams Sonoma Copper Round and Rectangular Tray with brass handles, and Williams Sonoma Copper Ice Bucket with brass handles.
- 2.2 The term "Exceptional Private Label Covered Product" means any Private Label Covered Product that Williams-Sonoma discovers, after it has already taken ownership of such product, does not meet the Lead Free standard of Section 2.4 despite William-Sonoma's good faith compliance with the formulation commitments of Section 3.1, and that Williams-Sonoma determines is commercially impractical to return. For purposes of Exceptional Private Label Covered Products, "commercially impractical" means the Covered Product is seasonal and cannot be replaced with Lead Free Covered Product in a timely manner to meet seasonal needs or such other circumstance as will result in commercial or competitive harm to Williams-Sonoma despite good faith efforts to meet the Lead Free Standard.
- **2.3** The term "Name Brand Covered Product" means any Covered Product except for Private Label Covered Products. Name Brand Covered Products include, but are not limited to Ruffoni Cookware and Mauvier Cookware.
- **2.4** The term "Lead Free" shall mean made with component materials that each contain less than 300 parts per million ("ppm") lead when analyzed pursuant to EPA testing methodologies

3050B and 6010B, or equivalent methodologies utilized by Federal or State agencies for the purpose of determining lead content in a solid substance.

- 2.5 The term "California Store" shall mean any retail store, including Williams Sonoma,Pottery Barn and West Elm, operated by Williams Sonoma Inc. in California
- **2.6** The term "California Customer" shall mean any customer either making a purchase in a California Store or providing a ship to address in California.
 - **2.7** The term "Effective Date" shall mean November 1, 2018.

3. NON-MONETARY RELIEF

3.1 Formulation Commitment for Private Label Covered Product

- **3.1.1** As of the Effective Date, Williams-Sonoma shall provide its vendors of Private Label Covered Products, that will be offered for sale in any California Store or to any California Customer, the Lead Free concentration standards of Section 2.4 and instruct its vendors not to incorporate any raw or component materials into such product, especially brass and solder materials, that do not meet the Lead Free concentration standards of Section 2.4
- 3.1.2 After the Effective Date, should Williams-Sonoma arrange with a new vendor for the manufacture or other production of Private Label Covered Product for sale in any California Store or to any California Customer, Williams-Sonoma shall provide such new vendor the Lead Free concentration standards of Section 2.4, and instruct its new vendor not to incorporate any raw or component materials into such product, especially brass materials, that do not meet the Lead Free concentration standards of Section 2.4. Williams-Sonoma shall maintain copies of all testing it obtains of new vendor Private Label Covered Products demonstrating compliance with this Section 3.1 for a period of two years. Williams-Sonoma shall maintain copies of vendor correspondence relating to the Lead Free standards for a period of two years and shall produce such copies to Davia within fifteen (15) days of receipt of reasonable written request from Davia. Davia agrees that such requests shall be reasonable, and will not be made more than once in 2018, and once annually thereafter, absent good cause. For purposes of this section, "new vendor" shall mean a vendor from whom Williams-Sonoma was not purchasing or otherwise obtaining Private Label Covered Products before the Effective Date.

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3.1.3 As of the Effective Date, Williams-Sonoma shall not sell any Private Label Covered Product in any California Store or to any California Customer that is not Lead Free. For every Lead Free Covered Product Williams-Sonoma sells in any California Store or to any California Customer after the execution of this Agreement, Williams-Sonoma shall maintain copies of all testing of such products for two years after obtaining such results demonstrating compliance with this section, and shall provide copies of any such testing to Davia within fifteen (15) days of receipt of Davia's reasonable written request. Davia agrees that such requests shall be reasonable, and will not be made more than once in 2018, and once annually thereafter, absent good cause.

3.1.4 As of the Effective Date, Williams-Sonoma shall not sell any Exceptional Private Label Covered Product in a California Store or to a California Customer unless such product is labelled with a warning as set forth in Sections 3.3.1 through 3.3.4.

3.2 Formulation Commitment for Name Brand Covered Product

3.2.1 No later than the Effective Date, Williams-Sonoma shall contact any vendor of Name Brand Covered Product that is or will be offered for sale in any California Store or to any California Customer and request each such vendor supply William-Sonoma with Name Brand Covered Product that meets the Lead Free concentration standards of Section 2.4. No later than the Effective Date, Williams-Sonoma shall require each vendor of Name Brand Covered Products to provide Williams-Sonoma, along with each new shipment of Name Brand Covered Product, with lead content testing results for each metal component of a batch of exemplar product, demonstrating whether each such Named Brand Product meets the Lead Free standards of Section 2.4, and/or other written assurance of whether the Name Brand Covered Product meets the Lead Free Standard. Williams-Sonoma shall maintain copies of Name Brand Covered Product vendor correspondence relating to the Lead Free standards for a period of two years and shall produce such copies to Davia within fifteen (15) days of receipt of reasonable written request from Davia. Davia agrees that such requests shall be reasonable, and will not be made more than once in 2018, and once annually thereafter, absent good cause.

3.2.2 After the Effective Date, should Williams-Sonoma arrange with a new vendor for the purchase or other acquisition of Name Brand Covered Product for sale in any California Store or to

concentration standards of Section 2.4 and request that such vendor supply William-Sonoma with Name Brand Covered Product that meets the Lead Free concentration standards of Section 2.4. Williams-Sonoma shall require each new vendor of Name Brand Covered Products to provide Williams-Sonoma, along with each new shipment of Name Brand Covered Product, with lead content testing results for each metal component of a batch exemplar product, demonstrating whether each such Named Brand Product meets the Lead Free standards of Section 2.4, and/or other written assurance of whether the Name Brand Covered Product meets the Lead Free standard. Williams-Sonoma shall maintain copies of Name Brand Covered Product vendor correspondence relating to the Lead Free standards for a period of two years and shall produce such copies to Davia within fifteen (15) days of receipt of reasonable written request from Davia. Davia agrees that such requests shall be reasonable, and will not be made more than once in 2018, and once annually thereafter, absent good cause. For purposes of this section, "new vendor" shall mean a vendor from whom Williams-Sonoma was not purchasing or otherwise obtaining Name Brand Covered Product before the Effective Date.

any California Customer, Williams-Sonoma shall provide such new vendor the Lead Free

3.2.3 As of the Effective Date, Williams-Sonoma shall not sell any Name Brand Covered Product that is not Lead Free in any California Store or to any California Customer unless such product is sold with a warning pursuant to Sections 3.3.1 through 3.3.4.

3.3 Covered Product Warning Requirements

3.3.1 Williams Sonoma represents as a material term of this Agreement that as of the Effective Date all old inventory of Private Label or Name Brand Covered Products obtained prior to the Effective Date distributed or sold by Williams-Sonoma in a California Store or to a California Customer are being sold with a warning compliant with Section 3.3.2 or meet the Lead Free standard. Should Williams-Sonoma discover any inventory of Private Label or Name Brand Covered Products obtained prior to the Effective Date being offered for sale in a California Store or to a California Customer that is not Lead Free, then Williams-Sonoma shall not sell such Covered Product from any California Store or to any California Customer unless such Covered Product is sold with the warning set forth in Sections 3.3.2 through 3.3.4, below.

3.3.2 California Store Product Warning

For Name Brand Covered Products obtained by Defendant after the Effective Date that do not meet the Lead Free standard of Section 2.4, and for any Exceptional Private Label Covered Products, such Covered Products may only be sold by Defendant in a California Store with one of the following Proposition 65 warnings:

▲ [California Proposition 65] WARNING: This product can expose you to chemicals including Lead, which are known to the State of California to cause [cancer and] birth defects or other reproductive harm.

Or, only for Covered Products to which a warning label has been applied to the product, the product label, or its immediate packaging before August 30, 2018,

▲ [California Proposition 65] WARNING: This product contains Lead, a chemical known to the State of California to cause [cancer and] birth defects or other reproductive harm.

Or, only for any Covered Products with the warning statement contained on the product, the product label, or the immediate packaging of the Covered Product itself,

 [California Proposition 65] WARNING: Cancer and Reproductive Harm - www.P65Warnings.ca.gov.

This last warning shall hereafter be referred to as the "Short Form Warning." Language in brackets is optional. Any warning for Exceptional Private Label Covered Products may be provided on the product labeling, immediate packaging or directly on the product itself. Any warning for Name Brand Covered Product may be provided by retail signage (at each display location of any Name Brand Covered Product), or on the product labeling, immediate packaging, or directly on the product itself.

For Name Brand Covered Product, Williams-Sonoma may use either the warnings required by this Consent Judgment or any retail warning signs or product label/package warnings provided by the name brand vendor that contain warning language that otherwise complies with 27 Cal. Code of Regs. Section 25603 (or future amended regulation under Proposition 65 governing the

content of safe harbor clear and reasonable warnings for consumer products). For retail signage for Name Brand Covered Product, pursuant to 27 Cal. Code Regs. Section 25601(e), the warning sign may, at Williams-Sonoma's option, refer to the specific brand, brands, and/or specific Name Brand Products subject to the warning.

Each warning pursuant to this section shall be prominently placed with such conspicuousness as compared with other words, statements, designs, or devices as to render it likely to be read and understood by an ordinary individual under customary conditions *before* purchase or use. Each warning shall be provided in a manner such that the consumer or user understands to which *specific* Covered Product the warning applies, so as to minimize the risk of consumer confusion.

3.3.3 Internet Website Warning

For Name Brand Covered Products obtained by Defendant after the Effective Date that do not meet the Lead Free standard of Section 2.4, or any Exceptional Private Label Covered Product, such product may only be sold by Defendant through an ecommerce website controlled by Defendant with a Proposition 65 warning. The warning for such Covered Product must appear either: (a) on the same web page on which a Covered Product is displayed; (b) on the same web page as the order form for a Covered Product; (c) on the same page as the price for any Covered Product; or (d) on one or more web pages displayed to a purchaser during the checkout process. The warning may also be provided by a clearly marked hyperlink labeled "[California Proposition 65] Warning" on the product display page prior to purchase of the Covered Product (language in brackets optional).

One of the following warning statements shall be used and shall be displayed with such conspicuousness, as compared with other words, statements, designs, or devices on the webpages, as to render it reasonably likely to be read and understood by an ordinary individual under customary conditions of purchase. The warning shall be at least the size of the largest of any other health or safety warnings on the webpage, and the word "warning" shall be in all capital letters and in bold print.

1	⚠ [California Proposition 65] WARNING: This product can expose you to chemicals including Lead, which are known to the State of California to cause [cancer and] birth	
2		
3	defects or other reproductive harm.	
4	Or, only before August 30, 2018,	
5	△ [California Proposition 65] WARNING: This product	
6 7	contains Lead, a chemical known to the State of California to cause [cancer and]	
8	Or, only when the subject Covered Product being sold through an internet or ecommerce	
9	website also has a Section 3 warning on the product, the product label, or the immediate packaging	
10	of the Covered Product itself,	
11		
12	[California Proposition 65] WARNING: Cancer and Reproductive Harm - www.P65Warnings.ca.gov.	
13		
14	Alternatively, the designated symbol warning may appear adjacent to or immediately	
15	following the display, description, or price of the Covered Product for which a warning is being	
16	given, provided that the following warning statement also appears elsewhere on the same well	
17	page, as follows:	
18		
19	[California Proposition 65] WARNING: Products identified on this page with the following	
20	symbol am expose you to	
21	chemicals including Lead, which are known to the State of California to cause [cancer and]	
22	birth defects or other reproductive harm.	
23	Or, only before August 30, 2018,	
24	[California Proposition 65] WARNING: Products	
25	identified on this page with the following symbol contain Lead, a	
26	chemical known to the State of California to	
27	cause [cancer and] birth defects or other reproductive harm.	
28		

Or, only when the subject Covered Product being offered for sale in a catalog has a Short Form Warning on the product, the product label, or the immediate packaging of the Covered Product itself, the following warning statement may be utilized on the internet site display,

[California Proposition 65] WARNING: Products identified on this page with the following symbol warning: Cancer and Reproductive Harm - www.P65Warnings.ca.gov

3.3.4 Catalog Warning

Where California Customers can purchase Covered Products from a mail order catalog, for all such catalogs printed by or for Defendant more than six (6) months after the Effective Date that offer for sale any Name Brand Covered Product that does not meet the Lead Free standards of Section 2.4, or any Exceptional Private Label Covered Product, the identification of the Covered Product in the catalog shall be accompanied by a Proposition 65 warning. The Proposition 65 warning provided in such catalog shall be displayed with such conspicuousness, as compared with other words, statements, designs, or devices in the catalog, as to render it reasonably likely to be read and understood by an ordinary individual under customary conditions of purchase. The warning shall be at least the size of the largest of any other health or safety warnings for the Covered Product, and the word "warning" shall be in all capital letters and in bold print. One of the following warnings shall be provided on the same page and in the same location as the display and/or description of the Covered Product:

▲ [California Proposition 65] WARNING: This product can expose you to chemicals including Lead, which are known to the State of California to cause [cancer and] birth defects or other reproductive harm.

Or, only for catalogs designed and printed before August 30, 2018,

▲ [California Proposition 65] WARNING: This product contains Lead, a chemical known to the State of California to cause [cancer and] birth defects or other reproductive harm.

Or, only when the subject Covered Product being offered for sale in a catalog has a Section 3 warning statement on the product, the product label, or the immediate packaging of the Covered Product itself, this same statement may be utilized in the catalog,

▲ [California Proposition 65] WARNING: Cancer and Reproductive Harm - www.P65Warnings.ca.gov.

Alternatively, the designated symbol warning may appear adjacent to or immediately following the display, description, or price of the Covered Product for which a warning is being given, provided that the following warning statement also appears elsewhere in the catalog, as follows:

[California Proposition 65] WARNING: Products identified on this page with the following symbol warning can expose you to chemicals including Lead, which are known to the State of California to cause [cancer and] birth defects or other reproductive harm.

Or, only for catalogs designed and printed before August 30, 2018,

[California Proposition 65] WARNING: Products identified on this page with the following symbol warning contain chemicals known to the State of California to cause [cancer and] birth defects or other reproductive harm.

Or, only when the subject Covered Product being offered for sale in a catalog has a Short Form Warning on the product, the product label, or the immediate packaging of the Covered Product itself, the following warning statement may be utilized in the catalog,

[California Proposition 65] WARNING: Products identified on this page with the following symbol warning: are subject to the following warning: Cancer and Reproductive Harm - www.P65Warnings.ca.gov

The designated symbol must appear on the same page and in close proximity to the display and/or description of the Covered Product. On each page where the designated symbol appears, there must be a header or footer directing the consumer to the warning language and definition of the designated symbol which may be on the inside front cover of the catalog, on the same page as the price for the Covered product, or on the order form for the Covered Product.

If Defendant elects to provide warnings in any mail order catalog, then the warnings must be included in all catalogs offering to sell one or more Covered Products in California. The background of the yellow warning triangle above can be white if there is no yellow used in the area of the catalogue where the warning is displayed. Language in brackets for any of the internet or catalogue warnings above is optional. For catalogs that display Covered Products but from which a customer may not order from the catalog but instead must purchase the product in some other manner, warnings can be delivered by one of the other methods set forth in Section 3.

4. MONETARY PAYMENT

4.1 Civil Penalty Payment Pursuant to Health & Safety Code § 25249.7(b)

In settlement of all the claims referred to in the Notice, the Complaint, and this Consent Judgment, Williams-Sonoma shall pay a total of \$4,000, in accordance with California Health & Safety Code § 25249.12(c)(1) & (d), in complete resolution of any claim for civil penalties.

4.2 Augmentation of Penalty Payments

4.2.1 For purposes of the penalty assessment under this Consent Judgment, Davia is relying upon Williams-Sonoma and its counsel for accurate, good faith reporting to Davia of the nature and amounts of relevant sales activity for Covered Products in California without a Proposition 65 warning. If within nine (9) months of the Effective Date, Davia discovers and presents to Defendant evidence that its California sales of Covered Products without a Proposition 65 warning materially exceeded the amount identified by Defendant prior to the execution of this Consent Judgment, then Plaintiff may provide Defendant with a written demand for additional penalties and attorney's fees consistent with the extent and nature of such evidence. In connection with any such demand ("Demand") under this Section, Davia shall identify the: (1) alleged correct amount of Defendant's California Covered Product sales without a warning; (2) California Covered

Product sales earlier reported by Defendant to Davia; and (3) the source or sources of the alleged correct California sales information. The Parties shall have a period of 30 days to meet and confer concerning such evidence, and Defendant shall have the opportunity to present to Plaintiff any evidence to the contrary. If the Parties can agree on an appropriate disposition, then Defendant shall submit payment of any agreed additional civil penalties and attorney's fees related to plaintiff's further investigation of Defendant's California sales activity within 30 days of such agreement in accordance with the method of payment of penalties and fees specified in Sections 4.1, 4.3 and 4.4. Plaintiff shall submit an application to the Court for approval of any agreed civil penalty payment or attorney fee/cost reimbursement payment that exceeds \$12,000. If the Parties cannot agree on an appropriate disposition within 30 days or any mutually agreed extension, Davia shall be entitled to file a motion against Defendant seeking additional civil penalties pursuant to this section according to proof. The prevailing party on any such motion shall be entitled to its reasonable fees and costs incurred in prosecuting or defending such motion.

4.2.2 It is the intent of the Parties to minimize William Sonoma's sale of Exceptional Private Label Covered Products in California Stores or to California Customers. As such, Williams-Sonoma shall pay an additional civil penalty for its decision to sell Exceptional Private Label Covered Product subject to the terms below. If Davia discovers and presents to Williams-Sonoma evidence that it is selling Exceptional Private Label Covered Products in a California Store or to a California Customer, then Williams-Sonoma shall be liable for an additional civil penalty of \$5,000 for the first such occurrence in a calendar year, and shall be liable for an additional civil penalty of \$10,000 for each separate occurrence in that same calendar year. For purposes of this section, "separate occurrence" shall mean the sale of a different type of Exceptional Private Label Covered Product or one with a different SKU or other product identification number. If, however, Williams-Sonoma reports any sale of Exceptional Private Label Covered Product to Davia before Davia has discovered such sale or presented evidence of it to Williams-Sonoma, then Williams-Sonoma shall be liable for an additional civil penalty of \$2,000 for the first self-reported occurrence in a calendar year, and shall be liable for an additional civil penalty of \$5,000 for each self-reported separate occurrence in that same calendar year. It shall be a defense to any claim to additional monetary

payments under this section if Defendant reasonably relied on a test result showing the Exceptional Private Label Covered Product meets the Lead Free Standard before offering the Exceptional Private Label Covered Product for sale in California. Should Defendant produce such a test result, from an accredited laboratory, on the same type of Exceptional Private Label Covered Product, to Plaintiff, it shall not be liable for any monetary payments or subject to further enforcement hereunder.

4.3 Reimbursement of Plaintiff's Fees and Costs

The Parties acknowledge that Davia and her counsel offered to resolve this dispute without reaching terms on the amount of fees and costs to be reimbursed to them, thereby leaving this fee issue to be resolved after the material terms of this Agreement had been settled. Williams-Sonoma then expressed a desire to resolve the fee and cost issue shortly after the other settlement terms had been finalized. The Parties then attempted to (and did) reach an accord on the compensation due to Davia and her counsel under general contract principles and the private attorney general doctrine codified at California Code of Civil Procedure section 1021.5, for all work of any kind performed in this matter through the Court's entry of this Consent Judgment, including but not limited to all attorney's fees, expenses, investigative and expert costs, except fees that may be incurred on appeal. Under these legal principles, Williams-Sonoma shall pay the all inclusive amount of \$57,500 for fees and expenses incurred investigating, litigating and enforcing this matter, including the fees and expenses incurred (and yet to be incurred) negotiating, drafting, and obtaining the Court's approval of this Consent Judgment in the public interest. Such payment shall be made payable to "Sheffer Law Firm".

4.4 Payment Timing

Williams-Sonoma shall deliver all settlement payment checks or funds required by Sections 4.1 and 4.3 of this Agreement to its counsel to hold in trust within one week of the date that this Agreement is fully executed by the Parties. Williams-Sonoma's counsel shall confirm receipt of settlement funds in writing to plaintiff's counsel and, thereafter, hold the amounts paid in trust until such time as the Court approves this settlement as contemplated by Section 7.

Within five business days of the date plaintiff provides electronic notice to counsel for

Williams-Sonoma that the Court has approved this settlement, Williams-Sonoma's counsel shall deliver the settlement payments or checks to plaintiff's counsel as follows:

- 1. a civil penalty check in the amount of \$3,000 payable to "OEHHA" (EIN: 68-0284486, Memo line "Prop 65 Penalties, 2016-00223");
- **2.** a civil penalty check in the amount of \$1,000 payable to "Susan Davia" (Tax ID to be supplied, Memo line "Prop 65 Penalties, 2016-00223"); and
- 3. An attorney fee and cost reimbursement check, pursuant to Section 4.3, in the amount of \$57,500 payable to "Sheffer Law Firm" (EIN 55-08-58910, Memo line "2016-00223")

Williams-Sonoma shall deliver all payments required by Sections 4.2 of this Agreement (if any) to the Sheffer Law firm in the amounts and on the date agreed to by counsel under Section 4.2 or as ordered by the Court. Plaintiff shall have the sole responsibility for delivering any required settlement checks to OEHHA.

All penalty and fee/cost payments shall be delivered to the Sheffer Law Firm at the following address:

Sheffer Law Firm Attn: Proposition 65 Controller 81 Throckmorton Ave., Suite 202 Mill Valley, CA 94941

Williams-Sonoma shall be liable for payment of interest, at a rate of 10% simple interest, for all amounts due and owing from it under this Section that are not received by Sheffer Law Firm within five business days of the due date for such payment.

4.5 Issuance of 1099 Forms

After this Agreement has been executed and the settlement funds have been transmitted to Davia's counsel, Williams-Sonoma or its counsel shall issue three separate 1099 forms, as follows, for its settlement payments specified in its Exhibit A:

(a) The first 1099 shall be issued to the Office of Environmental Health Hazard Assessment, P.O. Box 4010, Sacramento, CA 95814 (EIN: 68-0284486) in the amount paid pursuant to Sections 4.1 and 4.2 (if any);

Sections 4.1 and 4.2 (if any), whose address and tax identification number shall be furnished upon request; and

(c) The third 1099 shall be issued to the Sheffer Law Firm (EIN: 55-08-58910) in

The second 1099 shall be issued to Davia in the amount paid pursuant to

5. CLAIMS COVERED AND RELEASED

(b)

5.1 Davia's Release of Williams-Sonoma

5.1.1 This Consent Judgment is a full, final and binding resolution between Davia, on behalf of herself and in the public interest, and Williams-Sonoma, of all actual or alleged violations of Proposition 65 asserted by Davia on behalf of herself, the public interest, and her representatives and attorneys, against Williams-Sonoma, their directors, officers, employees, subsidiaries, affiliates, and each entity to whom Williams-Sonoma directly or indirectly distributes or sells Covered Products, including, but not limited to, retailers, downstream distributors, wholesalers, customers, franchisees, cooperative members, affiliates, and licensees (collectively "Releasees"), based on their failure to warn about alleged exposures to Listed Chemicals contained in Covered Products manufactured, distributed, sold and/or offered for sale by Williams-Sonoma in California before the Effective Date as detailed in the Notice and Complaint. Compliance with the terms of this Consent Judgment constitutes compliance with Proposition 65 with respect to Covered Products sold after the Effective Date.

the amount paid pursuant to Section 4.2 (if any) and Section 4.3. 3.

5.1.2 In further consideration of the promises and agreements herein contained, Davia, on behalf of herself and her past and current representatives and attorneys, hereby waives all Davia's rights to institute or participate in, directly or indirectly, any form of legal action, and releases all claims that Davia may have against the Releasees, including, without limitation, all actions, and causes of action, in law or in equity, suits, liabilities, demands, obligations, damages, costs, fines, penalties, losses, or expenses -- including, but not limited to, investigation fees, expert fees, and attorneys' fees, but exclusive of fees and costs on appeal -- arising under Proposition 65 with respect to Listed Chemicals in Covered Products manufactured, distributed, sold and/or offered for sale by Williams-Sonoma before the Effective Date.

5.1.3 Davia also, in her individual capacity, on behalf of herself and her past and current representatives and attorneys, provides a general release herein, which shall be effective as a full and final accord and satisfaction, and operate as a bar to all actions, causes of action, obligations, costs, expenses, attorneys' fees, damages, losses, claims, liabilities, and demands of Davia, of any nature, character or kind, known or unknown, suspected or unsuspected, arising out of Covered Products manufactured, distributed or sold by Williams-Sonoma or Releasees prior to the Effective Date. Davia acknowledges that she is familiar with Section 1542 of the California Civil Code, which provides as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

Davia, in her individual capacity, on behalf of herself and her past and current representatives and attorneys, expressly waives and relinquishes any and all rights and benefits that she may have under, or which may be conferred on her by the provisions of Section 1542 of the California Civil Code as well as under any other state or federal statute or common law principle of similar effect, to the fullest extent that she may lawfully waive such rights or benefits pertaining to the released matters. In furtherance of such intention, excepting Section 4.2, the release hereby given shall be and remain in effect as a full and complete release notwithstanding the discovery or existence of any such additional or different claims or facts arising out of the released matters.

The Parties further understand and agree that this Section 5.1 release shall not extend upstream to any entities, other than Williams-Sonoma, that manufactured the Covered Products or any component parts thereof, or any distributors or suppliers who sold the Covered Products or any component parts thereof to Williams-Sonoma.

5.2 Williams-Sonoma's Release of Davia

Williams-Sonoma, on behalf of itself, its past and current agents, representatives, attorneys, successors, and/or assignees, hereby waives any and all claims against Davia and her attorneys and other representatives, for any and all actions taken or statements made (or those that could have been taken or made) by Davia and her attorneys and other representatives, whether in the course of

investigating claims, otherwise seeking to enforce Proposition 65 against them in this matter, or with respect to Covered Products. Williams-Sonoma acknowledges that it is familiar with Section 1542 of the California Civil Code, which provides as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

Williams-Sonoma expressly waives and relinquishes any and all rights and benefits which it may have under, or which may be conferred on it by the provisions of Section 1542 of the California Civil Code as well as under any other state or federal statute or common law principle of similar effect, to the fullest extent that it may lawfully waive such rights or benefits pertaining to the released matters. In furtherance of such intention, the release hereby given shall be and remain in effect as a full and complete release notwithstanding the discovery or existence of any such additional or different claims or facts arising out of the released matters.

6. COURT APPROVAL

This Agreement is effective upon execution but must also be approved by the Court. If the Court does not approve this Agreement in its entirety, the Parties shall meet and confer to determine whether to modify the terms of the Agreement and to resubmit it for approval. In meeting and conferring, the Parties agree to negotiate in good faith in an effort to reach agreement on any actions reasonably necessary to amend and/or modify this Agreement in order to further the mutual intention of the Parties in entering into this Agreement. The Agreement shall become null and void if, for any reason, it is not approved and entered by the Court, as it is executed, within one year after it has been fully executed by all Parties. The Parties agree that, upon Court approval, a Court judgment shall be entered on the terms of this Agreement.

7. SEVERABILITY

If, subsequent to court approval of this Agreement, any of the provisions of this Agreement are determined by a court to be unenforceable, the validity of the enforceable provisions remaining shall not be adversely affected if all parties so agree, unless the Court finds that any unenforceable

provision is not severable from the remainder of the Agreement.

8. GOVERNING LAW

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The terms of this Agreement shall be governed by the laws of the State of California. Should Proposition 65 be repealed or otherwise rendered inapplicable by reason of law generally or as to the Covered Products, then Defendant may notify plaintiff in writing, and if plaintiff does not agree, move this Marin County Superior Court, after proper notice to Davia, for a finding and order that Defendant shall have no further obligations pursuant to this Agreement or that certain obligations should be eliminated or modified to become consistent with current law. The prevailing party on any such motion shall be entitled to its reasonable attorney's fees and costs incurred in prosecuting or defending such motion.

9. NOTICES

When any Party is entitled to receive any notice under this Agreement, the notice shall be sent by either FedEx (or other tracked delivery) or electronic mail to the following:

For Williams-Sonoma Corporation:

General Counsel Williams Sonoma, Inc. 3250 Van Ness Avenue San Francisco, CA 94109

With copy to their counsel at:

J. Robert Maxwell Rogers Joseph O'Donnell PLC 311 California Street, 10th Fl. San Francisco, CA 94104 <u>jmaxwell@rjo.com</u>

For Davia to:

Proposition 65 Coordinator Sheffer Law Firm 81 Throckmorton Ave., Suite 202 Mill Valley, CA 94941

Any Party may modify the person and address to whom the notice is to be sent by sending each other Party notice by certified mail and/or other verifiable form of written communication.

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

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

11. MODIFICATION

This Agreement may be modified only: (1) by written agreement of the Parties; or (2) upon a successful motion of any party and approval of a modified Agreement by the Court.

12. ADDITIONAL POST-EXECUTION ACTIVITIES

The parties acknowledge that, pursuant to Health & Safety Code §25249.7, a noticed motion is required to obtain judicial approval of this Agreement, which motion plaintiff shall prepare and file. In furtherance of obtaining court approval, Davia and Williams-Sonoma, and their respective counsel, agree to mutually employ their best efforts to support the entry of this Agreement as a Consent Judgment and obtain approval of the Agreement by the Court in a timely manner.

Williams-Sonoma agrees to accept service of any notice of entry of order approving this Agreement or entering judgment on this claim by electronic mail delivery.

13. ENTIRE AGREEMENT

This Settlement 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, and understandings related hereto. No representations, oral or otherwise, express or implied, other than those contained herein have been made by any Party hereto. No other agreements not specifically referred to herein, oral or otherwise, shall be deemed to exist or to bind any of the Parties. No supplementation, modification, waiver, or termination of this Agreement shall be binding unless executed in writing by the Party to be bound. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any of the other provisions whether or not similar, nor shall such waiver constitute a continuing waiver

14. ATTORNEY'S FEES

14.1 Should Davia prevail on any motion, application for order to show cause or other proceeding to enforce a violation of this Agreement, Davia shall be entitled to her reasonable attorney fees and costs incurred as a result of such motion, order or application, if allowed under

C.C.P. §1021.5. Should Williams-Sonoma prevail on any motion, application for order to show cause, or other proceeding to enforce a violation of this Consent Judgment, Williams-Sonoma shall be entitled to its reasonable attorney fees and costs incurred as a result of such motion, order or application upon a finding that Davia's prosecution or defense of the motion or application lacked substantial justification. For purposes of this Agreement, the term substantial justification shall carry the same meaning as used in the Civil Discovery Act of 1986, Code of Civil Procedure §§ 2016, et seq. Except as otherwise provided in Section 4.2, before either Party brings any motion to enforce this Agreement for an alleged breach, that Party shall provide the other with written notice of any alleged breach, and the Parties shall thereafter meet and confer for a period of 30 days to see if the matter can be resolved. After such 30 day period or any mutually agreed extension, if the matter cannot be resolved, the Party providing notice of the alleged breach shall be free to file a motion to enforce hereunder.

- 14.2 Except as specifically otherwise provided for in this Agreement, each Party shall bear its own costs and attorney's fees in connection with the Notice, this Action, and this Consent Judgment.
- **14.3** Nothing in this Section 14 shall preclude a Party from seeking an award of sanctions pursuant to law.

15. NEUTRAL CONSTRUCTION

All Parties and their counsel have participated in the preparation of this Agreement and this Agreement is the result of the joint efforts of the Parties. This Agreement was subject to revision and modification by the Parties and has been accepted and approved as to its final form by all Parties and their counsel. Accordingly, any uncertainty or ambiguity existing in this Agreement shall not be interpreted against any Party as a result of the manner of the preparation of this Agreement. Each Party to this Agreement agrees that any statute or rule of construction providing that ambiguities are to be resolved against the drafting Party should not be employed in the interpretation of this Agreement and, in this regard, the Parties hereby waive California Civil Code Section 1654.

16. COUNTERPARTS, FACSIMILE SIGNATURES This Agreement may be executed in counterparts and by facsimile or portable document format (PDF), each of which shall be deemed an original, and all of which, when taken together, shall constitute one and the same document. 17. **AUTHORIZATION** The undersigned are authorized to execute this Agreement on behalf of their respective Parties and have read, understood, and agree to all of the terms and conditions of this Agreement. IT IS SO AGREED Dated: October 2018 Dated: October 9, 2018 Danielle M. Hohos, Vice President, Plaintiff Susan Davia Deputy General Counsel, Williams Sonoma, Inc.