

**SETTLEMENT AGREEMENT
SUSAN DAVIA AG NOTICE 2016-00086**

1. INTRODUCTION

1.1 The Parties

This settlement agreement (“Agreement” or “Settlement Agreement”) is entered into by and between Susan Davia, (“Davia”), American Housewares International, Inc. (“AHI”) and The Container Store Group, Inc. and The Container Store, Inc. (collectively “TCS”) with Davia, AHI and TCS collectively referred to as the “Parties.”

1.2 Davia

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 American Housewares International, Inc.

Plaintiff alleges that American Housewares International, Inc. 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”). American Housewares International, Inc. denies such allegation. However, for the limited and exclusive purpose of this Agreement and resolution of Davia’s claims against it and The Container Store, American Housewares International, Inc. is not asserting this denial. American Housewares International, Inc. is alleged to have been responsible for the U.S. distribution of the products subject to this Agreement.

1.4 The Container Store Group, Inc. and The Container Store Inc.

Each The Container Store Group, Inc. and The Container Store Inc. is a person in the course of doing business for purposes of Proposition 65. The Container Store Group, Inc. and The Container Store Inc. are each alleged to have been responsible for the distribution and California sale of the products subject to this Agreement through California The Container Store retail outlets.

1.5 General Allegations

Davia alleges that AHI and TCS participated in the manufacture, distribution and/or sale, in the State of California, of certain coated steel hangers, which products exposed users to DEHP and DINP without first providing “clear and reasonable warning” under Proposition 65. DEHP is listed as

a reproductive and developmental toxicant pursuant to Proposition 65. DINP is listed as a carcinogen pursuant to Proposition 65. DEHP and DINP shall be referred to collectively hereinafter as the "Listed Chemical."

1.6 Notice of Violation

On February 1, 2016, Davia served AHI, TCS and various public enforcement agencies with a document entitled "60-Day Notice of Violation" that provided public enforcers and the noticed entities with notice of alleged violations of Health & Safety Code § 25249.6 for failing to warn consumers of the presence of DEHP and DINP, toxic chemicals found in Covered Products sold in California.

AHI and TCS received the February 1, 2016, 60-Day Notice of Violation. AHI and TCS represent that, as of the date each executes this Agreement, it is not aware of any public enforcer that is diligently prosecuting a Proposition 65 enforcement action related to DEHP or DINP in the Covered Products, as identified in the 60-Day Notice.

1.7 No Admission

This Agreement resolves claims that are denied and disputed by AHI and TCS. The Parties enter into this Agreement pursuant to a full and final settlement of any and all claims between the Parties for the purpose of avoiding prolonged litigation. Each AHI and TCS denies the material factual and legal allegations contained in the Notice, maintains that it did not knowingly or intentionally expose California consumers to DEHP or DINP through the reasonably foreseeable use of the Covered Products and otherwise contends that, all Covered Products each has manufactured, distributed and/or sold in California have been and are in compliance with all applicable laws. Nothing in this Agreement shall be construed as an admission by AHI or TCS 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 the AHI or TCS of any fact, finding, conclusion, issue of law, or violation of law, such being specifically denied by AHI and TCS. However, notwithstanding the foregoing, this section shall not diminish or otherwise affect AHI's and TCS' obligations, responsibilities, and duties under this Agreement.

1.8 Consent to Jurisdiction

For purposes of this Agreement only, the Parties stipulate that the Marin County Superior

Court has jurisdiction over AHI and TCS as to the allegations in the 60-Day Notice received from Davia, and this Agreement, that venue is proper in County of Marin, and that the Marin County Superior Court has jurisdiction to enforce the provisions of this Agreement. As an express part of this Agreement, pursuant to Code of Civil Procedure Section 664.6 the Marin County Superior Court has jurisdiction over the parties to enforce the settlement until performance in full of the terms of the settlement.

2. DEFINITIONS

2.1 The term “Products” or “Covered Products” shall mean all MAWA brand steel hangers covered, in whole or in part, with grippy material, including, but not be limited to, MAWA brand Non-Slip Hangers, Accessory Hangers, Pant/Skirt Hangers and Children’s Hangers manufactured and/or distributed by MAWA.

2.2 The term “Phthalate Free” Covered Products shall mean any component of any Covered Product containing less than or equal to 1,000 parts per million (“ppm”) of DEHP, DBP, DINP, DIDP, DnHP and BBP as determined by a minimum of duplicate quality controlled test results using Environmental Protection Agency (“EPA”) testing methodologies 3580A and 8270C.

2.3 “Effective Date” shall mean November 15, 2016.

3. INJUNCTIVE-TYPE RELIEF

3.1 Products No Longer in AHI’s Control

No later than the Effective Date, AHI shall send a letter, electronic or otherwise (“Notification Letter”) to (1) The Container Store, Inc., (2) The Container Store Group, Inc., (3) each California retail customer to which AHI, after January 1, 2016, directly supplied any Covered Products and (4) any California customer and/or retailer that AHI reasonably understands or believes had any inventory for resale in California of Covered Products as of January 1, 2016. The Notification Letter shall advise the recipient that the Covered Products “contain DEHP and DINP, chemicals known to the State of California to cause cancer, birth defects or other reproductive harm,” and request that the recipient either: (a) label the Covered Products remaining in inventory for sale in California, or to California Customers, with a label compliant with Section 3.3; or (b) return, at AHI’s sole expense, all units of the Covered Product held for sale in California, or to California Customers, to AHI. The Notification

Letter shall request a response from the recipient within 15 days, confirming whether the Covered Products will be labeled or returned. AHI shall maintain records of all correspondence or other communications generated pursuant to this Section for two years after the Effective Date and shall promptly produce copies of such records upon Davia's written request.

3.2 Product Reformulation Commitment

3.2.1 AHI is not the manufacturer of the Covered Products and represents, as a material term of this Agreement, that AHI has no control over the manufacturing process for the Covered Products. AHI also represents as a material terms of this Agreement, that it has ended its business relationship with Covered Product manufacturer MAWA GmbH and is no longer obtaining new inventory of Covered Products for sale in the United States. If AHI determines to obtain Covered Product for sale in the United States at any time after AHI's execution of this Agreement, then AHI shall provide the Phthalate Free concentration standards of Section 2.2 to its then-current vendor or manufacturer of any Covered Product and instruct such entity not to incorporate any raw or component materials that do not meet or exceed the Phthalate Free concentration standards of Section 2.2 into any Covered Product. AHI shall maintain copies of all correspondence relating to institution of the Phthalate Free concentration standards and shall produce such copies to Davia within fifteen (15) days of receipt of written request from Davia.

3.2.2 If AHI determines to obtain Covered Product for sale in the United States at any time after AHI's execution of this Agreement, then AHI shall not cause to be manufactured, order or cause to be ordered any Covered Product that is not Phthalate Free. For every Covered Product AHI, causes to be manufactured, orders or causes to be ordered after its execution of this Agreement, AHI shall maintain copies of all testing of such products demonstrating compliance with this section, shall maintain copies of all vendor correspondence relating to the Phthalate Free concentration standards and shall produce such copies to Davia within fifteen (15) days of receipt of written request from Davia.

3.3 Product Warnings for Existing Inventory

After November 1, 2016, for any inventory of Covered Product in AHI's possession, custody or control as of its execution of this Agreement, AHI shall not sell or ship any Covered Product to a

vendor or retailer that sells to or into California, or sell or ship any Covered Product to a vendor or retailer that AHI reasonably understands maintains retail outlets in the California, unless such Covered Products are sold or shipped with one of the clear and reasonable warnings set forth hereafter.

Each warning 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.

After October 1, 2016, AHI shall not distribute or otherwise sell any Covered Product unless it is Phthalate Free and shall not sell any Covered Products that are not Phthalate Free in or into California regardless of whether or not a Proposition 65 warning accompanies the product.

(a) **Distribution with Warnings.**

(i) **Product Labeling.** For all Covered Products sold to any entity that AHI reasonably understands either maintains retail outlets in California or is a distributor for any entity that maintains retail outlets in California, AHI shall affix a warning to the labeling of the Covered Product that states:

WARNING: This product contains DEHP and DINP, chemicals known to the State of California to cause cancer and birth defects or other reproductive harm. Please wash hands after use.

(b) **Catalog and Internet Sales.** For all Covered Products sold or offered for sale by AHI via catalog or the Internet to customers located in California any such catalog or Internet site offering any Covered Product for sale shall include a warning in the catalog or within the website, identifying the specific Covered Product to which the warning applies, as specified in Sections 3.2(b)(i) and (ii) below.

(i) **Mail Order Catalog Warning.** Any warning provided in a mail order catalog must be in the same type size or larger than the Covered Product description text within the catalog. The following warning shall be provided on the same page and in the same location as the display and/or description of the Covered Product:

WARNING: This product contains DEHP and DINP, chemicals known

to the State of California to cause cancer and birth defects or other reproductive harm. Please wash hands after use.

Where it is impracticable to provide the warning on the same page and in the same location as the display and/or description of the Covered Product, AHI may utilize a designated symbol to cross reference the applicable warning and shall define the term “designated symbol” with the following language on the inside of the front or back cover of the catalog or on the same page as any order form for the Old Covered Product(s):

WARNING: Certain products identified with this symbol ▼ contain DEHP and DINP, chemicals known to the State of California to cause cancer and birth defects or other reproductive harm. Please wash hands after use.

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, AHI must provide a header or footer directing the consumer to the warning language and definition of the designated symbol.

If AHI 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 printed after the Effective Date.

(ii) **Internet Website Warning.** A warning must be given in conjunction with the sale, or offer of sale, of any Covered Products in or into California by AHI via the Internet, provided it appears 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 following warning statement shall be used and shall appear in any of the above instances adjacent to or immediately following the display, description, or price of the Covered Product for which it is given in the same type size or larger than the Covered Product description text:

WARNING: This product contains DEHP and DINP, chemicals known to the State of California to cause cancer and birth defects or other reproductive harm. Please wash hands after use.

Alternatively, the designated symbol 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 on the same web page, as follows:

WARNING: Products identified on this page with the following symbol ▼ contain DEHP and DINP, chemicals known to the State of California to cause cancer and birth defects or other reproductive harm. Please wash hands after use.

3.4 TCS Retail Outlets

3.4.1 No later than November 15, 2016, TCS shall send a letter or memorandum to all California retail store managers requiring them to check their stock and inventory of each Covered Product and pull any such Covered Product that does not have the Proposition 65 warning printed on its label. Within one week of receipt of such letter, each California TCS store manager shall provide a written confirmation of completion of this task and identification of the number of each exemplar Covered Product pulled for lack of warning. No later than 30 days after receipt of such letter, each California TCS retail store shall return all pulled inventory of exemplar Covered Products to AHI, at AHI's sole expense, or shall place a warning on the product label that conforms with Section 3.3 of this Agreement.

After March 1, 2017, TCS shall not sell any non-reformulated Covered Product in California regardless of whether or not a Proposition 65 warning accompanies the product.

3.5 Production of Business Records

As a material term of this Agreement, and as material consideration for plaintiff's reduction of her reimbursement demand for her incurred attorney fees and costs, AHI is agreeing to produce a copy of its business file relating to its acquisition and sale of the Covered Products. The production is intended to and shall cover all written and electronic documents generated between AHI (and its agents, officers, representatives, etc.) and MAWA GmbH (and its agents, representatives, officers, etc.) as a result of AHI's acquisition and sale of Covered Products in the United States, including, but not limited to, correspondence, contracts, invoices, agreements, photographs, samples, payments, inventory, accounting and all other associated documents of any nature or form whatsoever, including all drafts and document versions. For purposes of this section, "document" shall be defined as a writing, as that term is defined in California Evidence Code §250 and includes electronic mail, computer records, drawings, graphs, videotapes, pictures, microfilm, slides, negatives, audiotapes, computer files and any summary of information therefrom. Production of documents under this section shall be in electronic format on disco or memory stick scanned and certified free of

all viruses.

4. MONETARY PAYMENTS

4.1 Civil Penalty

As a condition of settlement of all the claims referred to in this Consent to Judgment, AHI shall pay a total of \$4,000 in civil penalties in accordance with California Health & Safety Code § 25249.12(c)(1) & (d), with 75% of the funds remitted to the California Office of Environmental Health Hazard Assessment (“OEHHA”) and the remaining 25% of the penalty remitted to Davia.

4.2 Augmentation of Penalty Payments

For purposes of the penalty assessment under this Agreement, Davia is relying entirely upon AHI and its counsel for accurate, good faith reporting to Davia of the nature and amounts of relevant sales activity. If within nine (9) months of the Effective Date, Davia discovers and presents to AHI evidence that the Covered Products have been distributed by AHI in sales volumes materially different than those identified by AHI prior to execution of this Agreement, then AHI shall be liable for an additional penalty amount of up to \$7,500. AHI shall also be liable for any reasonable, additional attorney fees expended by Davia in discovering such additional retailers or sales, up to \$7,500. Davia agrees to provide AHI with a written demand for all such additional penalties and attorney fees under this Section. After service of such demand, AHI shall have thirty (30) days to agree to the amount of fees and penalties owing by AHI and submit such payment to Davia in accordance with the method of payment of penalties and fees identified in Section 4.1 and 4.4. Should this thirty (30) day period pass without any such resolution between the parties and payment of such additional penalties and fees, Davia shall be entitled to file a formal legal claim for civil penalties pursuant to this section and shall be entitled to all reasonable attorney fees and costs relating to such claim.

4.3 Reimbursement of Davia’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 the agreement had been settled. The Parties 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 performed in this matter, except fees that may be incurred on appeal. Under these legal principles, MAWA shall pay Davia's counsel, on or before the Effective Date, the amount of \$17,000 for fees and costs incurred investigating, litigating and enforcing this matter. Such payment shall be made payable to "Sheffer Law Firm".

4.4 Payment Procedures

AHI shall pay civil penalties pursuant to Section 4.1 by a civil penalty check payable to "OEHHA" (Memo line "Prop 65 Penalties, 2016-00086"), in the amount of \$3,000 and a civil penalty check payable to "Susan Davia" (Memo line "Prop 65 Penalties, 2016-00086") in the amount of \$1,000.

AHI shall pay any civil penalties pursuant to Section 4.2 by issuing civil penalty checks payable to "OEHHA" (Memo line "Prop 65 Penalties, 2016-00086") and "Susan Davia" (Memo line "Prop 65 Penalties, 2016-00086") in the amounts agreed pursuant to that section or as ordered by the Court.

AHI shall pay attorney fees and costs pursuant to Section 4.3 by a check payable to "Sheffer Law Firm" (Memo line "2016-00086") in the amount of \$17,000.

AHI shall pay any attorney fees and costs pursuant to Section 4.2 by delivery of a check payable to "Sheffer Law Firm" (Memo line "2016-00086") in the amount determined pursuant to that section or ordered by the Court.

All Section 4.1 and Section 4.3 civil penalty and attorney fee/cost payments shall be delivered to plaintiff's counsel on or before December 15, 2016, at the following address:

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

All Section 4.2 civil penalty and attorney fee/cost payments shall be delivered to plaintiff's counsel at the following address on or before the date agreed upon pursuant to that section or ordered by the Court:

Sheffer Law Firm
Attn: Proposition 65 Controller
81 Throckmorton Ave., Suite 202

Mill Valley, CA 94941

AHI shall be liable for payment of interest, at a rate of 10% simple interest per annum, for all amounts due and owing from it under this Section that are not received by Sheffer Law Firm within two 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, AHI shall issue three separate 1099 forms, as follows:

- (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;
- (b) The second 1099 shall be issued to Davia in the amount paid pursuant to Sections 4.1 and 4.2, 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 amount paid pursuant to Section 4.2 and Section 4.3.

4.6 Delayed or Non-Payment of Civil Penalties or Attorney Fees

While the obligations of this agreement are binding upon execution, the Release of AHI and TCS shall not become effective until after all Section 4.1 and Section 4.3 monetary payments have been made and all funds have cleared.

5. RELEASES

5.1 DAVIA'S RELEASE OF AHI AND TCS

5.1.1 This settlement agreement is a full, final and binding resolution between Davia, and AHI, of any violation of Proposition 65 that was or could have been asserted by Davia on behalf of herself, her representatives or attorneys, against AHI, its directors, officers, employees, attorneys, and each entity to whom AHI directly or indirectly distributes or sells Covered Products, including, but not limited, to retailers, including The Container Store, downstream distributors, wholesalers, customers, retailers, franchisees, cooperative members, and licensees ("Releasees"), based on their failure to warn about alleged exposures to DEHP and DINP contained in the Covered Products that were

manufactured, distributed, sold and/or offered for sale by AHI or TCS in California before the Effective Date.

5.1.2 In further consideration of the promises and agreements herein contained, Davia on behalf of herself, 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, 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 -- limited to and arising under proposition 65 with respect to the DEHP and DINP in the Covered Products manufactured, distributed, sold and/or offered for sale by AHI and TCS before the Effective Date (collectively "claims"), against AHI, TCS and Releasees.

5.1.3 Davia also, in her individual capacity, provides a general release herein which shall be effective as a full and final accord and satisfaction, 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 the subject matter of the Notice as to Covered Products manufactured, distributed or sold by AHI, TCS or Releasees before 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 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 he 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 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 AHI. This Section 5.1 release shall not extend to apparent manufacturer MAWA GmbH and Davia shall retain all rights to pursue any and all claims against MAWA GmbH for their manufacture, sale and distribution of Covered Products into California.

5.2 AHI's and TCS' Release of Davia

AHI and TCS, each 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 it in this matter, or with respect to the Products. Each AHI and TCS 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.

Each AHI and TCS expressly waives and relinquishes any and all rights and benefits which it may have under, or which may be conferred on him 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 he 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. POST EXECUTION CONVERSION TO CONSENT JUDGMENT

Within twelve months of the execution of this Settlement Agreement AHI may ask Davia, in

writing, to file a complaint, incorporate the terms of this Settlement Agreement into a proposed consent judgment, and to seek the court's approval of the consent judgment pursuant to Health and Safety Code section 25249.7, or as may be otherwise allowed by law. If so requested, Davia agrees to reasonably cooperate with AHI and to use her best efforts, and that of her counsel, to support the entry of a consent judgment by a superior court in California. Pursuant to Code of Civil Procedure sections 1021 and 1021.5, AHI shall reimburse Davia and her counsel for their reasonable fees and costs incurred in filing the complaint, converting the Settlement Agreement into a proposed consent judgment and seeking judicial approval of the consent judgment, in an amount not to exceed \$12,000.00, exclusive of fees and cost that may be incurred on appeal. AHI will remit payment to the Sheffer Law Firm, at the address set forth in Section 9 below. Such additional fees shall be paid by AHI, within ten days after its receipt of any invoice from Davia for work performed under this paragraph. AHI understand no motion to approve any proposed consent judgment will be filed absent payment for the work performed under this paragraph. All payments owed to Davia, pursuant to Section 6 shall be made payable to "Sheffer Law Firm" (Memo Line "2016-00086") and delivered to the following payment address:

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

Any failure by AHI to timely pay Davia invoices under this Section shall result in the assessment of ten percent (10%) interest per annum on any outstanding balance.

7. SEVERABILITY

If any of the provisions of this Agreement are found by a court to be unenforceable, the validity of the enforceable provisions remaining shall not be adversely affected, unless the Court finds that any unenforceable provision is not severable from the remainder of the Agreement.

8. GOVERNING LAW

The terms of this Agreement shall be governed by the laws of the State of California.

9. NOTICES

When any Party is entitled to receive any notice under this Agreement, the notice shall be sent by certified mail and electronic mail (where applicable) to the following:

For American Housewares International, Inc., to:

Paul Stollenwerk, President
American Housewares International, Inc.
4947 N. Ardmore Ave.
Milwaukee, WI 53217

With a copy to their counsel:

George W. Dowell
1153 Lincoln Avenue, Suite C
San Jose, California 95125

For The Container Store Group, Inc. and The Container Store Inc., to:

Jodi Taylor, CFO/CAO
The Container Store Group, Inc.
The Container Store Inc.
500 Freeport Parkway
Coppell, TX 75019-3863

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.

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 by written agreement of the Parties or court order.

12. ENTIRE AGREEMENT

This 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, 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

13. ATTORNEY'S FEES

13.1 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, consistent with C.C.P. § 1021.5. Should AHI prevail on any motion, application for order to show cause or other proceeding to enforce a violation of this Agreement, AHI may 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 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.*

13.2 Except as otherwise specifically provided herein, each Party shall bear its own costs and attorney's fees in connection with the Notice.

13.3 Nothing in this Section shall preclude a Party from seeking an award of sanctions pursuant to law.

14. NEUTRAL CONSTRUCTION

Both 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.


15. 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.

16. AUTHORIZATION

The undersigned parties and their counsel 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

| | |
|---|--|
| <p>Dated: November __, 2016</p> <p>_____ Paul Stollenwerk, President American Housewares International, Inc.</p> | <p>Dated: November __, 2016</p> <p>_____ Jodi Taylor, CFO/CAO The Container Store Group, Inc. The Container Store Inc.</p> |
| <p>Dated: November <u>11</u>, 2016</p> <p> _____ Susan Davia</p> | |

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.

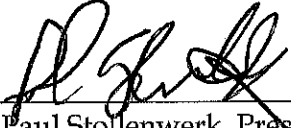
15. COUNTERPARTS, FACSIMILE SIGNATURES

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.

16. AUTHORIZATION

The undersigned parties and their counsel 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

| | |
|--|---|
| <p>Dated: November <u>9</u>, 2016</p>  <p>_____ Paul Stollenwerk, President American Housewares International, Inc.</p> | <p>Dated: November ___, 2016</p> <p>_____ Jodi Taylor, CFO/CAO The Container Store Group, Inc. The Container Store Inc.</p> |
| <p>Dated: November ___, 2016</p> <p>_____ Susan Davia</p> | |

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.

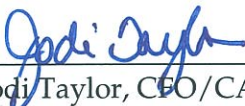
15. COUNTERPARTS, FACSIMILE SIGNATURES

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.

16. AUTHORIZATION

The undersigned parties and their counsel 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

| | |
|---|---|
| <p>Dated: November __, 2016</p> <p>_____</p> <p>Paul Stollenwerk, President American Housewares International, Inc.</p> | <p>Dated: November <u>10</u>, 2016</p> <p></p> <p>_____ Jodi Taylor, CFO/CAO The Container Store Group, Inc. The Container Store Inc.</p> |
| <p>Dated: November __, 2016</p> <p>_____</p> <p>Susan Davia</p> | |