

**.PROPOSITION 65 SETTLEMENT AGREEMENT  
(Susan Davia AG Notice 2017-00945)**

**1. INTRODUCTION**

**1.1 The Parties**

This settlement agreement (“Agreement” or “Settlement Agreement”) is entered into by and between Susan Davia (“Davia”), on the one hand and Sunham Home Fashions, LLC (“Sunham” or “Defendant”), on the other, with Davia and Sunham each referred to as a Party and 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 Sunham Home Fashions LLC**

Sunham is alleged to have been responsible for the manufacture and distribution of the products subject to this Agreement. Sunham 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 Sunham participated in the manufacture, distribution and/or sale, in the State of California, of bedding product storage cases made with materials that exposed users to di(2-ethylhexyl)phthalate (DEHP) and di(isononyl)phthalate (“DINP”) without first providing “clear and reasonable warning” under Proposition 65. Pursuant to Proposition 65, DEHP is listed as a carcinogen and reproductive toxin and DINP is listed as a carcinogen. DEHP and DINP shall be referred to hereinafter, collectively, as “Listed Chemical”.

**1.5 Notices of Violation**

On August 25, 2016, Davia served Sunham 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 DINP and DEHP, toxic chemicals found in the Covered Products sold in California (AG Notice 2017-00945). The August 25, 2016, 60-Day Notice of Violation shall be referred to herein as the “Notice.”

Sunham received the Notice. As of the date they are executing this Agreement, the Parties are not aware of any public enforcer that is diligently prosecuting a Proposition 65 enforcement action related to the Listed Chemical in the Covered Products, as identified in the 60-Day Notice.

#### **1.6 No Admission**

This Agreement resolves claims that are denied and disputed by Sunham. The Parties enter into this Agreement pursuant to a full, final and binding settlement of any and all claims between the Parties for the purpose of avoiding prolonged litigation. Sunham denies the material factual and legal allegations contained in the Notice, maintains that it did not knowingly or intentionally expose California consumers to any Listed Chemical through the reasonably foreseeable use of the Covered Products, and otherwise contends that all Covered Products it 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 Sunham 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 Sunham of any fact, finding, conclusion, issue of law, or violation of law, such being specifically denied by Sunham. However, notwithstanding the foregoing, this section shall not diminish or otherwise affect Sunham’s obligations, responsibilities, and duties under this Agreement.

#### **1.7 Consent to Jurisdiction**

For purposes of this Agreement only, the Parties stipulate that this Agreement shall be considered as made pursuant to Code of Civil Procedure Section 664.6 and that the Marin County Superior Court has jurisdiction over the Parties to enforce this Agreement until performance in full of the terms of the settlement.

## **2. DEFINITIONS**

**2.1** The term “Product” or “Covered Product” shall mean all vinyl/PVC packaging/storage case products for bedding manufactured, caused to be manufactured, distributed, caused to be distributed or sold by Sunham, including such case products for Fairfield Square 6 Pc. Bed Sets (all sizes, including Austin and Camo) and Wamsutta Shams (all sizes, including Baratta Stitch Euro Sham).

**2.2** The term “Phthalate Free” Covered Products shall mean that each component of each Covered Product contains less than or equal to 1,000 parts per million (“ppm”) of di(2-ethylhexyl phthalate) (“DEHP”), dibutyl phthalate (“DBP”), diisononyl phthalate (“DINP”), diisodecyl phthalate (“DIDP”), di-n-hexyl phthalate (“DnHP”) and butyl benzyl phthalate (“BBP”) as determined by test results using Environmental Protection Agency (“EPA”) testing methodologies 3580A and 8270C or comparable methodology used by a state or federal agency to test for phthalates in a solid substance.

**2.3** “California Customer” shall mean (1) any customer located in California, (2) any customer with a California “ship to” address, or (3) any customer that Sunham has reason to know either maintains retail outlets in California or is a distributor for any entity that maintains retail outlets in California, to the extent such customer is selling or shipping Covered Products in or to California.

**2.4** “Effective Date” shall mean January 1, 2018.

## **3. INJUNCTIVE-TYPE RELIEF**

### **3.1 Product Reformulation Commitment**

**3.1.1** No later than the Effective Date, Sunham shall provide the Phthalate Free phthalate concentration standards of Section 2.2 to its then-current vendors of any Covered Product and instruct such entities not to incorporate any raw or component materials that do not meet the Phthalate Free concentration standards of Section 2.2 into any Covered Product. Sunham shall maintain copies of all vendor correspondence relating to the Phthalate Free concentration standards and shall produce such copies to Davia within thirty (30) days of receipt of reasonable request made in writing from Davia.

**3.1.2** After the Effective Date, Sunham shall provide the Phthalate Free phthalate concentration standards of Section 2.2 to any New Vendors of any Covered Product and instruct such entities not to incorporate any raw or component materials that do not meet the Phthalate Free concentration standards of Section 2.2 into any Covered Product. "New Vendors" means vendors of Covered Products from whom Sunham was not obtaining Covered Products as of the Effective Date. Prior to purchase and acquisition of any Covered Product from any New Vendor, Sunham shall request written confirmation or accompanying laboratory test result from the New Vendor indicating whether such Covered Product is Phthalate Free or not. Sunham shall maintain copies of all vendor correspondence relating to the Phthalate Free concentration standards and shall produce such copies to Davia within thirty (30) days of receipt of reasonable request made in writing from Davia.


**3.1.3** As of the Effective Date, Sunham shall not manufacture or cause to be manufactured, order or cause to be ordered, distribute or cause to be distributed or otherwise sell any product incorporating a Covered Product to a California Customer that is not either Phthalate Free or labeled with a Proposition 65 warning compliant with Section 3.3. For every product incorporating a Covered Product that Sunham manufactures, causes to be manufactured, orders, causes to be ordered or otherwise sells after the Effective Date, Sunham shall maintain copies of all testing of such Covered Products, shall maintain copies of all vendor correspondence relating to the Phthalate Free concentration standards of Section 2.2 and shall produce such copies to Davia within thirty (30) days of receipt of reasonable request made in writing from Davia.

**3.1.4** Settling Defendant shall maintain records in accordance with this Section 3.1 for two years from the date of creation or receipt of such records and shall produce copies of such records upon written request by Davia so long as such request is made within three years of the Effective Date.


**3.2 Previously Distributed Covered Products.**

**3.2.1** Customer Notification - No later than the Effective Date, Sunham shall send a letter, electronic or otherwise ("Notification Letter") to (1) each retailer or distributor in California to which it, after January 1, 2015, supplied any Covered Product or product incorporating any Covered Product, and (2) any other retailer or distributor in California that Sunham reasonably understands or believes has any

inventory of product incorporating Covered Products. The Notification Letter shall advise the recipient that Sunham has been informed that Covered Products may contain DINP and DIDP, chemicals known to the State of California to cause cancer and birth defects or other reproductive harm. The Notification letter shall direct recipient that all Covered Product must be labeled with a clear and reasonable Proposition 65 warning before it is sold to a California Customer. The Notification Letter shall include a sheet of white background, adhesive Proposition 65 Warning stickers with one of the following warning statements in no less than Book Antiqua, point 6 font (or its equivalent):

 WARNING: This packaging contains DEHP and DINP, chemicals known to the State of California to cause cancer and birth defects or other reproductive harm. *This packaging is not intended as a storage container. Please discard packaging after purchase.*

or

 WARNING: This bag can expose you to chemicals including Diisononyl Phthalate (DINP), which is known to the State of California to cause cancer, and Di(2-ethylhexyl) phthlatate (DEHP), 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](http://www.P65Warnings.ca.gov).

The Notification Letter shall request written confirmation from the recipient, within 15 days of receipt, that all such inventory for California sale has been, or will be, labelled with the warning language identified in this section.

**3.2.2** Settling Defendant shall maintain records of compliance correspondence, inventory reports or other communication confirming compliance with Section 3.2.1 for two years from the Effective Date and shall produce copies of such records upon written request by Davia.


### **3.3 Existing Inventory Product Packaging Labels**

For any inventory of Covered Products obtained by Sunham prior to the Effective Date, Sunham shall not sell or ship any of such Covered Product that is not Phthalate Free to a California Customer after the Effective Date unless such Covered Product is sold or shipped with a clear and reasonable warning as set forth hereafter.


Each such label utilized by Sunham for any Covered Product shall be prominently placed either on the exterior surface of the clear packaging or where other health and safety warnings are located, 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.

### **3.3.1 Covered Product Packaging Label.**

For all non-Phthalate Free Covered Product sold after the Effective Date into California or to a California Customer, Sunham shall affix or cause to be affixed a label to the Covered Product that includes one of the following warning statements:

 WARNING: This packaging contains DEHP and DINP, chemicals known to the State of California to cause cancer and birth defects or other reproductive harm. *This packaging is not intended as a storage container. Please discard packaging after purchase.*

or

 WARNING: This bag can expose you to chemicals including Diisononyl Phthalate (DINP), which is known to the State of California to cause cancer, and Di(2-ethylhexyl) phthalate (DEHP), 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](http://www.P65Warnings.ca.gov).

### **3.3.2 Internet Website Warning.**

As a material term of this Agreement, Sunham represents that it does not currently sell Covered Products over the Internet. Should Sunham do so in the future, a warning must be given in conjunction with ecommerce or other internet sale by Sunham of any Covered Products to a California Customer that

are not Phthalate Free, provided it fully complies with then-applicable OEHHA safe harbor warning regulations and 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.

#### **4. MONETARY PAYMENTS**

##### **4.1 Civil Penalty Payment**

As a condition of settlement of all the claims referred to in this Settlement Agreement, Sunham shall cause to be paid a total of \$18,700.00 in civil penalties in accordance with California Health & Safety Code § 25249.12(c)(1) & (d).

##### **4.2 Augmentation of Civil Penalty Payments**

For purposes of the penalty assessment under this Agreement, Davia is relying entirely upon Sunham 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 Sunham evidence demonstrating that the Covered Product sales volumes Sunham identified prior to execution of this Agreement were materially inaccurate, then Sunham shall be liable for an additional penalty amount up to \$10,000.00. Sunham shall also be liable, in accordance with the requirements of Code of Civil Procedure section 1021.5 for any reasonable, additional attorney fees expended by Davia in discovering such additional sales. Davia agrees to provide Sunham with a written demand for all such additional penalties and attorney fees under this Section, along with all supporting evidence. After service of such demand and evidence, Sunham shall have thirty (30) days to agree to the amount of fees and penalties owing by Sunham (or any compromise of such amounts to which the parties may agree) and to 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 additional civil penalties pursuant to this Section and the prevailing party in any such action 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. Sunham 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 performed in this matter. Under these legal principles, Sunham shall cause to be paid to Davia's counsel the amount of \$31,000.00 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**

Sunham shall satisfy its obligation to pay civil penalties pursuant to Section 4.1 by delivery of a check payable to "OEHHA" (EIN: 68-0284486, Memo line "Prop 65 Penalties, 2016-00932"), in the amount of \$14,025 and a check payable to "Susan Davia" (Tax ID to be supplied, Memo line "Prop 65 Penalties, 2016-00945") in the amount of \$4,675. Davia shall be responsible for delivering to the California Office of Environmental Health Hazard Assessment the civil penalty check payable to OEHHA.

Sunham shall satisfy its obligation to pay attorney fees and costs pursuant to Section 4.3 by delivery of a check payable to "Sheffer Law Firm" (EIN 55-08-58910, Memo line "2016-00945") in the amount of \$31,000.00.

Sunham shall satisfy its obligation to pay any civil penalties pursuant to Section 4.2 by issuance of checks payable to "OEHHA" and "Susan Davia" (Memo line "Prop 65 Penalties, 2016-00945"), in the amounts agreed to pursuant to Section 4.2 or as ordered by the Court.

Sunham shall satisfy its obligation to pay any attorney fees or costs pursuant to Section 4.2 by a check payable to "Sheffer Law Firm" (EIN 55-08-58910, Memo line "2016-00945"), in the amounts agreed to pursuant to Section 4.2 or as 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 within ten (10) business days after January 1, 2018, 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

Sunham 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 five (5) 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, Sunham shall cause three separate 1099 forms to be issued, 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 4.3 and 4.2.

## **5. RELEASES**

### **5.1 DAVIA'S RELEASE OF SUNHAM**

5.1.1 This settlement agreement is a full, final and binding resolution between Davia, and Sunham of any violation of Proposition 65 that was or could have been asserted by Davia on behalf

of herself, her representatives or attorneys, and in the public interest, against Sunham, its directors, officers, employees, attorneys (“Releasees”), and each entity to whom Sunham directly or indirectly distributes or sells Covered Products, including, but not limited, to Retailers, downstream distributors and retailers (“Downstream Releasees”), based on their alleged failure to warn about alleged exposures to DEHP and DINP contained in the Covered Products that were sold by Sunham to a California Customer before the Effective Date. As to Davia only, Sunham’s compliance with the terms of this settlement shall be deemed compliance with Proposition 65 as to exposures to DINP, DIDP, DEHP, DBP, BBP and DnHP in the Covered Products.

5.1.2 Davia also provides a general release herein which shall be effective as a full and final accord and satisfaction, as a bar to all claims, actions and causes of action, 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 sold by Sunham or Releasees to a California Customer 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 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, 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.

This Section 5 release shall not release any obligations created by or set forth in this Agreement.

The Parties further understand and agree that this Section 5 release shall not extend upstream to

any entities, other than Sunham, 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 Sunham.

## **5.2 SUNHAM'S RELEASE OF DAVIA**

Sunham, 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 through the execution of this Agreement whether in the course of investigating claims in this matter, otherwise seeking to enforce Proposition 65 against it in this matter, or with respect to the Covered Products that were the subject of the Notices. Sunham 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.

Sunham 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 identified in this Section 5.2. 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, Sunham 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 Sunham 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, Sunham will 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, exclusive of fees and cost that may be incurred on appeal. Sunham will remit payment to the Sheffer Law Firm, at the address set forth in Section 9 below. Such additional fees shall be paid by Sunham, within ten (10) business days after its receipt of any invoice from Davia for work performed under this paragraph. Sunham understands 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 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 Sunham to timely pay Davia invoices under this Section shall result in the assessment of ten percent (10%) simple 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, after express agreement of the Parties, 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. In the event that Proposition 65 is amended, repealed, or is rendered expressly inapplicable to the Covered Products by a Court or regulatory decision, then Sunham may provide written notice to Davia of any asserted change in the law and the Parties shall meet and confer regarding the extent those changes shall relieve Sunham from the obligations of this Agreement. Should the Parties fail to reach an agreement, Sunham may file an action for declaratory relief and make a properly noticed motion to the Marin County Superior Court to be relieved from further obligations under this Settlement Agreement with respect to, and to the extent that, the Covered Products are so affected.

## **9. NOTICES**

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

For Sunham:

Howard Yung, CEO  
Jane Bognacki, President  
Sunham Home Fashions, LLC  
136 Madison Ave., Fl. 16  
New York, NY 10016-6711

With a copy to its counsel:

Michael Leslie  
Michael Roth  
Boies Schiller Flexner LLP  
725 S Figueroa St, 31<sup>st</sup> Floor  
Los Angeles, CA 90017

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 Sunham prevail on any motion, application for order to show cause or other proceeding to enforce a violation of this Agreement, Sunham shall be entitled to its reasonable attorney fees and costs incurred as a result of such motion, order or application.

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

**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.

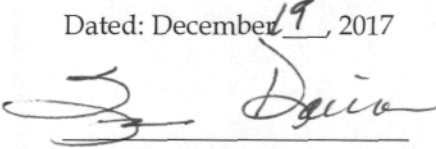
**15. COUNTERPARTS, FACSIMILE SIGNATURES**

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: December __, 2017</p> <p>_____</p> <p>Name: Title: Sunham Home Fashions, LLC</p>	<p>Dated: December <u>19</u>, 2017</p> <p></p> <p>_____ Susan Davia</p>
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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.

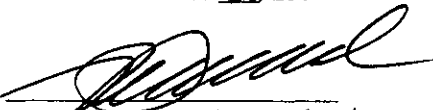
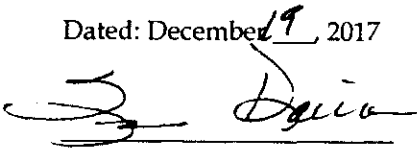
**15. COUNTERPARTS, FACSIMILE SIGNATURES**

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: December <u>20</u> 2017</p>  <p>Name: <u>HOWARD YUNG</u> Title: <u>CEO</u> Sunham Home Fashions, LLC</p>	<p>Dated: December <u>19</u>, 2017</p>  <p>Susan Davia</p>
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