

PROPOSITION 65 SETTLEMENT AGREEMENT
(Susan Davia AG Notice 2018-00025)

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 Beatrice Home Fashions, Inc. (“Beatrice Home” or “Defendant”), on the other hand, with Davia and Beatrice Home collectively referred to as the “Parties.”

1.2 Davia

Davia is an individual residing in the State of California who alleges that she 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 Beatrice Home

Beatrice Home 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 Beatrice Home participated in the manufacture, distribution and/or sale, in the State of California, of PVC bedding product display and storage cases made with materials that exposed users to di(2-ethylhexyl)phthalate (“DEHP”) without first providing a “clear and reasonable warning” under Proposition 65. DEHP is listed as a carcinogen and reproductive toxin pursuant to Proposition 65. DEHP shall be referred to hereinafter as the “Listed Chemical”.

1.5 Notices of Violation

On January 11, 2018, Davia served Beatrice Home 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 the Listed Chemical found in the Covered Products (defined hereafter)

sold in California (AG Notice 2018-00025). The January 11, 2018, 60-Day Notice of Violation served on Beatrice Home shall be referred to herein as “Notice.”

Beatrice Home received the Notice. Beatrice Home represents that, as of the date it executes this Agreement, it is 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 Notice.

1.6 No Admission

This Agreement resolves claims that are denied and disputed by Beatrice Home. 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. Beatrice Home denies the material factual and legal allegations contained in the Notice, maintains that it did not knowingly or intentionally expose California consumers to the Listed Chemical through the reasonably foreseeable use of the Covered Products or Covered Packaging (defined hereafter) and further contends that all Covered Products and Covered Packaging 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 Beatrice Home 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 Beatrice Home of any fact, finding, conclusion, issue of law, or violation of law, all of which are specifically denied by Beatrice Home. However, notwithstanding the foregoing, this section shall not diminish or otherwise affect Beatrice Home’s obligations, responsibilities, and duties under this Agreement.

1.7 Consent to Jurisdiction

For purposes of this Agreement only, the Parties stipulate that the Marin County Superior Court has jurisdiction over Beatrice Home 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 over the Parties and any action to enforce the provisions of this Agreement.

2. DEFINITIONS

2.1 The term “Product” or “Covered Product” shall mean all Beatrice Home Fashions, Inc. bedding, including, but not limited to Sea and Stars 4pc Comforter Set, all sizes (such as Full/Queen 0 48986 73856 2). The term “Covered Packaging” shall mean all vinyl/PVC product packaging or storage cases in which Covered Products are sold to consumers.

2.2 The term “Phthalate Free” Covered Packaging shall mean that each vinyl component of each Covered Packaging 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 test results using Environmental Protection Agency (“EPA”) testing methodologies 3580A and 8270C.

2.3 “Effective Date” shall mean June 1, 2018.

3. INJUNCTIVE-TYPE RELIEF

3.1 Product Reformulation Commitment

3.1.1 No later than the Effective Date, Beatrice Home shall provide the Phthalate Free phthalate concentration standards of Section 2.2 to its then-current vendors of any Covered Product that is sold in Covered Packaging, and any direct vendor of Covered Packaging, and instruct such entities not to provide any Covered Packaging that does not meet the Phthalate Free concentration standards of Section 2.2. Beatrice Home shall maintain copies of all vendor correspondence relating to the Phthalate Free concentration standards for two (2) years after the Effective Date and shall produce such copies to Davia within fifteen (15) days of receipt of reasonable request made in writing from Davia.

3.1.2 After the Effective Date, Beatrice Home shall provide the Phthalate Free phthalate concentration standards of Section 2.2 to any New Vendors of any Covered Product or direct vendors of Covered Packaging and instruct such entities not to provide any Covered Packaging that does not meet the Phthalate Free concentration standards of Section 2.2. “New Vendors” means vendors of Covered Products or Covered Packaging from whom Beatrice Home was not obtaining Covered


Products or Covered Packaging as of the Effective Date. Prior to purchase and acquisition of any Covered Product or Covered Packaging from any New Vendor, Beatrice Home shall obtain written confirmation and laboratory test result from the New Vendor demonstrating compliance with the Phthalate Free phthalate concentration standard for any Covered Packaging. For two (2) years after the Effective Date, for every Covered Product sold in Covered Packaging or Covered Packaging Beatrice Home manufactures, causes to be manufactured, orders, causes to be ordered or otherwise obtains from a New Vendor, Beatrice Home 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 reasonable request made in writing from Davia.

3.1.3 As of July 1, 2018, Beatrice Home shall not manufacture, cause to be manufactured, order or cause to be ordered any Covered Packaging or Covered Product with Covered Packaging that is not Phthalate Free. For every Covered Packaging or Covered Product with Covered Packaging Beatrice Home manufactures, causes to be manufactured, orders, causes to be ordered or otherwise sells after the Effective Date, Beatrice Home shall, for a period of two (2) years after placing the order, maintain copies of all testing of the packaging demonstrating compliance with this section, 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 fifteen (15) days of receipt of reasonable request made in writing from Davia.

3.2 Previously Distributed Covered Products.

3.2.1 Customer Notification - No later than June 15, 2018, Beatrice Home shall send a letter, electronic or otherwise ("Notification Letter") to: (1) each retailer or distributor in California to which it, after January 1, 2017, supplied any Covered Product with Covered Packaging that failed to meet the Phthalate Free standard of Section 2.2, and (2) any other retailer or distributor in California that Beatrice Home reasonably understands or believes has any inventory of Covered Products with Covered Packaging. The Notification Letter shall advise the recipient that Covered Packaging for Covered

Product may contain DEHP, a chemical known to the State of California to cause cancer and birth defects or other reproductive harm. The Notification letter shall inform the recipient that all Covered Packaging must either have a label attached to the packaging or on a shelf sign proximate to the display of Covered Product expressly referring to the Covered Product, which label or sign contains one of the following warnings, before it is sold in the California market or to a California customer. The Notification Letter shall include a sheet of white background, adhesive stickers with one of the following warning statements in no less than Book Antiqua, point 9 font (or its equivalent):

 **WARNING:** The vinyl packaging for this product can expose you to chemicals, including di(2-ethylhexyl)phthalate, that are 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;

or

 **WARNING:** for the vinyl packaging in which this product is sold – Cancer and Reproductive Harm - www.P65Warnings.ca.gov

The Notification Letter shall be sent with return receipt requested. 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 (2) years from the Effective Date and shall produce copies of such records upon reasonable written request by Davia.

3.3 Existing Inventory Product Packaging Labels

For any inventory of Covered Products with Covered Packaging ordered by Beatrice Home before the Effective Date, Beatrice Home shall not sell or ship any of such Covered Product unless Beatrice Home has complied with all warning requirements set forth in this Section 3.3.

3.3.1 Covered Packaging Label.

For all Covered Products with non-Phthalate Free Covered Packaging sold into California, to a California customer, or to any entity that Beatrice Home has reason to know will sell the Covered Product into California or to a California customer, Beatrice Home shall affix a label to the Covered Packaging that states:

 **WARNING:** The vinyl packaging for this product can expose you to chemicals, including di(2-ethylhexyl)phthalate, that are 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;

or

 **WARNING:** for the vinyl packaging in which this product is sold – Cancer and Reproductive Harm - www.P65Warnings.ca.gov

The label shall be prominently affixed 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.

3.3.2 Internet Website Warning.

Beatrice Home represents, as a material term of this Agreement, that it does not currently sell Covered Products with Covered Packaging direct to consumers on the Internet. If Beatrice Home commences direct sales of Covered Products with Covered Packaging to California consumers on the Internet, then, in addition to the warning required by Section 3.3.1, Beatrice Home shall provide the same warning on the Internet 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

As a condition of settlement of all the claims referred to in this Settlement Agreement, Beatrice Home shall cause to be paid a total of \$6,000 in civil penalties in accordance with California Health & Safety Code § 25249.12(c)(1) & (d).

4.2 Augmentation of Penalty Payments

For purposes of the penalty assessment under this Agreement, Davia is relying entirely upon Beatrice Home and its counsel for accurate, good faith reporting to Davia of the nature and amounts of sales activity of the Covered Products. If within nine (9) months of the Effective Date, Davia discovers and presents to Beatrice Home evidence that the Covered Products have been distributed in California by Beatrice Home in sales volumes materially different (more than 25%) than those identified by Beatrice Home prior to execution of this Agreement, then Beatrice Home shall be liable for an additional penalty amount of \$10,000.00. Beatrice Home shall also pay reasonable, additional attorney fees expended by Davia in discovering such additional sales and reporting them to Beatrice Home in accordance with this section. Davia agrees to provide Beatrice Home with a written demand for such additional penalties and attorney fees under this Section. Davia agrees that any attorney fee demand shall be supported by time records as required by California law. After service of such demand, Beatrice Home shall have thirty (30) days to either pay the additional civil penalty and fee amount demanded or negotiate with Davia as to an agreed amount of fees and penalties to be paid in accordance with the method of payment of penalties and fees identified in Section 4.4.

Should the Parties fail to reach an agreement as to the amount of additional penalties under this section within thirty (30) days, Davia shall be entitled to file an action for breach of this Agreement in which the sole issues for resolution by the Court shall be whether Covered Products were distributed in California by Beatrice Home in sales volumes materially different (more than 25%) than those identified by Beatrice Home prior to execution of this Agreement. The prevailing Party on any such action for breach shall be entitled to recover their reasonable attorney fees and costs related to the

action.

Should the Parties reach an agreement on an additional civil penalty within the thirty day period, but be unable to agree on the amount of attorney fees and costs due Davia under this section, the Parties shall attempt, in good faith, to mediate this remaining dispute within the following sixty (60) day period. If the Parties cannot resolve the fee/cost dispute in mediation, or cannot achieve mediation within this sixty day period, then Davia may file any appropriate court action for recovery of any fees and/or costs expended by Davia in discovering additional sales and reporting them to Beatrice Home in accordance with this section and each Party shall bear their own fees and costs associated with such action.

4.3 Reimbursement of Davia's Fees and Costs

The Parties acknowledge that Davia and her counsel refused to consider any reimbursement of plaintiff's fees or costs until all other terms of the settlement were reached. The Parties then reached an accord on the reimbursement due to Davia and compensation of her counsel under general contract principles and consistent with the private attorney general doctrine codified at California Code of Civil Procedure section 1021.5, in the amount of \$22,400 for fees and costs incurred investigating and negotiating a resolution of this matter. Such payment shall be made payable to "Sheffer Law Firm".

4.4 Payment Procedures

Beatrice Home shall satisfy its obligation to pay civil penalties pursuant to Section 4.1 by delivery of a check payable to "OEHHHA" (EIN: 68-0284486, Memo line "Prop 65 Penalties, 2018-00025") in the amount of 75% of the civil penalties provided in Section 4.1 (\$4,500) and a separate check payable to "Susan Davia" (Tax ID to be supplied, Memo line "Prop 65 Penalties, 2018-00025") in the amount of 25% of the civil penalties provided in Section 4.1 (\$1,500). Davia shall be responsible for delivering to the California Office of Environmental Health Hazard Assessment the civil penalty check payable to OEHHHA.

Beatrice Home 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 "2018-00025") in

the amount of \$22,400.

Beatrice Home shall satisfy its obligation to pay any civil penalties pursuant to Section 4.2 by issuing checks payable to "OEHHA" and "Susan Davia" (Memo line "Prop 65 Penalties, 2018-00025"), in the amounts agreed to pursuant to Section 4.2 or as ordered by the Court.

Beatrice Home 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 "2018-00025"), 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 Davia's counsel within five (5) business days after execution of this Agreement, 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 Davia's counsel at the address set forth above on or before the date agreed upon pursuant to that section or ordered by the Court.

Beatrice Home 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 two business days of the due date for such payment.

4.5 Issuance of 1099 Forms

After this Agreement has been executed and funds have been transmitted to Davia's counsel at the address set forth in Section 4.4., Beatrice Home 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 (if any);
- (b) The second 1099 shall be issued to Davia in the amount paid pursuant to Sections

4.1 and 4.2 (if any), whose address and tax identification number shall be provided to Beatrice Home prior to any payments being due under this Agreement; 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 (if any).

5. RELEASES

5.1 DAVIA'S RELEASE OF BEATRICE HOME

5.1.1 This settlement agreement is a full, final and binding resolution between Davia, and Beatrice Home of any violation of Proposition 65 that was or could have been asserted by Davia on behalf of herself, her representatives or attorneys, against Beatrice Home, its directors, officers, employees, attorneys, parents, subsidiaries, and entities under common ownership ("Releasees"), suppliers (but only those suppliers of Covered Products or Covered Packaging to Beatrice), and each entity to whom Beatrice Home directly or indirectly distributes or sells Covered Products, including, but not limited to downstream distributors and retailers ("Releasees"), based on their alleged failure to warn about alleged exposures to the Listed Chemical contained in the Covered Products (or Covered Packaging) that were sold by Beatrice Home into California before the Effective Date. As to Davia only, Beatrice Home's compliance with the terms of this Agreement shall constitute compliance with Proposition 65 as to exposures to DINP, DIDP, DEHP, DBP, BBP and DnHP in the Covered Products and Covered Packaging.

5.1.2 Davia also provides a general release and waiver which shall be effective as a full and final accord and satisfaction, and 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, the Covered Products, and the Covered Packaging, to the extent sold or distributed by Beatrice Home prior to the Effective Date, and for all actions taken and statements made (or that could have been taken or made) by Beatrice Home and its attorney's and other representatives in connection

with negotiating this Agreement. 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.

5.2 BEATRICE HOME RELEASE OF DAVIA

Beatrice Home, on behalf of itself and its 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 arising out of the subject matter of the Notice, the Covered Products, and the Covered Packaging, whether in the course of investigating claims in this matter, otherwise seeking to enforce Proposition 65 against Beatrice Home and Releasees in this matter, or negotiating this Agreement. Beatrice Home 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.

Beatrice Home 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.

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

6. POST EXECUTION CONVERSION TO CONSENT JUDGMENT

Within twelve months of the execution of this Settlement Agreement, Beatrice Home may ask Davia, in writing, to file a complaint for the purpose of seeking to convert this Settlement Agreement into a consent judgment, and to seek the court's approval of the proposed 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 Beatrice Home and to use her best efforts, and that of her counsel, to support the entry of a consent judgment incorporating the terms of this Agreement by a superior court in California. Pursuant to Code of Civil Procedure sections 1021 and 1021.5, Beatrice Home 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 \$12,000.00. Such additional fees shall be paid by Beatrice Home, within ten days after its receipt of any invoice from Davia for work performed under this paragraph. Beatrice Home 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 Beatrice Home to timely pay Davia invoices under this Section shall result in the assessment of ten percent (10%) interest 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 other provisions of this Agreement shall not be affected and shall remain in full force and effect.

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 FedEx (or other tracked delivery service) or electronic mail to the following:

For Beatrice Home:

Sam Gindi, President
Beatrice Home Fashions, Inc.
295 Fifth Ave, Suite 1607
New York, NY 10016

Matthew Kaplan
Tucker Ellis LLP
515 South Flower Street, Forty Second Floor
Los Angeles, CA 90071
matthew.kaplan@tuckerellis.com

Service on Beatrice Home shall not be deemed complete until the notice is made to both addresses set forth above.

For Davia:

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 of 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 or relied on by any Party hereto (other than the sales figures provided to Davia). 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 In any dispute concerning any matter related to this Agreement, the prevailing Party shall be entitled to recover its costs and expenses, including attorneys' fees and costs. Except as otherwise specifically provided herein, each Party shall bear its own costs and attorney's fees in connection with the Notices.

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 each of the Parties. 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. The Parties further agree that the section headings are for convenience only and shall not affect interpretation of this Agreement.


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. Signatures by scanned and e-mailed image or facsimile transmission shall have the same force and effect as original signatures and as an electronic record executed and adopted by a Party with the intent to sign the electronic record pursuant to Civil Code §§ 1633.1 *et seq.*

16. AUTHORIZATION

Each of the persons signing this agreement represents and warrants that he or she is authorized and has the capacity 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: May <u>31</u>, 2018</p> <p> PRESIDENT</p> <p>Sam Gindi, President Beatrice Home Fashions, Inc.</p>	<p>Dated: May __, 2018</p> <p>_____ Susan Davia</p>
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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. The Parties further agree that the section headings are for convenience only and shall not affect interpretation of this Agreement.

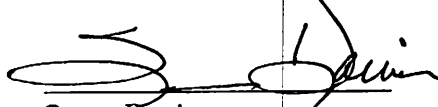
15. COUNTERPARTS, FACSIMILE SIGNATURES

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. Signatures by scanned and e-mailed image or facsimile transmission shall have the same force and effect as original signatures and as an electronic record executed and adopted by a Party with the intent to sign the electronic record pursuant to Civil Code §§ 1633.1 *et seq.*

16. AUTHORIZATION

Each of the persons signing this agreement represents and warrants that he or she is authorized and has the capacity 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: May __, 2018</p> <p>_____ Sam Gindi, President Beatrice Home Fashions, Inc.</p>	<p>Dated: May ^{JUNE} 1, 2018</p> <p> _____ Susan Davia</p>
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