

EXHIBIT A

SETTLEMENT AGREEMENT

This Settlement Agreement (the "Agreement") describes the settlement reached on July 29, 2016, by among all the parties in *Ace Hardware Corporation v. H.N. Hinckley & Sons, Inc.*, 16-cv 03485, filed in the Northern District of Illinois (the "Lawsuit"). Pursuant to this Agreement, H.N. Hinckley & Sons, Inc. ("Defendant") has agreed to make certain payments to Ace Hardware Corporation ("Plaintiff" or "Ace").

THEREFORE, in consideration of the foregoing, Plaintiff and Defendant each agree to the terms set forth below.

1. Dismissal of this Action. The parties shall jointly move the Court to dismiss the Lawsuit without prejudice but with the stipulation that it shall automatically convert to a dismissal with prejudice on February 28, 2018 if all of the payments required herein are timely made.

2. Payment by Defendant. Defendant shall pay to Ace \$158,000.00 as follows:

- (a) \$10,000.00 shall be paid on or before August 1, 2016; and
- (b) \$10,000.00 shall be paid by September 1, 2016; and
- (c) \$10,000.00 shall be paid by October 1, 2016; and
- (d) \$10,000.00 shall be paid on November 1, 2016; and
- (e) \$10,000.00 shall be paid on December 1, 2016; and
- (f) \$10,000.00 shall be paid on January 1, 2017; and
- (g) \$10,000.00 shall be paid on February 1, 2017; and
- (h) \$10,000.00 shall be paid on March 1, 2017; and
- (i) \$10,000.00 shall be paid on April 1, 2017; and

- (j) \$10,000.00 shall be paid on May 1, 2017; and
- (k) \$10,000.00 shall be paid on June 1, 2017; and
- (l) \$10,000.00 shall be paid on July 1, 2017; and
- (m) \$10,000.00 shall be paid on August 1, 2017; and
- (n) \$10,000.00 shall be paid on September 1, 2017;
- (o) \$10,000.00 shall be paid on October 1, 2017; and
- (p) \$8,000.00 shall be paid on November 1, 2017.

All payments shall be made in certified funds payable to Ace Hardware Corporation and must be received on or before the dates set forth above by making payments to:

Gordon Hampton
Ace Hardware Corporation
2200 Kensington Court
Oak Brook, IL 60523

3. Judgment. Defendant will execute an Agreed Judgment Order which appears as Exhibit "A". This Agreed Judgment Order shall be held by counsel for Ace and shall not be filed unless and until a default in payment is made and after the applicable cure period. If the Court is unwilling to enter the Agreed Judgment Order, then it is agreed that Ace shall be entitled to judgment in any other court for the remaining amount owed under this Agreement. Defendant will not object to the enforcement of the obligations required herein except that it may request a reduction for any payments actually made under this Agreement.

4. Failure to Make Payments. Time is of the essence in this Agreement. If any payment due under this Agreement is not received by the date set for that particular

payment or does not clear the bank, then Plaintiff shall give Defendant, through its counsel of record in the Lawsuit, notice in writing of that default. Defendant shall have ten (10) days from delivery of notice of default to cure the default. If the Defendant fails to cure any default within ten (10) days from Plaintiff's notice of default, or if Defendant defaults more than twice in any calendar year, then all outstanding payments shall be accelerated and due immediately. Furthermore, Defendant shall pay all reasonable attorneys fees and costs incurred by Ace in enforcing this Agreement or the Agreed Judgment Order.

5. Release of Claims. Upon full payment of amounts due herein, Plaintiff shall release Defendant from any and all claims relating to its payment obligations as alleged in the Lawsuit or that could have been alleged in the Lawsuit.

7. General Release. For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, H.N. Hinckley & Sons, Inc. (hereinafter "Releasor") does hereby release, remise and forever discharge and covenant not to sue Ace Hardware Corporation, its officers, directors, agents, employees, attorneys, successors and assigns (hereinafter collectively "Releasees"), from all accounts, actions, causes of action, suits, debts, dues, sums of money, and any and all claims and demands whatsoever, in law or in equity, whether known or unknown, vested or contingent, suspected or unsuspected, which the undersigned ever had, now has or hereafter can or may have against Releasees by reason of anything whatsoever up to and including the date of this Release including, without limitation, all claims arising out of the former Ace membership of the Defendant.

8. Good and Valuable Consideration. The Parties acknowledge that they

have or will receive good and valuable consideration for entering into this Agreement, the sufficiency of which is acknowledged by the Parties.

9. Independent Counsel. The Parties acknowledge that they have been represented by independent legal counsel of their own choosing throughout all of the negotiations which preceded the execution of this Agreement and the Parties have executed this Agreement with the consent and on the advice of their respective independent counsel.

10. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the respective successors and assigns of the Parties.

11. Counterparts. This Agreement may be executed in two or more counterparts, each of which will be deemed an original, but all of which together shall constitute one and the same instrument. Copies of this Agreement transmitted by facsimile, including signatures transmitted by facsimile, shall be deemed and considered as originals.

12. Construction. The Parties have participated in the drafting and negotiation of this Agreement such that no provision contained in this Agreement shall be construed against any party on the basis that such party was the drafter of the same. No rule of construction resolving any ambiguity against the drafting party shall be applicable to this Agreement.

13. Authority: The parties signing this Agreement certify that they are duly authorized to execute this Agreement on behalf of the parties.

IN WITNESS WHEREOF, the undersigned have executed this on this 29th
day of July, 2016.

Ace Hardware Corporation

By: Steven Coats

H.N. Hinckley & Sons, Inc.,

By: Wayne Smith

UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

ACE HARDWARE CORPORATION,)	
)	
Plaintiff,)	Case No. 16 cv 3485
)	
)	
v.)	
)	
)	
H.N. HINCKLEY & SONS, INC.,)	
a Massachusetts Corporation,)	
)	
Defendant.)	
)	

AGREED JUDGMENT ORDER

This matter before the Court for Plaintiff's Motion for Entry of Agreed Judgment Order, this Court having jurisdiction over the parties and the parties being in agreement as to the entry of this Agreement Judgment Order, IT IS HEREBY ORDERED, ADJUDGED AND DECREED THAT:

1. The Court has personal jurisdiction over the Defendant in this action.
2. Judgment is entered in favor of Ace Hardware Corporation and against H.N. Hinckley & Sons, Inc., in the amount of \$158,000.00.

ENTERED: _____, _____

Agreed by H.N. Hinckley & Sons, Inc.,

By: 