

SETTLEMENT AND RELEASE AGREEMENT

1. INTRODUCTION

1.1 Ecological Alliance, LLC and C.R. Laurence Co., Inc.

This Settlement Agreement is entered into by and between Ecological Alliance, LLC (“Ecological”), on the one hand, and C.R Laurence Co., Inc. (“Laurence”), on the other hand, with Ecological and Laurence collectively referred to as the “Parties.” Ecological is a California limited liability company seeking to promote awareness of exposures to toxic chemicals and improve human health by reducing or eliminating hazardous substances contained in consumer products. Ecological contends that Laurence is a company in the course of doing business for purposes of Proposition 65.

1.2 General Allegations

Ecological alleges that Laurence distributed and/or sold in the State of California Mortise Cylinders containing lead and that such sales have not included warnings pursuant to the Safe Drinking Water and Toxic Enforcement Act of 1986, California Health & Safety Code sections 25249.6 *et seq.* (“Proposition 65”). Lead is listed under Proposition 65 as a chemical known to the State of California to cause cancer, birth defects or other reproductive harm.

1.3 Product Description

The products that are covered by this Settlement Agreement are defined as Mortise Cylinders that Ecological alleges Laurence has sold, offered for sale or distributed in California that contain lead. All such items are listed in Attachment A and shall be referred to herein as the “Products.”

1.4 Notice of Violation

On October 12, 2016 Ecological served Laurence, Oldcastle Buildingenvelope, Inc., Amazon.com, Inc., and all public enforcement agencies eligible to initiate Proposition 65 actions on behalf of the People of the State of California with a document entitled “60-Day Notice of Violation” (“Notice”) that provided Laurence and such public enforcers with notice that alleged that Laurence was in violation of California Health & Safety Code section 25249.6 for failing to warn consumers and customers that the Products exposed users in California to lead. To the best of the Parties’ knowledge, no public enforcer has commenced or is diligently prosecuted the allegations set forth in the Notice.

1.5 No Admission

Laurence denies the factual and legal allegations contained in Ecological’s Notice and maintains that all products that it has sold and distributed in California, including the Products, have been and are in compliance with Proposition 65 and all other applicable laws. Nothing in this Settlement Agreement shall be construed as an admission by Laurence of any fact, finding, issue of law, or violation of law; nor shall compliance with this Settlement Agreement constitute or be construed as an admission by Laurence of any fact, finding, conclusion, issue of law, or violation of law, such being specifically denied by Laurence. However, this section shall not diminish or otherwise affect the obligations, responsibilities, and duties of Laurence under this Settlement Agreement.

1.6 Effective Date

For purposes of this Settlement Agreement, the term “Effective Date” shall mean the date this Settlement Agreement is fully executed.

2. INJUNCTIVE RELIEF: WARNING

2.1 Warning

Products shall be accompanied by a warning as described in Section 2.2 below no later than 180 days after the Effective Date. The warning requirements set forth in Section 2.2 below shall apply only to Products that are distributed, marketed, sold or shipped for sale in the State of California. The warning requirement shall not apply to Products that are already in the stream of commerce as of the Effective Date or that Laurence places into the stream of commerce within 180 days of the Effective Date.

2.2 Warning Language

Where required, Laurence shall provide Proposition 65 warnings as follows:

(a) Laurence may use any of the following warning statements in full compliance with this Section:

- (1) **WARNING:** This product contains a chemical known to the State of California to cause birth defects and other reproductive harm.
- (2) **WARNING:** This product contains chemicals known to the State of California to cause cancer and birth defects, or other reproductive harm.
- (3) **WARNING:** This product can expose you to lead, which is known to the State of California to cause cancer, birth defects or other reproductive harm. For more info go to www.P65Warnings.ca.gov.
- (4) **WARNING:** Cancer and Reproductive Harm – www.P65Warnings.ca.gov.

(b) If Laurence elects to use the warning statements identified in either 2.2(a)(3) or (4), it may also include a symbol consisting of a black exclamation point in a yellow equilateral triangle with a bold black outline. Where the sign, label or shelf tag for the product is not printed using the color yellow, the symbol

may be printed in black and white. The symbol shall be placed to the left of the text of the warning, in a size no smaller than the height of the word "WARNING".

(c) The requirements for warnings, set forth in subsection (a) above are imposed pursuant to the terms of this Settlement Agreement. The Parties recognize that these are not the exclusive methods of providing a warning under Proposition 65 and its implementing regulations.

(d) If Proposition 65 warnings for lead should no longer be required, Laurence shall have no further obligations pursuant to this Settlement Agreement.

3. PENALTIES PURSUANT TO HEALTH & SAFETY CODE SECTION 25249.7(b)

In settlement of all the claims referred to in this Settlement Agreement, Laurence shall pay a total of \$500 in civil penalties in accordance with this Section. The penalty payment will be allocated in accordance with California Health & Safety Code section 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 Ecological. Ecological's counsel shall be responsible for delivering OEHHA's portion of any penalty payment made under this Settlement Agreement.

4. REIMBURSEMENT OF FEES AND COSTS

The Parties reached an accord on the compensation due to Ecological and its counsel under the private attorney general doctrine and principles of contract law. Under these legal principles, Laurence shall reimburse Ecological's counsel for fees and costs, incurred as a result of investigating and bringing this matter to Laurence's attention. Laurence shall pay Ecological's counsel \$10,000 for all attorneys' fees, expert and investigation fees, and related costs associated with this matter and the Notice.

5. PAYMENT INFORMATION

By January 27, 2017, Laurence shall make a total payment of \$10,500 for the civil penalties and attorney's fees / costs by wire transfer to Plaintiff's counsel Custodio & Dubey LLP:

Bank: Bank of America, N.A.

Routing No.: 026009593

Account No.: 325054144600

Beneficiary: Custodio & Dubey LLP

Other than this payment, each side is to bear its own attorneys' fees and costs.

6. RELEASE OF ALL CLAIMS

6.1 Release of Laurence, Downstream Customers and Upstream Vendors

In further consideration of the promises and agreements herein contained, and for the payments to be made pursuant to Sections 3 and 4 above, Ecological, on behalf of itself, its past and current agents, representatives, attorneys, successors and/or assignees, hereby waives all rights to institute or participate in, directly or indirectly, any form of legal action and releases all claims relating to the Products, 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) of any nature whatsoever, whether known or unknown, fixed or contingent (collectively "Claims"), against (a) Laurence, (b) each of Laurence's downstream distributors (including Amazon.com, Inc.), wholesalers, licensors, licensees, auctioneers, retailers, franchisees, dealers, shareholders, cooperative members, customers, owners, purchasers, users, and (c) Laurence's parent companies, corporate affiliates, subsidiaries, and their respective officers, directors, attorneys,

representatives, shareholders, agents, and employees, and sister and parent entities. (collectively "Releasees").

Ecological also, in its capacity, on behalf of itself, its past and current agents, representatives, attorneys, successors, and/or assignees and *not* in its representative 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 any nature, character or kind, known or unknown, suspected or unsuspected, against Laurence and the Releasees. Ecological acknowledges that it is familiar with California Civil Code section 1542, 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 LAURENCEERIALY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

Ecological, in its capacity only, and on behalf of itself, its past and current agents, representatives, attorneys, successors, and/or assignees 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 California Civil Code section 1542 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.

6.2 Laurence's Release of Ecological

Laurence waives any and all claims against Ecological, its attorneys and other representatives, for any and all actions taken or statements made (or those that could have been

taken or made) by Ecological and its attorneys and other representatives, whether in the course of investigating claims or otherwise seeking enforcement of Proposition 65 against it in this matter, and/or with respect to the Products.

7. GOVERNING LAW

The terms of this Settlement Agreement shall be governed by the laws of the State of California and apply within the State of California. In the event that Proposition 65 is repealed or is otherwise rendered inapplicable by reason of law generally, or as to the Products, then Laurence shall have no further obligations pursuant to this Settlement Agreement.

8. NOTICES

Unless specified herein, all correspondence and notices required to be provided pursuant to this Settlement Agreement shall be in writing and personally delivered or sent by: (i) first-class, (registered or certified mail) return receipt requested; or (ii) overnight courier on any party by the other party at the following addresses:

For Laurence:

Lynn R. Fiorentino, Esq.
Arent Fox LLP | Attorneys at Law
55 2nd Street, 21st Floor
San Francisco, CA 94105

For Ecological:

Vineet Dubey, Esq.
Custodio & Dubey LLP
448 S. Hill St., Suite 612
Los Angeles, CA 90013

Any party, from time to time, may specify in writing to the other party a change of address to which all notices and other communications shall be sent.

9. COUNTERPARTS; FACSIMILE/E-SIGNATURES

This Settlement Agreement may be executed in counterparts and by facsimile or e-

signatures, each of which shall be deemed an original, and all of which, when taken together, shall constitute one and the same document.

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

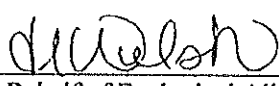

Ecological agrees to comply with the reporting form requirements referenced in California Health & Safety Code § 25249.7(f).

11. **MODIFICATION**

This Settlement Agreement may be modified only by a written agreement signed by the Parties.

12. **AUTHORIZATION**

The undersigned are authorized to execute this Settlement Agreement on behalf of their respective Parties and have read, understood and agree to all of the terms and conditions of this Settlement Agreement.

AGREED TO: Date : January <u>23</u> , 2017 By: <u></u> On Behalf of Ecological Alliance, LLC	AGREED TO: Date: January <u>24th</u> , 2017 By: <u></u> On Behalf of C.R. Laurence Co., Inc.
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Attachment A

SKU	SKU Description
0BE12743	DU MORT.CYL.1-1/2"KEY X 1"
0BE12744	AL MORT.CYL.1-1/2"KEY X 1"
0BE12745	DU MORT.CYL.1-1/2" TT X 1"
0BE12746	AL MORT.CYL.1-1/2" TT X 1"
DH14411KD	CYL,6PIN,SBCTN02,SF.EACH,K
DH14433KD	CYL,6PIN,SBCTN02,SF,EACH,K
DL2170SCKAA	ALUM.MORT.KEY CYLINDER/K-A
DL2170SCKABL	BLK.MORT.KEY CYLINDER/K-AL
DL2170SCKADU	BRNZ.MORT.KEY CYLINDER/K-A
DL2170SCKDA	ALUM.MORT.KEY CYLINDER/K-D
DL2170SCKDBL	BLK.MORT.KEY CYLINDER/K-DI
DL2170SCKDDU	BRNZ.MORT.KEY CYLINDER/K-D
DL2170Y8KAA	ALUM.MORT.KEY CYLINDER/K-A
DL2170Y8KADU	BRNZ.MORT.KEY CYLINDER/K-A
DL2170Y8KDA	ALUM.MORT.KEY CYLINDER/K-D
DL2170Y8KDDU	BRNZ.MORT.KEY CYLINDER/K-D
DL2171SCKAA	ALUM.MORT.CYLINDERS/KEYD A
DL2171SCKADU	BRNZ.MORT.CYLINDERS/KEYD A
DL2171SCKDA	ALUM.MORT.CYLINDERS/DIFF.
DL2171SCKDDU	BRNZ.MORT.CYLINDERS/DIFF.
DL2171Y8KAA	ALUM.MORT.CYLINDERS/KEYD A
DL2171Y8KADU	BRNZ.MORT.CYLINDERS/KEYD A
DL2171Y8KDA	ALUM.MORT.CYLINDERS/DIFF.
DL2171Y8KDDU	BRNZ.MORT.CYLINDERS/DIFF.
DL2172A	ALUM.MORT.THUMBTURN CYLIND
DL2172BL	BLK.MORT.THUMBTURN CYLINDE
DL2172DU	BRNZ.MORT.THUMBTURN CYLIND
DL2173A	ALUM.MORTISE DUMMY CYLINDE
DL2173BL	BLK.MORTISE DUMMY CYLINDER
DL2173DU	BRNZ.MORTISE DUMMY CYLINDE
DL2178DU	BRZ.THUMBTURN MORTISE CYLI
DL911SCKAA	ALUM.RIM KEY CYLINDER/2 AL
DL911SCKADU	BRNZ.RIM KEY CYLINDER/2 AL
DL911SCKDA	ALUM.RIM KEY CYLINDER/2 DI
DL911SCKDBL	BLK.RIM KEY CYLINDER/2 DIF
DL911SCKDDU	BRNZ.RIM KEY CYLINDER/2 DI
DRA10BS	BSH.S/S.KEYED ALIKE CYLIND
DRA10DU	DUR.BRZ.KEYED ALIKE CYLIND
DRA10KDBS	BSH.S/S.KEYED DIFF.CYLINDE
DRA10KDDU	DUR.BRZ.KEYED DIFF.CYLINDE
DRA10KDPB	POL.BRS.KEYED DIFF.CYLINDE
DRA10KDPS	POL.S/S.KEYED DIFF.CYLINDE

Attachment A – Continued

SKU	SKU Description
DRA10KDSA	CLR.ANO.KEYED DIFF.CYLINDE
DRA10PB	POL.BRS.KEYED ALIKE CYLIND
DRA10PS	POL.S/S.KEYED ALIKE CYLIND
DRA10SA	CLR.ANO.KEYED ALIKE CYLIND
DRA20BS	BSH.S/S.THUMBTURN
DRA20DU	DUR.BRZ.THUMBTURN
DRA20PB	POL.BRS.THUMBTURN
DRA20PS	POL.S/S.THUMBTURN
DRA20SA	CLR.ANO.THUMBTURN
DRA22BS	BSH.S/S.LOW PROFILE THUMBT
DRA22DU	BRZ.ANO.LOW PROFILE THUMBT
DRA22PB	POL.BRS.LOW PROFILE THUMBT
DRA22PS	POL.S/S.LOW PROFILE THUMBT
DRA22SA	CLR.ANO.LOW PROFILE THUMBT
DRA30BS	BSH.S/S.DUMMY CYLINDER
DRA30DU	DUR.BRZ.DUMMY CYLINDER
DRA30PB	POL.BRS.DUMMY CYLINDER
DRA30PS	POL.S/S.DUMMY CYLINDER
DRA30SA	CLR.ANO.DUMMY CYLINDER
DC7015SC8KADU	RIM CYLINDER KEY.ALK.DK.BR
DC7015SC8KASC	RIM CYLINDER KEY.ALK.SAT.C
DC7015SC8KDDU	RIM CYLINDER KEY.DIF.DK.BR
DC7015SC8KDSC	RIM CYLINDER KEY.DIF.SAT.C
DC7185SCKADU	MORTISE CYLINDER 1-1/8"KA
DC7185SCKASC	MORTISE CYLINDER 1-1/8"KA
DC7185SCKDDU	MORTISE CYLINDER 1-1/8"KD
DC7185SCKDSC	MORTISE CYLINDER 1-1/8"KD
DC7205SCKADU	MORTISE CYLINDER 1-1/4"KA
DC7205SCKASC	MORTISE CYLINDER 1-1/4"KA
DC7205SCKDDU	MORTISE CYLINDER 1-1/4"KD
DC7205SCKDSC	MORTISE CYLINDER 1-1/4"KD
1CHBS	BSH.S/S.MORT.HSNG.FOR INT.
1CHDU	BLK/BRZ.MORT.HSNG.FOR INT.
1CHPB	POL.BRS.MORT.HSNG.FOR INT.
1CHPS	POL.S/S.MORT.HSNG.FOR INT.
1CHSA	SAT.ANO.MORT.HSNG.FOR INT.
2CHBS	BSH.S/S.RIM HSG.FOR INT.CO
2CHDU	BLK/BRZ.RIM HSG.FOR INT.CO
2CHPB	POL.BRS.RIM HSG.FOR INT.CO
2CHPS	POL.S/S.RIM HSG.FOR INT.CO
2CHSA	SAT.ANO.RIM HSG.FOR INT.CO