

SETTLEMENT AND RELEASE AGREEMENT

1. INTRODUCTION

1.1 Ecological Alliance, LLC and Panor Corp.

This Settlement Agreement (the "Settlement Agreement") is entered into by and between Ecological Alliance, LLC ("Ecological"), on the one hand, and Panor Corp. ("Panor"), on the other hand, with Ecological and Panor 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 Panor is a company in the course of doing business for purposes of Proposition 65.

1.2 General Allegations

Ecological alleges that Panor distributed and/or sold in the State of California garden fixtures and related lighting fixtures and parts 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 garden fixtures, lights and related fixtures and parts (collectively "Products") that Ecological alleges Panor has sold, offered for sale or distributed in California that contain lead.

1.4 Notice of Violation

On January 18, 2017, Ecological served Panor, 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 Panor and such public enforcers with notice that alleged that Panor 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 prosecuting the allegations set forth in the Notice.

1.5 No Admission

Panor 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 (including its execution and any payment referred to herein) shall be construed as an admission by Panor of any fact, finding, issue of law, violation of law or of any acknowledgement of liability or wrongdoing of any kind; nor shall entering into or compliance with this Settlement Agreement constitute or be construed as an admission by Panor of any fact, finding, conclusion, issue of law, violation of law or of any liability or wrongdoing of any kind, such being specifically denied by Panor. The Parties understand that Panor is entering into this Settlement Agreement to avoid the time and expenses of litigation and this Settlement Agreement compromises doubtful and disputed claims. However, this section shall not diminish or otherwise affect the obligations, responsibilities, and duties of Panor under this Settlement Agreement.

1.6 Effective Date

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

2. INJUNCTIVE RELIEF: WARNING

2.1 Warning

Products containing lead that are offered for sale in California shall be accompanied by a warning as described in Section 2.2 below. Panor will begin implementing the necessary warning as described in Section 2.2 below within no later than 90 days after the Effective Date, but has until 270 days after the Effective Date to complete implementation of such warning on Products. 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 Panor places into the stream of commerce within 90 days of the Effective Date.

2.2 Warning Language

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

(a) Panor 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 Panor 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, Panor shall have no further obligations pursuant to this Settlement Agreement.

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

In full and complete settlement of all the Claims (as defined herein) referred to in this Settlement Agreement, Panor shall pay a total of \$200 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, Panor shall reimburse Ecological’s counsel for fees and costs, incurred as a result of investigating and bringing this matter to Panor’s attention. Accordingly, in full and complete settlement of any and all claims for fees and costs, Panor shall pay Ecological’s counsel \$4,800 for all attorneys’ fees, expert and investigation fees, and related costs associated with this matter and the Notice.

5. PAYMENT INFORMATION

Within 10 business days of this Settlement Agreement being fully executed by and delivered to the Parties, Panor shall make a total payment of \$5,000 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 Panor, 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 to 5 above, Ecological, on behalf of itself, its past and current partners, parents, subsidiaries, affiliates, predecessors, members, managers, officers, directors, investors, employees, advisors, agents, representatives, attorneys, successors and/or assignees (collectively "Ecological Releasees"), intending to make a full, complete and general release of all known and unknown claims, hereby unconditionally and irrevocably waives all rights to institute or participate in, directly or indirectly (including through any Ecological Releasee or any third party), any form of legal action or legal claim or proceeding of any kind and unconditionally and irrevocably forever discharges and releases Panor and Panor's parent companies, affiliates, subsidiaries, and their respective partners, parents, subsidiaries, shareholders, affiliates, predecessors, members, managers, officers, directors, investors, employees, advisors, attorneys, representatives, shareholders, agents, and sister and parent entities (collectively "Panor Releasees") from any and all claims, obligations, debts, causes of actions, controversies, actions, charges, demands, damages, costs, fines, penalties, violations, losses, expenses (including, but not limited to, investigation fees, expert fees or attorneys fees) or liabilities of any kind or nature whatsoever, in law or equity, known or unknown, suspected or unsuspected, fixed, contingent or absolute, disclosed or undisclosed, asserted or unasserted, hidden or concealed, matured or unmatured, material or immaterial (collectively "Claims") that the Ecological Releasors ever had, now have or hereafter can, shall or may have against the Panor Releasees relating to the Products from the beginning of the world to the Effective Date of this Settlement Agreement, including, without limitation, any Claims relating to the Products, any Claims relating to Proposition 65 and any Claims which Ecological has asserted or could have asserted against Panor Releasees in its prior communications to Panor and its counsel.

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Ecological Releasors also irrevocably and unconditionally release and forever discharge any and all Claims against each of Panor's downstream distributors (including Amazon.com, Inc. and all of its affiliates, agents and representatives), wholesalers, licensors, licensees, auctioneers, retailers, franchisees, dealers, shareholders, cooperative members, customers, owners, purchasers, users (collectively "Panor Downstream Distributors") that the Ecological Releasors ever had, now have or hereafter can, shall or may have against the Panor Downstream Distributors from the beginning of the world to the Effective Date of this Settlement Agreement, relating to the Products and any Claims that any actions or omissions by the Panor Downstream Distributors concerning the Products or that their marketing, sale or distribution of the Products failed to comply with Proposition 65.

(a) Ecological also, in its capacity, on behalf of itself, its past and current agents, partners, parents, subsidiaries, affiliates, predecessors, members, managers, officers, directors, investors, employees, advisors, 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 Panor Releasees and Panor Downstream Distributors. Ecological Releasors acknowledge that they are 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 MATERIALLY AFFECTED HIS OR
HER SETTLEMENT WITH THE DEBTOR.

Ecological Releasors expressly waive and relinquish 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 or other law or right of any country in the world which would affect the validity of, or act as bar to the Claims released herein to the fullest extent that it may lawfully waive such rights or benefits pertaining to the released matters. The Ecological Releasors intend that their release shall be and remain in effect as a full and complete release notwithstanding the discovery or existence of any additional or different claims or facts arising out of the released matters.

Each of the Ecological Releasors irrevocably covenants and agrees that they will never initiate or file any Claim against respectively any of the Panor Releasees and Panor Downstream Distributors, or institute, prosecute, induce, encourage, assist, cooperate with, participate in or in any way aid any other person or entity to institute, prosecute or file any arbitration, litigation, Claim, demand, action or cause of action against any such releasee, for any relief whatsoever, including without limitation, damages, costs, fines, violations, penalties, attorneys fees, expenses or compensation for or on account of any damage, loss or injury either to person or property, or both, or for breach of any agreement, obligation or duty, whether developed or undeveloped, resulting or to result, known or unknown, which they ever had, now have, or which hereafter can, shall or may have arising out of the Claims respectively released herein.

6.2 Panor's Release of Ecological

Panor 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. CONFIDENTIALITY AND NON-DISPARAGEMENT

The Parties agree that the terms of this Settlement Agreement and all communications leading up to the execution of this Settlement Agreement and all allegations asserted in the communications between Ecological and its counsel on the one hand and Panor and its counsel on the other shall be considered strictly confidential and shall not be disclosed, divulged, published or disseminated, directly or indirectly, by any means or through any media, to any third party at any time, other than to the Parties' attorneys, accountants, insurers and regulators and to comply, as legally required, with the reporting requirements of Proposition 65.

Ecological Releasors agree not to make any oral, written or electronic statement that disparages, criticizes, denigrates, slanders, libels or otherwise defames any of the Panor Releasees or any of their services or products, including the Products. Panor Releasors agree not to make any oral, written or electronic statement that disparages, criticizes, denigrates, slanders, libels or otherwise defames Ecological.

8. REPRESENTATIONS

Each Party to this Settlement Agreement represents and warrants that:

(a) Each has the legal right and power and full authority to execute and deliver the Settlement Agreement, to accept its terms and bind the Parties and to perform their obligations hereunder;

(b) Each is the owner of all rights, Claims, demands, and causes of action which are being released in this Settlement Agreement and have not sold, assigned or otherwise transferred any such Claims, rights, demands or causes of action;

(c) Each has had an adequate opportunity to consult with counsel prior to entering into this Settlement Agreement to fully discuss its meaning and effect, and has made such investigation of facts pertaining to this Settlement Agreement and the released Claims as deemed necessary, and that they have full comprehension of the meaning of each of the provisions of this Settlement Agreement, and that this Settlement Agreement has been entered into voluntarily; and

(d) Each shall withdraw with prejudice and without fees or costs against any other Party any and all complaints, suits, actions, charges, grievances, claims and/or proceedings they have instituted against the other, including but not limited to the Claims relating to Proposition 65 and the Products.

9. PREVAILING PARTY

If any dispute or litigation arises concerning a breach of or enforcement of this Settlement Agreement, the Court shall award to the Party prevailing in such dispute their reasonable costs and reasonable attorneys' fees in connection with such dispute.

10. 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 Panor shall have no further obligations pursuant to this Settlement Agreement.

11. 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 Panor:

Panor Corp.
125 Cabot Ct.
Hauppauge, NY 11788
United States of America
Attn: President

-and-

Fred H. Perkins, Esq.
Morrison Cohen LLP
909 Third Avenue
New York, New York 10022

For Ecological:

Vincet 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.

12. 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.

13. 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).

14. MODIFICATION AND MERGER

This Settlement Agreement may be modified only by a written agreement signed by the Parties. All agreements, covenants, representations and warranties, express or implied, oral or written, of the parties hereto concerning the subject matter hereof are contained herein. All prior and contemporaneous conversations, negotiations, possible and alleged agreements, representations, covenants, and warranties concerning the subject matter hereof are merged herein.

15. 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.

16. WHO IS BOUND

This Settlement Agreement shall be binding upon, and inure to the benefit of the Parties hereto and their respective heirs, executors, administrators, representatives, successors and assigns.

AGREED TO:

Date : March 20, 2017

By: _____
On Behalf of Ecological Alliance, LLC

AGREED TO:

Date: March 20, 2017

By:  _____
On Behalf of Panor Corp.

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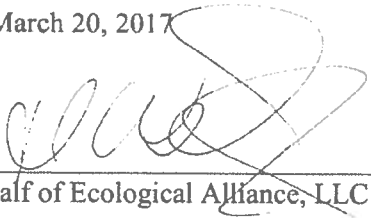
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