

SETTLEMENT AGREEMENT

1. INTRODUCTION

1.1 Parties

This Settlement Agreement is entered into by and between Laurence Vinocur (“Vinocur”) and Legends Furniture, Inc. (“Legends Furniture”), with Vinocur and Legends Furniture collectively referred to as the “Parties.” Vinocur is an individual residing in the State of California who seeks to promote awareness of exposures to toxic chemicals and to improve human health by reducing or eliminating hazardous substances contained in consumer and commercial products. Vinocur alleges that Legends Furniture employs ten or more persons and 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”).

1.2 General Allegations

Vinocur alleges that Legends Furniture manufactured, imported, sold and/or distributed for sale in California, chairs with upholstery containing di(2-ethylhexyl)phthalate (“DEHP”) and upholstered chairs with foam padding containing tris(1,3-dichloro-2-propyl) phosphate (“TDCPP”) without the requisite Proposition 65 warnings.

Pursuant to Proposition 65, on October 24, 2003, California identified and listed DEHP as a chemical known to cause birth defects and other reproductive harm. DEHP became subject to the “clear and reasonable warning” requirements of Proposition 65 one year later on October 24, 2004. Cal. Code Regs., tit. 27, § 27001(b); Health & Safety Code §§ 25249.8 and 25249.10(b).

Pursuant to Proposition 65, on October 28, 2011, California identified and listed TDCPP as a chemical known to cause cancer. TDCPP became subject to the “clear and reasonable warning” requirements of Proposition 65 one year later on October 28, 2012. Cal. Code Regs., tit. 27, § 27001(b); Health & Safety Code §§ 25249.8 and 25249.10(b).

1.3 Product Description

The products that are covered by this Settlement Agreement are defined as chairs with upholstery containing DEHP and upholstered chairs with foam padding containing TDCPP

including, but not limited to, the *Legends Furniture Office Chair* (the “Products”) manufactured, imported, sold and/or distributed for sale in California by Legends Furniture.

1.4 Notices of Violation

On June 20, 2014, Vinocur served Legends Furniture and certain requisite public enforcement agencies with a “60-Day Notice of Violation” that provided the recipients with notice of alleged violations of Proposition 65 based on the alleged failure to warn customers, consumers, and workers in California that the Products expose users to TDCPP.

On August 28, 2014, Vinocur served Legends Furniture and certain requisite public enforcement agencies with a “Supplemental 60-Day Notice of Violation” that provided the recipients with notice of alleged violations of Proposition 65 based on the alleged failure to warn customers, consumers, and workers in California that the Products expose users to DEHP.

The 60-Day Notice of Violation and the Supplemental 60-Day Notice of Violation are hereafter referred to as the “Notices.” To the best of the Parties’ knowledge, no public enforcer has commenced or is diligently prosecuting the allegations set forth in the Notices.

1.5 No Admission

Legends Furniture denies the material, factual and legal allegations contained in Vinocur’s Notices and maintains that all products it has manufactured, imported, distributed, and/or sold in California, including the Products, have been and are in compliance with all laws, and are completely safe for their intended use. Nothing in this Settlement Agreement shall be construed as an admission by Legends Furniture of any fact, finding, conclusion, issue of law, or violation of law, nor shall compliance with this Settlement Agreement constitute or be construed as an admission by Legends Furniture of any fact, finding, conclusion, issue of law, or violation of law. However, this section shall not diminish or otherwise affect Legends Furniture’s obligations, responsibilities, and duties under this Settlement Agreement.

2. DEFINITIONS

2.1 California Customers

“California Customer” means any customer that Legends Furniture reasonably understands is located in California, has a California warehouse or distribution center, or maintains a retail outlet in California that has made sales into California on or after October 28, 2012.

2.2 Detectable

“Detectable” means containing more than 25 parts per million (“ppm”) (the equivalent of .0025%) of TDCPP in any material, component, or constituent of the Products, when analyzed by an accredited laboratory pursuant to EPA testing methodologies 3545 and 8270C, or equivalent methodologies utilized by federal or state agencies to determine the presence, and measure the quantity of TDCPP, and 1,000 ppm of DEHP in any accessible material, component, or constituent of the Products, when analyzed pursuant to U.S. Environmental Protection Agency testing methodologies 3580A and 8270C or other methodology utilized by federal or state government agencies for the purpose of determining DEHP content in a solid substance.

2.3 Effective Date

“Effective Date” shall mean March 6, 2015.

2.4 Private Label Covered Products

“Private Label Covered Products” means Products that bear a brand or trademark owned or licensed by a Retailer or affiliated entity that are sold or offered for sale by a Retailer in the State of California.

2.5 Reformulated Products

“Reformulated Products” means Products that contain no more than 25 ppm (equivalent of .0025%) of TDCPP when analyzed by an accredited laboratory pursuant to EPA testing methodologies 3545 and 8270C, and no more than 1,000 ppm (the equivalent of .1%) of DEHP in any accessible material, component, or constituent of a subject product, when analyzed pursuant to U.S. Environmental Protection Agency testing methodologies 3580A and 8270C or other methodology utilized by federal or state government agencies for the purpose of determining DEHP and/or TDCPP content in a solid substance.

2.6 Reformulation Standard

The “Reformulation Standard” shall mean containing no more than 1,000 ppm for DEHP and no more than 25 ppm for TDCPP.

2.7 Retailer

“Retailer” means an individual or entity that offers a Product for retail sale to customers in the State of California.

3. INJUNCTIVE RELIEF: REFORMULATION

3.1 Reformulation Commitment

Commencing on May 15, 2015, Legends Furniture shall not manufacture or import for distribution or sale to California Customers, or cause to be manufactured or imported for distribution or sale to California Customers, any Products that are not Reformulated Products.

3.2 Vendor Notification/Certification

On or before the Effective Date, Legends Furniture shall provide written notice to all of its then-current vendors of the Products that will be offered for sale in California (if any), instructing each such vendor to use reasonable efforts to provide it with only Reformulated Products. In addressing the obligation set forth in the preceding sentence, Legends Furniture shall not employ statements that will encourage a vendor to delay compliance with the Reformulation Standard. Legends Furniture shall subsequently obtain written certifications, no later than June 15, 2015, from such vendors, and any newly engaged vendors, that the Products manufactured by such vendors are in compliance with the Reformulation Standard. Certifications shall be held by Legends Furniture for at least two years after their receipt and shall be made available to Vinocur upon reasonable written request.

3.3 Products No Longer in Legends Furniture’s Control

On or before March 15, 2015, Legends Furniture shall send a letter, electronic or otherwise (“Notification Letter”) to: (1) each California Customer and/or Retailer to which it supplied the *Legends Furniture Office Chair* (“Exemplar Product”) after October 28, 2012; and (2) any California Customer and/or Retailer that Legends Furniture understands or believes had any inventory for resale in California of Exemplar Products as of the notice date. The Notification

Letter shall advise the recipient that the Exemplar Product contains TDCPP, a flame retardant chemical known to the State of California to cause cancer, and/or DEHP, a chemical known to the State of California to cause birth defects and other reproductive harm, and request that the recipient either: (a) label the Exemplar Products remaining in inventory pursuant to Section 3.5; or (b) return all units of the Exemplar Product held for sale in California, or to California Customers, to Legends Furniture or a party that Legends Furniture has otherwise designated at Legends Furniture's sole expense. The Notification Letter shall require a response from the recipient within 20 days confirming whether the Exemplar Product will be labeled or returned to Legends Furniture. Legends Furniture shall maintain records of all correspondence or other communications generated pursuant to this Section for two years after the Effective Date and shall produce copies of such records upon Vinocur's reasonable written request.

3.4 Current Inventory

Any Products in, or manufactured and en route to, Legends Furniture's inventory as of, or after April 15, 2015, that do not qualify as Reformulated Products and that Legends Furniture has reason to believe may be sold or distributed for sale in California, shall contain a clear and reasonable warning as set forth in section 3.5 below unless Section 3.6 applies.

3.5 Product Warnings

3.5.1 Product Labeling

Any warning provided under Section 3.3 or 3.4 above shall be affixed to the packaging, labeling, or directly on each Product. Each warning shall be prominently placed 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. Each warning shall be provided in a manner such that the consumer or user understands to which specific Product the warning applies, so as to minimize the risk of consumer confusion. The parties understand that Legends Furniture has implemented a warning program prior to the Effective Date,

however, for Products manufactured beginning 45 days after the Effective Date all warnings shall comply with the language in this section below.¹

A warning provided pursuant to this Settlement Agreement shall state:

For Products that contain DEHP:

WARNING: This product contains DEHP, a chemical known to the State of California to cause cancer, birth defects and other reproductive harm.

For Products that contain TDCPP:

WARNING: This product contains TDCPP, a flame retardant chemical known to the State of California to cause cancer.

For Products that contain both DEHP and TDCPP:

WARNING: This product contains TDCPP and DEHP, chemicals known to the State of California to cause cancer, birth defects and other reproductive harm.

For Products that contain DEHP and/or TDCPP:

WARNING: This product contains chemicals known to the State of California to cause cancer, birth defects and other reproductive harm.

3.5.2 Internet Website Warning

A warning shall be given in conjunction with the sale of the Products to California, or California Customers, via the internet, which warning shall appear on one or more web pages displayed to a purchaser during the checkout process. The following warning statement shall be used and shall: (a) appear adjacent to or immediately following the display, description, or price of

¹ The regulatory safe harbor warning language specified in 27 CCR § 25603 may also be used if Legends Furniture had begun to use it prior to the Effective Date. If Legends Furniture seeks to use alternative warning language, other than the language specified above or the safe harbor warning specified in 27 CCR § 25603, or seeks to use an alternate method of transmission of the warning, it must obtain Vinocur's approval. The Parties agree that the following warning language shall not be deemed to meet the requirements of 27 CCR § 25601 *et seq.* and shall not be used pursuant to this Settlement Agreement: (a) "cancer or birth defects or other reproductive harm"; and (b) "cancer, birth defects or other reproductive harm."

the Product; (b) appear as a pop-up box; or (c) otherwise appear automatically to the customer. The warning text shall be the same type size or larger than the Product description text:

For Products that contain DEHP:

WARNING: This product contains DEHP, a chemical known to the State of California to cause cancer, birth defects and other reproductive harm.

For Products that contain TDCPP:

WARNING: This product contains TDCPP, a flame retardant chemical known to the State of California to cause cancer.

For Products that contain both DEHP and TDCPP:

WARNING: This product contains TDCPP and DEHP, chemicals known to the State of California to cause cancer, birth defects and other reproductive harm.

For Products that contain DEHP and/or TDCPP:

WARNING: This product contains chemicals known to the State of California to cause cancer, birth defects and other reproductive harm.

3.6 Alternatives to Interim Warnings

The obligations of Legends Furniture under Section 3.3 shall be relieved provided Legends Furniture certifies on or before March 30, 2015, that only Exemplar Products meeting the Reformulation Standard will be offered for sale in California, or to California Customers for sale in California, after March 15, 2015. The obligations of Legends Furniture under Section 3.4 shall be relieved provided Legends Furniture certifies on or before the March 30, 2015, that, after August 15, 2015, it will only distribute or cause to be distributed for sale in, or sell in California, or to California Customers for sale in California, Products (i.e., Products beyond the Exemplar Product) meeting the Reformulation Standard. The certifications provided by this Section are material terms and time is of the essence.

4. MONETARY PAYMENTS

4.1 Civil Penalties Pursuant to Health & Safety Code § 25249.7(b)

In settlement of all the claims referred to in this Settlement Agreement, Legends Furniture shall pay the penalties in accordance with this Section. Each penalty payment will be allocated in accordance with California Health & Safety Code § 25249.12(c)(1) and (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 “Laurence Vinocur, Client Trust Account.” Each penalty payment shall be made as set forth below and delivered to the addresses listed in Section 4.5 below.

4.1.1 Initial Civil Penalty. Within five (5) business days of the Effective Date, Legends Furniture shall make an initial civil penalty payment in the amount identified on Exhibit A.

4.1.2 Second Civil Penalty. On or before April 15, 2015, Legends Furniture shall make a second civil penalty payment in the amount identified on Exhibit A. The amount of the second penalty may be reduced according to any penalty waiver Legends Furniture is eligible for under Sections 4.1.4(i) and 4.1.4(iii), below.

4.1.3 Third Civil Penalty. On or before September 15, 2015, Legends Furniture shall make a third civil penalty payment in the amount identified on Exhibit A. The amount of the third penalty may be reduced according to any penalty waiver that Legends Furniture is eligible for under Sections 4.1.4(ii) and 4.1.4(iv), below.

4.1.4 Reductions to Civil Penalty Payment Amounts. Legends Furniture may reduce the amount of the second and/or third civil penalty payments by providing Vinocur with certification of certain efforts undertaken to reformulate their Products or limit the ongoing sale of non-reformulated Products in California. The options to provide a written certification in lieu of making a portion of a civil penalty payment constitute material terms of this Settlement Agreement, and with regard to such terms, time is of the essence.

4.1.4(i) Partial Penalty Waiver for Accelerated Reformulation of Products Sold or Offered for Sale in California.

If Legends Furniture so elects on Exhibit A, a portion of the second civil penalty shall be waived, to the extent that it has agreed that, as of March 15, 2015, and continuing into the future, it

shall only manufacture or import for distribution or sale to California Customers or cause to be manufactured or imported for distribution or sale to California Customers, Reformulated Products. An officer or other authorized representative of Legends Furniture that has exercised this election shall provide Vinocur with a written certification confirming compliance with such conditions, which certification must be received by Vinocur's counsel on or before March 30, 2015.

4.1.4(ii) Partial Penalty Waiver for Extended Reformulation.

If Legends Furniture so elects, a portion of the third civil penalty shall be waived, to the extent that it has agreed that, as of June 15, 2015, and continuing into the future, it shall only manufacture or import for distribution or sale in California or cause to be manufactured or imported for distribution or sale in California, Reformulated Products which also do not contain tris(2,3-dibromopropyl)phosphate ("TDBPP") in a detectable amount of more than 25 ppm (the equivalent of .0025%) in any material, component, or constituent of a subject product, when analyzed by an accredited laboratory pursuant to EPA testing methodologies 3545 and 8270C, or equivalent methodologies utilized by federal or state agencies to determine the presence, and measure the quantity, of TDBPP in a solid substance. An officer or other authorized representative of Legends Furniture that has exercised this election shall provide Vinocur with a written certification confirming compliance with such conditions, which certification must be received by Vinocur's counsel on or before September 15, 2015.

4.1.4(iii) Partial Penalty Waiver for Withdrawal of Unreformulated Exemplar Products from the California Market.

If Legends Furniture so elects, a portion of the second civil penalty shall be waived, if an officer or other authorized representative of Legends Furniture provides Vinocur with written certification, by April 15, 2015, confirming that each establishment in California to which it supplied the Exemplar Product after March 1, 2015, has elected to return all remaining Exemplar Products held for sale in California.

4.1.4(iv) Partial Penalty Waiver for Termination of Distribution to California of Unreformulated Inventory.

If Legends Furniture so elects, a portion of the third civil penalty shall be waived, if an officer or other authorized representative of Legends Furniture provides Vinocur with written certification, on or before October 15, 2015, confirming that, as of September 15, 2015, it will distribute, offer for sale, or sell in California, or to California Customers, only Reformulated Products.

4.2 Representations

Legends Furniture represents that the sales data and other information concerning its size, knowledge of TDCPP and DEHP, and prior reformulation and/or warning efforts, it provided to Vinocur was truthful to its knowledge at the time it executed this Settlement Agreement, and a material factor upon which Vinocur has relied to determine the amount of civil penalties assessed pursuant to Health & Safety Code § 25249.7 in this Settlement Agreement. If, within nine months of the Effective Date, Vinocur discovers and presents to Legends Furniture, evidence demonstrating that the preceding representation and warranty was materially inaccurate, then Legends Furniture shall have 30 days to meet and confer regarding Vinocur's contention. Should this 30 day period pass without any such resolution between Vinocur and Legends Furniture, Vinocur shall be entitled to file a formal legal claim including, but not limited to, a claim for damages for breach of contract. Legends Furniture further represents that in implementing the requirements set forth in Sections 3.1 and 3.2 of this Settlement Agreement, it will voluntarily employ commercial best efforts to achieve reformulation of its Products on a nationwide basis and not employ statements that will encourage a vendor to limit its compliance with the Reformulation Standard to goods intended for sale to California Consumers.

4.3 Stipulated Penalties for Certain Violations of the Reformulation Standard.

If Vinocur provides notice and appropriate supporting information to Legends Furniture, including but not limited to test results, that levels of TDCPP in excess of the Reformulation Standard have been detected in one or more Products labeled or otherwise marked in an identifiable manner as manufactured after a deadline for meeting the Reformulation Standard has arisen for

Legends Furniture under Sections 3.1 or 3.6 above, Legends Furniture may elect to pay a stipulated penalty to relieve any further potential liability under Proposition 65 or sanction under this Settlement Agreement as to Products containing TDCPP sourced from the vendor in question.² The stipulated penalty shall be \$1,500 if the violation level is below 100 ppm for TDCPP and \$3,000 if the violation level is between 100 ppm and 249 ppm for TDCPP, this being applicable for any amount in excess of the Reformulation Standard but under 250 ppm for TDCPP.³ Vinocur shall further be entitled to reimbursement of his associated expense in an amount not to exceed \$5,000 regardless of the stipulated penalty level. Legends Furniture under this Section must provide notice and appropriate supporting information relating to the purchase (e.g. vendor name and contact information including representative, purchase order, certification (if any) received from vendor for the exemplar or subcategory of products), test results, and a letter from a company representative or counsel attesting to the information provided to Vinocur within 30 calendar days of receiving test results from Vinocur's counsel. In the event that Vinocur's test results vary from those provided by Legends Furniture and Legends Furniture's test result demonstrate less than 25 ppm for TDCPP, the parties shall meet and confer about an appropriate resolution and/or agree to test a mutually selected sample of the Product by a third independent laboratory to be mutually agreed upon. The expenses of the third party laboratory shall be borne by the party whose test results reflect the greatest difference from those of the third laboratory. The results of the third laboratory shall be deemed conclusive for purposes of determining the appropriate remedy under this paragraph.

4.4 Reimbursement of Fees and Costs

The Parties acknowledge that Vinocur and his 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 reimbursement issue to be resolved after the material terms of the agreement had been settled. Shortly after the other settlement terms had been finalized, Legends Furniture expressed a

² This Section shall not be applicable where the vendor in question had previously been found by Legends Furniture to have provided unreliable certifications as to meeting the Reformulation Standard in its Products on more than one occasion. Notwithstanding the foregoing, a stipulated penalty for a second exceedance by Legends Furniture vendor at a level between 100 and 249 ppm for TDCPP shall not be available after August 15, 2015.

³ Any stipulated penalty payments made pursuant to this Section should be allocated and remitted in the same manner as set forth in Sections 4.1 and 4.5, respectively.

desire to resolve the fee and cost issue. Legends Furniture then agreed to pay Vinocur and his 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 through the mutual execution of this agreement, including the fees and costs incurred as a result of investigating, bringing this matter to Legends Furniture's attention, and negotiating a settlement in the public interest. In addition, the negotiated fee and cost figure expressly includes the anticipated significant amount of time Vinocur's counsel will incur to monitor various provisions in this agreement over the next two years. Legends Furniture, more specifically, agreed to pay Vinocur's counsel the amount of fees and costs indicated on Exhibit A, which fees shall be paid to "The Chanler Group" within five (5) business days of the Effective Date.

4.5 Payment Procedures

4.5.1 Issuance of Payments.

(a) All payments owed to Vinocur and his counsel, pursuant to Sections 4.1, 4.3 and 4.4 shall be delivered to the following payment address:

The Chanler Group
Attn: Proposition 65 Controller
2560 Ninth Street
Parker Plaza, Suite 214
Berkeley, CA 94710

(b) All payments owed to OEHHA, pursuant to Section 4.1, shall be delivered directly to OEHHA (Memo line "Prop 65 Penalties") at one of the following addresses, as appropriate:

For United States Postal Service Delivery:

Mike Gyurics
Fiscal Operations Branch Chief
Office of Environmental Health Hazard Assessment
P.O. Box 4010
Sacramento, CA 95812-4010

For Non-United States Postal Service Delivery:

Mike Gyurics
Fiscal Operations Branch Chief
Office of Environmental Health Hazard Assessment
1001 I Street
Sacramento, CA 95814

4.5.2 Proof of Payment to OEHHA

A copy of each check payable to OEHHA shall be mailed, simultaneous with payment, to The Chanler Group at the address set forth in Section 4.5.1(a) above, as proof of payment to OEHHA.

5. CLAIMS COVERED AND RELEASED

5.1 Vinocur's Release of Proposition 65 Claims

Vinocur, acting on his own behalf, and on behalf of his past and current agents, representatives, attorneys, successors and assignees, and *not* on behalf of the public, releases Legends Furniture, its parents, subsidiaries, affiliated entities under common ownership, directors, officers, agents, employees, attorneys, and each entity to whom Legends Furniture directly or indirectly distributes or sells Products, including, but not limited, to downstream distributors, wholesalers, customers, retailers, franchisees, cooperative members, and licensees (collectively, "Releasees"), from all claims for violations of Proposition 65 related to Products manufactured through the Effective Date of this Settlement Agreement based on unwarned exposures to TDCPP and/or DEHP in the Products, as set forth in the Notices. Compliance with the terms of this Settlement Agreement constitutes compliance with Proposition 65 with respect to exposures to TDCPP and DEHP from the Products, as set forth in the Notices. The penalties, reformulation commitment, and attorneys' fees paid by Legends Furniture in connection with this Settlement Agreement are intended to resolve all issues concerning any alleged violations of Proposition 65 concerning TDCPP and DEHP in the Products. The Parties further understand and agree that this Section 5.1 release shall not extend upstream to any entities, other than Legends Furniture, that manufactured the Products or any component parts thereof, or any distributors or suppliers who sold the Products or any component parts thereof to Legends Furniture, except that entities upstream of Legends Furniture that are Retailers of a Private Labeled Product shall be released as to the Private Labeled Products offered for sale in California, or to California Customers, by the Retailer in question.

5.2 Vinocur's Individual Releases of Claims

Vinocur, in his individual capacity only and *not* in his representative capacity, on behalf of himself and his past and current agents, representatives, attorneys, successors and assignees, provides a 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 Vinocur of any nature, character, or kind, whether known or unknown, suspected or unsuspected, arising out of alleged or actual exposures to TDCPP and/or DEHP in the Products manufactured, imported, distributed, or sold by Legends Furniture prior to the Effective Date. The Parties further understand and agree that this Section 5.2 release shall not extend upstream to any entities that manufactured the Products, or any component parts thereof, or any distributors or suppliers who sold the Products, or any component parts thereof to Legends Furniture, except that entities upstream of Legends Furniture that are Retailers of a Private Labeled Product shall be released as to the Private Labeled Product offered for sale in California by the Retailer in question. Nothing in this Section affects Vinocur's right to commence or prosecute an action under Proposition 65 against a Releasee that does not involve Legends Furniture's Products.

5.3 Legends Furniture's Release of Vinocur

Legends Furniture, on behalf of itself, its past and current agents, representatives, attorneys, successors, and assignees, hereby waives any and all claims against Vinocur and his attorneys and other representatives, for any and all actions taken or statements made (or those that could have been taken or made) by Vinocur and his attorneys and other representatives, whether in the course of investigating claims or otherwise seeking to enforce Proposition 65 against it in this matter with respect to alleged TDCPP and/or DEHP in the Products.

6. GOVERNING LAW

The terms of this Settlement Agreement shall be governed by the laws of the State of California. In the event that Proposition 65 is repealed, preempted, or is otherwise rendered inapplicable by reason of law generally, or if any of the provisions of this Settlement Agreement are rendered inapplicable or are no longer required as a result of any such repeal or preemption, or rendered inapplicable by reason of law generally as to the Products, then Legends Furniture may

provide written notice to Vinocur of any asserted change in the law, and shall have no further obligations pursuant to this Settlement Agreement with respect to, and to the extent that, the Products are so affected. Nothing in this Settlement Agreement shall be interpreted to relieve Legends Furniture from any obligation to comply with any pertinent state or federal law or regulation.

7. NOTICES

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

To Legends Furniture:

Richard Schmidgall, President
Legends Furniture, Inc.
10300 West Buckeye Road
Tolleson, AZ 85353

To Vinocur:

Proposition 65 Coordinator
The Chanler Group
2560 Ninth Street
Parker Plaza, Suite 214
Berkeley, CA 94710-2565

With copy to:

James Robert Maxwell, Esq.
Rogers Joseph O'Donnell
311 California Street, 10th Floor
San Francisco, CA 94104

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.

8. COUNTERPARTS, FACSIMILE AND PDF SIGNATURES

This Settlement Agreement may be executed in counterparts and by facsimile or pdf signature, each of which shall be deemed an original, and all of which, when taken together, shall constitute one and the same document. A facsimile or pdf signature shall be as valid as the original.

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

Vinocur and his attorneys agree to comply with the reporting form requirements referenced in California Health & Safety Code section 25249.7(f).

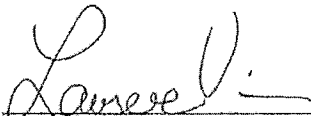
10. MODIFICATION

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

11. 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:

By: 
Laurence Vinocur

AGREED TO:

By: 
Richard Schmidgall, President
Legends Furniture, Inc.

Date: March 2, 2015

Date: 3-2-15

EXHIBIT A

- I. Name of Settling Defendant: Legends Furniture, Inc.
- II. Names of Releasees (optional/partial):
- III. Types of Covered Products Applicable to Legends Furniture:
 - a) Chairs with upholstery containing DEHP and upholstered chairs with foam padding containing TDCPP, including but not limited to, Legends Furniture Office Chair
- IV. Types of Additional Products Legends Furniture, Inc. elects to address (if any): None.
- V. Legends Furniture, Inc.'s Required Settlement Payments
 - A. Penalties of \$17,500, as follows:
 - \$2,500 initial payment due within 5 business days of the Effective Date;
 - \$7,500 second payment due on or before April 15, 2015, of which \$3,500 may be waived pursuant to Section 4.1.4(i) and \$4,000 may be waived pursuant to Section 4.1.4(iii); and
 - \$7,500 third payment due on or before September 15, 2015, of which \$3,500 may be waived pursuant to Section 4.1.4(ii) and \$4,000 may be waived pursuant to Section 4.1.4(iv).
 - B. Payment to The Chanler Group for reimbursement of attorneys' fees and costs attributable to Legends Furniture, Inc., due within five business days of the Effective Date: \$25,000.