

SETTLEMENT AGREEMENT

1. INTRODUCTION

1.1 John Moore and Travelpro International, Inc.

This Settlement Agreement is entered into by and between John Moore (“Moore”) and Travelpro International, Inc. (“Travelpro”), with Moore and Travelpro collectively referred to as the “Parties.” Moore is an individual residing in 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 products. Travelpro employs ten or more persons and is a person in the course of doing business for purposes of California Health & Safety Code §25249.6 *et seq.* (“Proposition 65”).

1.2 General Allegations

Moore alleges that Travelpro has manufactured, distributed, and/or sold in the State of California luggage tags containing excessive amounts of di(2-ethylhexyl)phthalate (“DEHP”) without the requisite Proposition 65 warnings. DEHP is identified by the State of California as a chemical known to cause birth defects and other reproductive harm.

1.3 Product Description

The products that are covered by this Settlement Agreement are defined as follows: luggage tags containing DEHP that are manufactured, imported, distributed, and/or sold in California by Travelpro, including, but not limited to, *Austin House Oval Luggage ID Tag (#0 67012 92613 1)*. All such items are referred to herein as “Products.”

1.4 Notice of Violation

On or about February 24, 2011, Moore served Travelpro and various public enforcement agencies with a document entitled “60-Day Notice of Violation” (“Notice”) that provided Travelpro and such public enforcers with notice that Travelpro was alleged to be in violation of California Health & Safety Code §25249.6 for failing to warn consumers that the Products exposed users in California to DEHP. No public enforcer has commenced and is diligently

prosecuting the allegations set forth in the Notice.

1.5 No Admission

Travelpro denies the material, factual, and legal allegations contained in Moore's Notice and maintains that all of the products it has manufactured, imported, distributed, and/or sold in California, including the Products, have been, and are, in compliance with all laws. Nothing in this Settlement Agreement shall be construed as an admission by Travelpro 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 Travelpro of any fact, finding, conclusion, issue of law, or violation of law, the same being specifically denied by Travelpro. However, this section shall not diminish or otherwise affect the obligations, responsibilities and duties of Travelpro under this Settlement Agreement.

1.6 Effective Date

For purposes of this Settlement Agreement, the term "Effective Date" shall mean June 5, 2011.

2. INJUNCTIVE RELIEF

2.1 Reformulation Commitment

As of the Effective Date, Travelpro shall not manufacture, distribute, sell or offer for sale in California any Products unless they are "DEHP Free." For purposes of this Settlement Agreement, "DEHP Free" shall mean Products containing no more than 1,000 parts per million of DEHP when analyzed pursuant to Environmental Protection Agency testing methodologies 3580A and 8270C.

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

In settlement of all the claims referred to in this agreement, Travelpro shall make a civil penalty payment of \$ 3,500.00 to be apportioned in accordance with Health & Safety Code § 25249.12 (c)(1) and (d), with 75% of these funds remitted to the State of California's Office of Environmental Health Hazard Assessment ("OEHHA") and the remaining 25% of these penalty

monies remitted to Moore as provided by Health & Safety Code § 25249.12(d). Travelpro shall issue two separate checks for the penalty payment: (a) one check made payable to “The Chanler Group in Trust for OEHHA” in the amount of \$2,625.00, representing 75% of the total penalty, and (b) one check to “The Chanler Group in Trust for John Moore” in the amount of \$875.00, representing 25% of the total penalty. Two separate 1099s shall be issued for the above payments. 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 of \$2,625.00. The second 1099 shall be issued to Moore in the amount of \$875.00, whose address and tax identification number shall be furnished upon request. The payments shall be delivered on or before June 20, 2011, to the following address:

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

4. REIMBURSEMENT OF FEES AND COSTS

4.1 Attorney Fees and Costs

The parties acknowledge that Moore 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 issue to be resolved after the material terms of the Settlement Agreement had been settled. Travelpro then expressed a desire to resolve the fee and cost issue shortly after the other settlement terms had been finalized. The parties then attempted to (and did) reach an accord on the compensation due to Moore and his counsel under general contract principles and the private attorney general doctrine codified at California Code of Civil Procedure (CCP) §1021.5, for all work performed through the mutual execution of this Settlement Agreement. Travelpro shall pay the total of \$21,500.00 for fees and costs incurred as a result of investigating, bringing this matter to Travelpro’s attention, and negotiating a settlement in the public interest. Travelpro shall make

the check payable to “The Chanler Group,” shall issue a separate 1099 for fees and costs (EIN: 94-3171522), and deliver payment on or before June 20, 2011, to the following address:

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

5. RELEASE OF ALL CLAIMS

5.1 Moore’s Release of Travelpro

In further consideration of the promises and agreements herein contained, and for the payments to be made pursuant to Sections 3 and 4, Moore, on behalf of himself, his past and current agents, representatives, attorneys, successors, and/or assignees, and in the interest of the general public, hereby waives all rights to institute or participate in, directly or indirectly, any form of legal action, and releases all claims 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 (collectively “Claims”) that were brought or could have been brought against Travelpro or its parents, subsidiaries, or affiliates, and all of their downstream customers, distributors, wholesalers, retailers, licensors, licensees, or any other downstream person in the course of doing business, and the successors and assigns of any of them who may use, maintain, manufacture, distribute, advertise, market, or sell the Products, and the officers, directors, managers, employees, members, shareholders, agents, insurers, and representatives of each of them (collectively “Releasees”) in this matter.. This release is limited to, but is intended to be a full, final, and binding resolution of, those Claims that arise under Proposition 65 as against Travelpro and the Releasees, as such Claims relate to Travelpro’s alleged failure to warn about exposure to DEHP contained in the Products. Travelpro’s compliance with this Settlement Agreement shall constitute compliance with Proposition 65 for Travelpro and the Releasees with respect to DEHP in the Products after the Effective Date.

The Parties intend and agree that this Settlement Agreement shall be given full effect for purposes of precluding Claims related to the presence of DEHP in the Products against Travelpro or the Releasees under Proposition 65 as covered under this release. If requested in writing by Travelpro (within twelve months of the Effective Date), Travelpro may ask Moore to file a complaint and seek approval of this Settlement Agreement through a court approved consent judgment incorporating the terms of this Settlement Agreement pursuant to California Health and Safety Code Section 25249.7, or as may be otherwise allowed by law. If requested, Moore agrees to reasonably cooperate with Travelpro and to use best efforts and that of his counsel to support the entry of a consent judgment incorporating the terms of this Settlement Agreement for approval by a superior court in California. Pursuant to CCP §§ 1021 and 1021.5, Travelpro will reimburse Moore and his judicial approval of this Settlement Agreement, in an amount not to exceed \$15,000.00, excluding fees that may be incurred on appeal, if any. No counsel for their reasonable fees and costs incurred in filing the complaint and seeking fees under this paragraph will be due and owing to Moore or his counsel unless a written request is made by Travelpro to have Moore file a complaint and seek a consent judgment. Travelpro will remit payment to The Chanler Group, at the address set forth in Section 8 below. Such additional fees shall be paid by Travelpro within ten days after its receipt of monthly invoices from Moore for work performed under this paragraph.

5.2 Travelpro's Release of Moore

Travelpro waives any and all claims against Moore, his attorneys, and other representatives for any and all actions taken or statements made (or those that could have been taken or made) by Moore and his attorneys and other representatives, whether in the course of investigating claims or otherwise seeking enforcement of Proposition 65 against them in this matter, and/or with respect to the Products.

6. SEVERABILITY

If subsequent to the execution of this Settlement Agreement, any of the provisions of this Settlement Agreement are held by a court to be unenforceable, the validity of the enforceable provisions remaining shall not be adversely affected.

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 and/or DEHP, then Travelpro shall provide written notice to Moore 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.

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 Travelpro:

Robin Rankin, Director
Travelpro International, Inc.
700 Banyan Trail
Boca Raton, FL 33431

For Moore:

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

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 SIGNATURES

This Settlement Agreement may be executed in counterparts and by facsimile, 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 §25249.7(f)

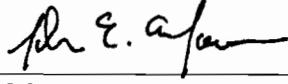
Moore agrees to comply with the reporting form requirements referenced in Health & Safety Code §25249.7(f).

11. MODIFICATION

This Settlement Agreement may be modified only by a written agreement of 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:	AGREED TO:
Date: <u>June 6, 2011</u>	Date: _____
By: <u></u> John Moore	By: _____ Robin Rankin, Director Travelpro International, Inc.

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AGREED TO:	AGREED TO:
Date: _____	Date: <u>June 6, 2011</u>
By: _____ John Moore	By: <u>[Signature]</u> Robin Rankin, Director Travelpro International, Inc.

Catherine June 10, 2011
Catherine Hechter
VP, legal