

SETTLEMENT AGREEMENT

1. INTRODUCTION

1.1 John Moore and Oenophilia II, LLC

This Settlement Agreement is entered into by and between John Moore (“Moore”) and Oenophilia II, LLC (“Oenophilia”), collectively referred to as the “Parties.” Moore is an individual residing in California who seeks to promote awareness of exposures to toxic chemicals and improve human health by reducing or eliminating hazardous substances contained in consumer products. Oenophilia 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 section 25249.6 *et seq.* (“Proposition 65”).

1.2 General Allegations

Moore alleges that Oenophilia has manufactured, distributed, and/or sold in the state of California coverings for journals containing di(2-ethylhexyl)phthalate (“DEHP”) without the requisite Proposition 65 warning. DEHP is listed pursuant to Proposition 65, as a chemical known to the State of California 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: coverings for journals containing DEHP that are manufactured, imported, distributed, and/or sold in California by Oenophilia, including, but not limited to, *Wine Passport Pocket Tasting Journal, FP150 (#028588000953)* (herein “Products”).

1.4 Notices of Violation

On or about April 8, 2011, Moore served Oenophilia and various public enforcement agencies with a document entitled “60-Day Notice of Violation” (“Notice”) that alleged

violations of Proposition 65 against Oenophilia for failing to warn consumers that the Products exposed users in California to DEHP. To the best of the Parties' knowledge, no public enforcer has diligently prosecuted the allegations set forth in the Notice.

1.5 No Admission

Oenophilia 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, including Proposition 65. Nothing in this Settlement Agreement shall be construed as an admission by Oenophilia 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 Oenophilia of any fact, finding, conclusion, issue of law, or violation of law, such being specifically denied by Oenophilia. However, this section shall not diminish or otherwise affect the obligations, responsibilities, and duties of Oenophilia under this Settlement Agreement.

1.6 Effective Date

For purposes of this Settlement Agreement, the term "Effective Date" shall mean November 15, 2011.

2. INJUNCTIVE RELIEF: REFORMULATON COMMITMENT

Commencing on the Effective Date, Oenophilia shall refrain from manufacturing, distributing, shipping, selling or offering to be shipped for sale in California any Products unless the products contain less than or equal to 1,000 parts per million of DEHP when analyzed pursuant to EPA testing methodologies 3580A and 8270C, or any method allowed by any state or federal agency to assess the DEHP content by weight of a solid substance.

3. MONETARY PAYMENTS

Pursuant to Health & Safety Code section 25249.7 subsection (b) the total civil penalty assessed shall be \$2,000. Civil penalties are to be apportioned in accordance with California Health & Safety Code section 25249.12, subsections (c) and (d), with 75% of these funds remitted to the State of California's Office of Environmental Health Hazard Assessment and the remaining 25% to Moore.

Oenophilia shall issue two checks for the penalty payment: (a) one check made payable to "The Chanler Group in Trust for the Office of Environmental Health Hazard Assessment" in the amount of \$1,500, representing 75% of the total penalty; and (b) one check to "The Chanler Group in Trust for John Moore" in the amount of \$500, representing 25% of the total penalty.

Two 1099s shall be issued for the above payments: The first 1099 shall be issued to Office of Environmental Health Hazard Assessment, P.O. Box 4010, Sacramento, CA 95814 (EIN: 68-0284486) in the amount of \$1,500. The second 1099 shall be issued to Moore in the amount of \$500. Moore's address and tax identification number shall be furnished, upon request, three calendar days before payment is due. Payment shall be delivered within 10 days of the Effective Date, at the "Payment Address":

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

4. REIMBURSEMENT OF 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 agreement had been settled.

Oenophilia 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 section 1021.5, for all work performed in this matter, except fees that may be incurred on appeal. Under these legal principles, Oenophilia shall pay the total of \$18,000 for fees and costs incurred as a result of investigating, bringing this matter to the attention of Oenophilia, and negotiating a settlement in the public interest. Oenophilia shall make a separate check payable to "The Chanler Group," issue a separate 1099 for fees and costs (EIN: 94-3171522), and deliver payment within 10 days of the Effective Date, to the Payment Address.

5. RELEASE OF ALL CLAIMS

5.1 Moore's Release of Oenophilia

In further consideration of the promises and agreements herein contained, and for the payments to be made pursuant to Sections 3 and 4 above, Moore, on behalf of himself, his past and current agents, representatives, attorneys, including, without limitation, The Chanler Group, 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 Oenophilia or its subsidiaries or affiliates, and Oenophilia's downstream customers, distributors, wholesalers, retailers, licensors, licensees, or any other 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 Products, and the officers, directors, managers, employees, members, shareholders, agents, insurers and representatives of each of them (collectively "Releasees") that arise under Proposition 65, as such claims relate to Oenophilia's alleged failure to warn about exposures to DEHP contained in the Products sold in California. The Parties further understand and agree that this release shall not extend upstream to any third parties that manufactured the Products or any component parts thereof, or any distributors or suppliers who sold the Products or any component parts thereof to Oenophilia.

Compliance with the terms of this Settlement Agreement resolves any issue, now and in the future, concerning compliance by Oenophilia's Releasees with the requirements of Proposition 65 with respect to alleged exposure to DEHP from the Products distributed or sold by Oenophilia.

5.2 Oenophilia's Release of Moore

Oenophilia 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, his 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.

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.

8. NOTICES

Unless specified herein, all correspondence and notices required to be provided pursuant to this Settlement Agreement shall be 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:

For Oenophilia:

Tracy Page, President
Oenophilia II, LLC
500 Meadowlands Drive
Hillsborough, NC 27278

With a copy to:

John Epperson
Farella, Braun + Martel, LLP
30th floor
235 Montgomery St.
San Francisco, CA 94104

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 portable document

format (.pdf) or 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 SECTION 25249.7(f)

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

11. MODIFICATION

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

12. AUTHORIZATION

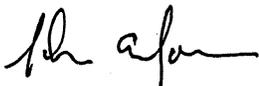
The undersigned are authorized to execute this Settlement Agreement on behalf of their respective Parties and have read, understood and agree to all of the terms and conditions of this Settlement Agreement.

AGREED TO:

AGREED TO:

Date: November 15, 2011

Date: _____

By: 
John Moore

By: _____
Gregory Orlando, President
Oenophilia II, LLC

AGREED TO:

Date: _____

By: _____
Tracy Page, President
Oenophilia II, LLC

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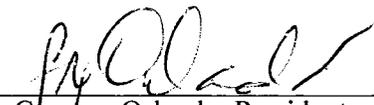
AGREED TO:

Date: _____

By: _____
John Moore

AGREED TO:

Date: 11/17/11

By: 
Gregory Orlando, President
Oenophilia II, LLC

AGREED TO:

Date: 11/17/11

By: 
Tracy Page, President
Oenophilia II, LLC