

SETTLEMENT AGREEMENT
BETWEEN ISABEL RUGGERI AND ORGILL, INC.

1. RECITALS

1.1 The Parties

This Settlement Agreement (“Settlement”) is entered into by and between Isabel Ruggeri (“Ruggeri”) and Orgill, Inc. (“Orgill”). Ruggeri and Orgill shall hereinafter collectively be referred to as the “Parties.”

Ruggeri is a citizen of the State of California with an interest in protecting the environment, improving human health and the health of ecosystems, and supporting environmentally sound practices, which includes promoting awareness of exposure to toxic chemicals and reducing exposure to hazardous substances found in consumer products. Orgill employs ten (10) or more employees, and is a person in the course of doing business as the term is defined in California *Health & Safety Code* section 25249.6 et seq. (“Proposition 65”).

1.2 Allegations

Ruggeri alleges that Orgill manufactured, distributed, supplied, and/or sold tape measures, including but not limited to MintCraft tape measure (SKU 784-3279) (hereinafter, the “Products”) in the State of California causing users in California to be exposed to hazardous levels of Lead without providing “clear and reasonable warnings”, in violation of Proposition 65. Lead is potentially subject to Proposition 65 warning requirements because it is listed as known to the State of California to cause birth defects and reproductive harm.

On May 14, 2014, a sixty-day notice of violation (“60-Day Notice”), along with a Certificate of Merit, was provided by Ruggeri pursuant to Health and Safety Code Section 25249.7(d) to Orgill and various public enforcement agencies regarding the alleged violation of Proposition 65 with respect to the Lead in the Products.

1.3 No Admissions

Orgill denies all allegations in Ruggeri’s 60-Day Notice and maintains that the Products have been, and are, in compliance with all laws, and that Orgill has not violated Proposition 65. This Settlement shall not be construed as an admission of liability by Orgill but to the contrary as

a compromise of claims that are expressly contested and denied. However, nothing in this section shall affect the Parties' obligations, duties, and responsibilities under this Settlement.

1.4 Compromise

The Parties enter into this Settlement in order to resolve the controversy described above in a manner consistent with prior Proposition 65 consent judgments on the Lead in the Products that were entered on behalf of the public interest and to avoid prolonged and costly litigation between them.

1.5 Effective Date

The "Effective Date" shall be the date upon which a complete and fully executed copy of the Settlement is delivered to each Party's counsel.

2. INJUNCTIVE RELIEF AND REFORMULATION

2.1 Reformulation Standard

As of the Effective Date, Orgill shall not sell or offer for sale in California the Products if they contain more than 100 parts per million ("ppm") of Lead in their handgrips and/or accessible surfaces when analyzed pursuant to Environmental Protection Agency testing methodologies 3050B or equivalent. As of the Effective Date, if the Products do not meet this Reformulation Standard, then clear and reasonable Proposition 65 warnings must accompany each unit, as described in subsection 2.2 below.

2.2 Proposition 65 Warning Obligations

If the Products do not meet the Reformulation Standard described in subsection 2.1 above, then Orgill shall not manufacture, distribute, supply, and/or sell for use or sale in California any Products containing the Lead in their handgrips and/or accessible surfaces unless clear and reasonable Proposition 65 warnings are provided with each unit with the following specific warning with the capitalized and emboldened wording:

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

Each unit shall carry said warning directly on each unit or its label or package, near the product name, price, or UPC code, in a sufficiently conspicuous manner reasonably calculated to

be seen by the ordinary consumer.

3. PAYMENTS

3.1 Civil Penalty Pursuant To Proposition 65

In settlement of all claims referred to in this Settlement Agreement, Orgill shall pay a total civil penalty of five thousand dollars (\$5,000.00) to be apportioned in accordance with *Health and Safety Code* section 25249.12(c)(1) and (d), with 75% (\$3,750.00) paid to State of California Office of Environmental Health Hazard Assessment, and the remaining 25% (\$1,250.00) paid to Ruggeri.

Orgill shall issue two (2) checks for the civil penalty: (1) a check or money order made payable to “Law Offices of Lucas T. Novak in Trust for Office of Environmental Health Hazard Assessment” in the amount of \$3,750.00; and (2) a check or money order made payable to “Law Offices of Lucas T. Novak in Trust for Isabel Ruggeri” in the amount of \$1,250.00. Orgill shall remit the payments within five (5) business days of the Effective Date, to:

Lucas T. Novak, Esq.
LAW OFFICES OF LUCAS T. NOVAK
8335 W Sunset Blvd., Suite 217
Los Angeles, CA 90069

3.2 Reimbursement Of Ruggeri’s Fees And Costs

Orgill shall reimburse Ruggeri’s reasonable experts’ and attorney’s fees and costs incurred in prosecuting the instant action, for all work performed through execution of this Settlement. Accordingly, Orgill shall issue a check or money order made payable to “Law Offices of Lucas T. Novak” in the amount of nineteen thousand dollars (\$19,000.00). Orgill shall remit the payment within five (5) business days of the Effective Date, to:

Lucas T. Novak, Esq.
LAW OFFICES OF LUCAS T. NOVAK
8335 W Sunset Blvd., Suite 217
Los Angeles, CA 90069

4. RELEASES

4.1 Ruggeri's Release Of Orgill

Ruggeri, acting in her individual capacity, her past and current agents, representatives, attorneys, successors, and/or assignees, in consideration of the promises and monetary payments contained herein, hereby releases Orgill, its parents, subsidiaries, shareholders, directors, members, officers, employees, and attorneys, from the claims asserted in Ruggeri's 60-Day Notice dated May 14, 2014 regarding violation of Proposition 65 with respect to the Products.

4.2 Orgill's Release Of Ruggeri

Orgill, by this Settlement, waives all rights to institute any form of legal action against Ruggeri, her past and current agents, representatives, attorneys, experts, successors, and/or assignees, for actions or statements made or undertaken, whether in the course of investigating claims or seeking enforcement of Proposition 65 against Orgill in this matter.

4.3 Waiver Of Unknown Claims

Each of the Parties acknowledges that it is familiar with Section 1542 of California Civil Code 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.”

Each of the parties waives and relinquishes any right or benefit it has or may have under Section 1542 of California Civil Code or any similar provision under the statutory or non-statutory law of any other jurisdiction to the full extent that it may lawfully waive all such rights and benefits. The Parties acknowledge that each may subsequently discover facts in addition to, or different from, those that it believes to be true with respect to the claims released herein. The Parties agree that this Settlement and the releases contained herein shall be and remain effective in all respects notwithstanding the discovery of such additional or different facts.

5. SEVERABILITY

Should any part or provision of this Settlement for any reason be declared by a Court to

be invalid, void or unenforceable, the remaining portions and provisions shall continue in full force and effect.

6. GOVERNING LAW

The terms of this Settlement shall be governed by the laws of the State of California.

7. NOTICES

All correspondence and notices required to be provided under this Settlement shall be in writing and delivered personally or sent by first class or certified mail addressed as follows:

TO ORGILL: Bruce Nye, Esq. ADAMS NYE BECHT LLP 222 Kearny Street, 7th Floor San Francisco, California 94108	TO RUGGERI: Lucas T. Novak, Esq. LAW OFFICES OF LUCAS T. NOVAK 8335 W Sunset Blvd., Suite 217 Los Angeles, CA 90069
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8. INTEGRATION

This Settlement constitutes the entire agreement between the parties with respect to the subject matter hereof and may not be amended or modified except in writing.

9. COUNTERPARTS

This Settlement may be executed in counterparts, each of which shall be deemed an original, and all of which, when taken together, shall constitute the same document. Execution and delivery of this Settlement by e-mail, facsimile, or other electronic means shall constitute legal and binding execution and delivery. Any photocopy of the executed Settlement shall have the same force and effect as the originals.

10. AUTHORIZATION

The undersigned are authorized to execute this Settlement on behalf of their respective Parties. Each Party has read, understood, and agrees to all of the terms and conditions of this Settlement. Each Party warrants to the other that it is free to enter into this Settlement and not subject to any conflicting obligation which will or might prevent or interfere with the execution or performance of this Settlement by said party.

AGREED TO:

Date: 9/23/14

By:  SUP&Cfo

Authorized Officer of Orgill, Inc.

AGREED TO:

Date: _____

By: _____

Isabel Ruggeri

AGREED TO:

Date: _____

By: _____

Authorized Officer of Orgill, Inc.

AGREED TO:

Date: 9/17/14

By: Isabel Ruggeri

Isabel Ruggeri