

SETTLEMENT AGREEMENT AND RELEASE

This Settlement Agreement and Release (this "Agreement") between Environmental Research Center, Inc. ("ERC") and Enzacta USA, LLC ("Enzacta") is made effective on the date on which it is fully executed (the "Effective Date"). ERC and Enzacta are hereinafter referred to individually as a "Party" and collectively as the "Parties." The Parties agree as follows:

1. This Agreement is intended to fully resolve all claims, demands, and allegations set forth in or related to the Notice of Violations of California Health & Safety Code §25249.5, *et seq.* (also known as "Proposition 65") that ERC served on Enzacta on September 26, 2014 (the "Notice") with regard to the following product identified below (referred to hereinafter as the "Covered Product"):

Enzacta USA LLC Alfa HFI

2. The Parties enter into this Agreement in order to achieve a settlement of the claims as stated in Section 1 (collectively "this Matter") and for the purpose of avoiding prolonged litigation. Nothing in this Agreement shall be construed as an admission of the Parties of any fact, issue of law, or violation of law, nor shall compliance with this Agreement constitute or be construed as an admission by the Parties of any fact, issue of law or violation of law. Nothing in this Agreement or any document referred to herein, shall be construed as giving rise to any presumption or inference of admission or concession by the Parties as to any fault, wrongdoing or liability whatsoever. The Parties agree that this Section shall not diminish or otherwise affect the obligations, responsibilities, and duties of the Parties under this Agreement.

3. In consideration of the following covenants and conditions contained in this Agreement, the Parties have provided the releases as set forth in Section 6 below:

a. Beginning on the Effective Date, at any time Enzacta qualifies as "a person in the course of doing business" as defined by Proposition 65, Enzacta shall not manufacture for sale in the State of California, "Distribute into the State of California", or directly sell in the State of California, any Covered Product which exposes a person to a "Daily Lead Exposure Level" of more than 0.5 micrograms of lead per day when the maximum suggested dose is taken as directed on the Covered Product's label, unless each such unit of the Covered Product bears the following warning statement on its individual unit label packaging or by sticker securely affixed on the container or bottle cap:

"WARNING: This product contains lead, a chemical known to the State of California to cause [cancer and] birth defects or other reproductive harm."

i. As used in this Settlement Agreement and Release, the term "Distribute into the State of California" shall mean to directly ship a Covered Product into California for sale in California or to sell a Covered Product to a distributor that Enzacta knows will sell the Covered Product in California.

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ii. For the purposes of this Agreement, "Daily Lead Exposure Level" shall be measured in micrograms, and shall be calculated using the following formula: micrograms of lead per gram of product, multiplied by grams of product per serving of the product (using the largest serving size appearing on the product label), multiplied by servings of the product per day (using the largest number of servings in a recommended dosage appearing on the product label), which equals micrograms of lead exposure per day.

iii. The phrase "cancer and" must be included in the warning only if the maximum recommended daily dose causes an exposure to more than 15 micrograms of lead when taken as directed on the Covered Product's label.

c. The warning statement set forth in Section 3b. shall be prominent and displayed securely on either the cap, the unit packaging, or by a sticker securely affixed to the Covered Product with such conspicuousness, as compared with other words, statements, or designs so as to render it likely to be read and understood by an ordinary individual purchasing or using the Covered Product. The warning appearing on the label or container shall be at least the same size as the largest of any other health or safety warnings correspondingly appearing on the label or container, as applicable, or such product, and the word "WARNING" shall be in capital letters and in bold print. No other statements may accompany the warning.

4. Enzacta shall make a total settlement payment of \$32,000 ("Total Settlement Amount"), payable in sixteen (16) consecutive monthly installments, by wire transfer to ERC's escrow account for which ERC will give Enzacta the necessary account information. Specifically, Enzacta shall make sixteen (16) monthly payments of \$2,000 each with the first payment due five days from the Effective Date and each subsequent payment due on the same day of the month as the first payment became due and owing. The Total Settlement Amount shall be allocated as follows:

a. \$7,376.00 shall be considered a civil penalty pursuant to California Health and Safety Code §25249.7(b)(1). ERC shall remit 75% (\$5,532.00) of the civil penalty to the Office of Environmental Health Hazard Assessment ("OEHHA") for deposit in the Safe Drinking Water and Toxic Enforcement Fund in accordance with California Health and Safety Code §25249.12(c). ERC will retain the remaining 25% (\$1,844.00) of the civil penalty.

b. \$753.05 shall be considered a reimbursement to ERC for its reasonable costs associated with bringing this matter to Enzacta's attention and negotiating a settlement.

c. \$10,921.27 shall be considered payment in lieu of civil penalties, for day-to-day business activities such as (1) continued enforcement of Proposition 65, which includes work, analyzing, researching and testing consumer products that may contain Proposition 65 chemicals, focusing on the same or similar type of ingestible products that are the subject of this Matter; and (2) the continued monitoring of past consent judgments and settlements to ensure companies are in compliance with Proposition 65.

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d. \$150.00 shall be considered reimbursement to attorney Ryan Hoffman and \$12,799.68 shall be considered reimbursement for ERC's in-house legal fees.

e. In the event that Enzacta fails to remit any of the settlement payments owed under Section 4 of this Settlement Agreement on or before the the date they are due, Enzacta shall be deemed to be in material breach of its obligations under this Agreement and any and all unpaid amounts shall become immediately due and owing.

5. Except as expressly set forth in Section 4, the Parties shall bear their own costs, expenses, and attorneys' fees related to this Matter.

6. Binding Effect; Claims Covered and Released

a. ERC, on behalf of itself and its respective owners, principals, shareholders, officers, directors, employees, agents, affiliates, parents, subsidiaries, servants, heirs, executors, administrators, successors, assigns, and legal representatives fully releases Enzacta and its respective owners, principals, shareholders, officers, directors, employees, agents, affiliates, parents, subsidiaries, servants, heirs, executors, administrators, successors, assigns, and legal representatives (collectively the "Releasing Parties") from any and all claims for violations of Proposition 65 up through and including the Effective Date based on exposure to lead from the Covered Products as set forth in the Notice.

b. The Releasing Parties further waive and release any and all claims they may have against each other for all actions or statements made or undertaken in the course of seeking or opposing enforcement of Proposition 65 in connection with the Notice with the exception that Enzacta does not release any claims associated with ERC's unauthorized release of Enzacta's confidential information in violation of the confidentiality agreement executed by ERC in the course of its negotiations with Enzacta

c. It is possible that other claims not known to the Parties arising out of the facts alleged in the Notices or the Complaint and relating to the Covered Products will develop or be discovered. ERC on behalf of itself only, on the one hand, and Enzacta, on the other hand, acknowledges that this Consent Judgment is expressly intended to cover and include all such claims up through and including the Effective Date, including all rights of action therefore, and further acknowledge that the claims released in Section 6 may include unknown claims, and nevertheless waive California Civil Code section 1542 as to any such unknown claims. California Civil Code section 1542 reads 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.

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ERC on behalf of itself only, on the one hand, and Enzacta, on the other hand, acknowledge and understand the significance and consequences of this specific waiver of California Civil Code Section 1542.

7. Nothing in this Release is intended to apply to any occupational or environmental exposures arising under Proposition 65, except as otherwise provided in this agreement, nor shall it apply to any of Enzacta's products other than the Covered Products.

8. Nothing herein shall be construed as diminishing Enzacta's continuing obligations to comply with Proposition 65 at all times that it qualifies as a "person in the course of doing business."

9. After execution of this Agreement, ERC will submit to the California Attorney General a Report of Settlement. In addition, ERC will provide to the California Attorney General a signed copy of this Agreement. The Parties acknowledge and agree that the Parties shall provide as much information as is requested by the California Attorney General, or any other governmental agency, regarding this Matter, its settlement, and this Agreement.

10. This Agreement contains the entire agreement between the Parties with regard to settlement of this Matter, and supersedes all prior or contemporaneous agreements or understandings, written or oral, with regard to the matters set forth in this Agreement. This Agreement may be amended or modified in whole or in part at any time only by an agreement in writing executed by the Parties.

11. This Agreement shall be binding upon and shall inure to the benefit of the Parties and their respective owners, principals, shareholders, members, managers, affiliates, officers, directors, employees, agents, servants, heirs, executors, successors, and assigns.

12. No inference, assumption or presumption shall be drawn, and no provision of this Agreement shall be construed against any of the Parties, based upon the fact that one of the Parties and/or one of the Parties' attorneys prepared and/or drafted all or any portion of this Agreement. It is conclusively presumed that the Parties participated equally in the preparation and drafting of this Agreement.

13. If any provision, term, or section of this Agreement is found to be invalid, illegal, or unenforceable, then all remaining provisions, terms, or sections shall continue in full force and effect and remain binding on the Parties. If any provision, term, or section of this Agreement is determined to be unenforceable, then such provision, term, or section may be modified so that the unenforceable provision, term, or section is enforceable to the greatest extent possible.

14. This Agreement shall be deemed to have been entered into in the State of California, and governed and interpreted by the laws of the State of California, regardless of the physical locations of the individuals executing this Agreement at the time of execution.

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15. The Parties acknowledge that they have a right to consult an attorney and they have consulted their attorneys with respect to the terms and conditions of this Agreement or by signing this Agreement hereby acknowledge they have made the decision not to consult with an attorney in this Matter. The Parties further acknowledge that they fully understand this Agreement and the effect of signing and executing this Agreement.

16. The Parties are aware and acknowledge that this Agreement is an out-of-court settlement and that they will not receive the protections afforded by a court-approved consent judgment. The Parties are entering into this Agreement in good faith and in an effort to settle all claims and allegations related to the Notice, and this Agreement applies only to the claims made by ERC and to the products identified in the Notice.

17. Any legal action to enforce this Agreement shall be brought in any county of the State of California, any of which is deemed to be the proper venue for such legal action. The prevailing party in any such legal action shall be entitled to recover its attorneys' fees in addition to any other legally recoverable costs.

18. This Agreement may be signed in counterparts, and each counterpart, as well as any facsimile, e-mail, copy of this Agreement, or any other counterpart, shall be deemed to be an original.

19. Each of the individuals who execute this Agreement represents and warrants they have the authority to execute this document and bind the respective Parties to the terms and conditions of this Agreement, and have read, understand, and agree to all the terms and conditions in this Agreement.

DATED: 7/23/15

ENZACTA USA, LLC
By: Amy Rettinger
Amy Rettinger
Title: Director of Operations

DATED: 7/23/15

ENVIRONMENTAL RESEARCH CENTER, INC.
By: Chris Hepinstall
Chris Hepinstall, Executive Director

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