

## SETTLEMENT AGREEMENT AND RELEASE

This Settlement Agreement and Release (“Agreement”) between Environmental Research Center, Inc. (“ERC”) and Tadin, LLC dba Tadin Herb & Tea Co. (“Tadin”) is effective on the date on which it is fully executed (“Effective Date”). ERC and Tadin are 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 Violation of California Health & Safety Code §25249.5, *et seq.* (also known as “Proposition 65”) that ERC served on Tadin on November 5, 2015 (the “Notice”) with regard to each of the following products identified below (referred to individually as “Covered Product” or collectively as “Covered Products”):

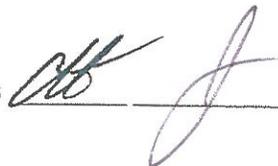
- **Tadin Herb & Tea Company Linaza Reforzada Canadian Ground Flax Seed**
- **Tadin Herb & Tea Company Linaza Extra Canadian Ground Flax Seed**
- **Tadin Herb & Tea Co. Sábila Con Nopal Aloe Vera with Cactus**
- **Tadin Valeriana Valerian**
- **Tadin Herb & Tea Co. Nopal Cactus**

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 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. 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 three months from the Effective Date (“Compliance Date”), Tadin 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, excluding amounts of naturally occurring lead in the ingredients listed in the table below unless each such unit of the Covered Product bears the warning statement in Section 3(a)(i) on its individual unit label packaging or by sticker securely affixed on the container or bottle cap.

Initials



SETTLEMENT AGREEMENT AND RELEASE

INGREDIENT	NATURALLY OCCURRING AMOUNT OF LEAD
Calcium	0.8 micrograms/gram
Ferrous Fumarate	0.4 micrograms/gram
Zinc Oxide	8.0 micrograms/gram
Magnesium Oxide	0.4 micrograms/gram
Magnesium Carbonate	0.332 micrograms/gram
Magnesium Hydroxide	0.4 micrograms/gram
Zinc Gluconate	0.8 micrograms/gram
Potassium Chloride	1.1 micrograms/gram

If at any time after the Compliance Date, ERC tests a Covered Product and the test results indicate that the Daily Lead Exposure Level is greater than 0.5 micrograms per day, Tadin agrees to confidentially supply to ERC within 30 days a list of ingredients, including the percentage of each ingredient ("Ingredient List"), of that particular covered product so that ERC may be able to calculate the daily exposure based on the allowances contained in the table above.

i. The following language should be deemed to comply with the warning requirement of Section (3)(a):

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

**Or**

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

ii. 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 Tadin knows will sell the Covered Product in California.

iii. 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.

Initials

iv. 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.

b. The warning statement set forth in Section 3a. shall be prominent and displayed securely on either the cap, the unit packaging, or by a sticker securely affixed to the Covered Products 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 Products. 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. No contradictory or inconsistent statements may accompany the warning.

c. Tadin shall arrange, for at least three (3) consecutive years and at least once per year, commencing one year from the Effective Date, for the lead testing of three (3) randomly-selected samples of three separate lots each year for each Covered Product to confirm whether the Daily Lead Exposure Level is more or less than 0.5 micrograms of lead when the maximum suggested dose is taken pursuant to the directions on the Covered Product’s label. Tadin shall provide ERC with any related documentation pursuant to Section 3(e), and shall include the lot identification numbers of the lots tested. Tadin shall test samples in the form intended for the end-user to be distributed or sold to California consumers. This section does not apply to Covered Products for which a warning is provided.

d. If Tadin is successful with reformulation for any of the Covered Products which reduces the Daily Lead Exposure Level to 0.5 micrograms of lead or below when taken pursuant to the maximum suggested dose as directed on the Covered Product’s label, the Parties agree that the Covered Products may be offered for sale in California without the warning stated in Section 3a.

e. The testing required by Section 3(c) shall be performed by an independent third-party laboratory certified by the California Environmental Laboratory Accreditation Program or an independent third-party laboratory that is registered with the United States Food & Drug Administration. The method of selecting samples for testing must comply with the regulations of the Food & Drug Administration as set forth in Title 21, Part 111, Subpart E of the Code of Federal Regulations, including Section 111.80(c). Testing for lead shall be performed using Inductively Coupled Plasma-Mass Spectrometry (ICP-MS) achieving a limit of quantification of less than or equal to 0.010 mg/kg or any other testing method agreed upon in writing by the Parties. Nothing in this Agreement shall limit Tadin’s ability to conduct or require that others conduct additional testing of the Covered Products, including raw materials used in their manufacture.

f. Pursuant to Sections 3(c), Tadin shall retain copies of its test data from the date testing commenced and shall provide all test data to ERC within fifteen (15) days of receiving a request

Initials



for same in writing from ERC or its attorney. This requirement shall cease after five (5) years from the Effective Date.

4. Tadin shall make a total settlement payment of \$150,000.00 ("Total Settlement Payment") by wire transfer to ERC's escrow account, for which ERC will give Tadin the necessary account information. The \$150,000.00 settlement will be paid by wire transfer in 2 equal installments of \$75,000.00 each. The first installment will be made within 5 business days of the Effective Date and the second (final) installment will be made within 30 days of the date of the first installment ("Due Dates"). The Total Settlement Payment shall be allocated as follows:

a. \$51,400.00 shall be considered a civil penalty pursuant to California Health and Safety Code §25249.7(b)(1). ERC shall remit 75% (\$38,550.00) 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% (\$12,850.00) of the civil penalty.

b. \$685.65 shall be considered a reimbursement to ERC for its costs incurred as a result of bringing this Matter to Tadin's attention and negotiating a settlement.

c. \$77,113.19 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.

d. \$10,080.00 shall be considered reimbursement of attorney fees for Lozeau Drury LLP and \$10,721.16 shall be considered reimbursement for ERC's in-house legal fees.

e. In the event that Tadin fails to remit the Total Settlement Payment owed under Section 4 of this Settlement Agreement on or before the Due Dates, Tadin shall be deemed to be in material breach of its obligations under this Agreement. ERC shall provide written notice of the delinquency to Tadin via electronic mail. If Tadin fails to deliver the Total Settlement Payment within five business days from the written notice, the Total Settlement Payment shall become immediately due and payable and shall accrue interest at the statutory judgment interest rate provided in the Code of Civil Procedure section 685.010. Additionally, Tadin agrees to pay ERC's reasonable attorney fees and costs for any efforts to collect the payment due under this Agreement.

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

Initials

Handwritten initials "CD" and a signature "J" written over a horizontal line.

6. Binding Effect; Claims Covered and Released

a. ERC, on behalf of itself and its respective owners, principals, shareholders, officers, directors, employees, agents, parents, subsidiaries, successors, assigns, and legal representatives fully releases Tadin and its respective owners, principals, shareholders, officers, directors, employees, agents, parents, subsidiaries, 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.

c. It is possible that other claims not known to the Parties arising out of the facts alleged in the Notice and relating to the Covered Products will develop or be discovered. ERC on behalf of itself only, on the one hand, and Tadin, on behalf of itself only, on the other hand, acknowledge that this Agreement 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 this section 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.

ERC on behalf of itself only, on the one hand, and Tadin, 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 Tadin's products other than the Covered Products.

8. Nothing herein shall be construed as diminishing Tadin's continuing obligations to comply with Proposition 65.

9. After executing 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

Initials 

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, officers, directors, employees, agents, 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.

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 the county of Alameda of the State of California. ERC shall be entitled recover its reasonable attorneys' fees that are

Initials



SETTLEMENT AGREEMENT AND RELEASE

necessary and required to enforce the agreement pursuant to California Code of Civil Procedure section 1021.5.

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: 5/6/16

TADIN, LLC dba TADIN HERB & TEA CO.

By: \_\_\_\_\_

Jose Gonzalez

Title: ~~President~~ *Manager J*

DATED: 5/5/2016

ENVIRONMENTAL RESEARCH CENTER, INC.

By: \_\_\_\_\_

Chris Hepinstan Executive Director

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*CH*