

SETTLEMENT AGREEMENT AND RELEASE

This Settlement Agreement and Release (this “Agreement”) is made effective on the date last executed herein (“Effective Date”) between Environmental Research Center Inc. (“ERC”) and Vitamin Research Products, Inc. and VRP Brand, LLC (collectively referred to herein as “VRP”). ERC and VRP are hereinafter referred to collectively as the “Parties,” and individually as “Party.” The Parties agree as follows:

1. This Agreement is limited to this Matter, which is defined as all claims and allegations related to the Notices of Violations of California Health & Safety Code §25249.5, *et seq.* (also known as “Proposition 65”) that ERC served on VRP on December 19, 2011 (the “Notice”), and the following products identified below (the “Covered Products”).

- Vitamin Research Products Detox 365 Mixed Berry Flavor
- Vitamin Research Products EZ Fiber
- VRP Brand LLC Primary Greens Vital Veggies & Protective Fruits All In One
- Vitamin Research Products Fast Response
- Vitamin Research Products AndroPrime
- Vitamin Research Products EZ Cleanse
- Vitamin Research Products Inc. Gugulipid Extract
- Vitamin Research Products Herbal Sleep
- Vitamin Research Products Nutri-Joint
- Vitamin Research Products Lectin Lock
- Vitamin Research Products Advanced Inflammation Control
- Vitamin Research Products ThermoLoss EF
- Vitamin Research Products Gallbladder Support
- Vitamin Research Products NGF Neuron Growth Factors
- Vitamin Research Products Inc. Nutracidin
- Vitamin Research Products Fiber-Rite
- Vitamin Research Products Kidney Support Formula
- Vitamin Research Products LipiControl

2. The Parties enter into this Agreement in order to achieve a settlement of the claims as stated in Section 1 for the purpose of avoiding prolonged litigation. Nothing in this Agreement shall be construed as an admission by the Parties of any fact, issue of law, or violation of law. VRP disputes the claims raised by ERC and contends that its settlement of this matter has been based upon economic considerations. 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 of VRP, and the other conditions contained in this Agreement, ERC releases VRP as set forth in Section 6 below:

a. VRP agrees that all Covered Products produced and offered for sale in California (and offered for sale to a third party for retail sale in California) on and after the Effective Date, shall comply with California law, including Proposition 65.

b. Any Covered Products sold after the Effective Date by VRP to any consumer located in California, or which VRP sells to a third party knowing that it will be resold to consumers in California, and which exposes a person to a daily dose of lead more than 0.5 micrograms per day when the maximum suggested dose is taken as directed on the Covered Product's label must display the warning in Section 3c below, unless VRP can show that the excess exposure is caused solely by "naturally occurring" lead at the "lowest level currently feasible," as set forth in California Code of Regulations, title 27, section 25501, subdivision (a). However, Covered Products which are in the stream of commerce as of the Effective Date need not be in compliance with this Agreement.

For purposes of this Agreement, daily lead exposure levels 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. Further, the daily lead exposure levels shall be calculated excluding the following amounts of naturally occurring lead in the ingredients listed below in Table 1A:

TABLE 1A

<u>INGREDIENT</u>	<u>NATURALLY OCCURRING AMOUNT OF LEAD</u>
<u>Calcium</u>	<u>.8 mcg (per 1000 milligrams)</u>
<u>Ferrous Fumarate</u>	<u>.4 mcg/g</u>
<u>Zinc Oxide</u>	<u>8.0 mcg/g</u>
<u>Magnesium Oxide</u>	<u>.4 mcg/g</u>
<u>Magnesium Carbonate</u>	<u>.332 mcg/g</u>
<u>Magnesium Hydroxide</u>	<u>.4 mcg/g</u>
<u>Zinc Gluconate</u>	<u>.8 mcg/g</u>
<u>Potassium Chloride</u>	<u>1.1 mcg/g</u>

c. The warning referenced above shall be either (1) affixed to or printed on the Covered Product container, cap, label, or unit package, or (2) displayed on product labeling defined as any written material accompanying the product, including but not limited to invoices. The warning

shall be prominent 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. The following warning shall be provided (the language in brackets in the warnings below is optional):

“[PROP 65 REQUIRED] WARNING: This product contains [lead,] a chemical known to the State of California to cause [cancer,] birth defects or other reproductive harm.”

The term “cancer” is required to be included in the warning only if the maximum recommended daily dose stated on the Covered Product’s label results in an exposure of more than 15 micrograms of lead, unless the excess exposure is caused solely by “naturally occurring” lead at the “lowest level currently feasible.”

For three (3) years following the date of this Agreement, for any Covered Product for which the referenced warning has not been provided, should VRP exclude from its calculation of overall lead content any quantity which is “naturally occurring,” as described in Section 3b, and should VRP seek to exclude naturally occurring lead in its calculation of overall lead content for any Covered Product pursuant to any modification incorporating Alternative Lead Standards, upon the written request of ERC, VRP will provide separate documentation to ERC to include a complete list of all ingredients in the Covered Product and the corresponding percentage of each ingredient and quantity in grams of each ingredient within each product, including lab test results that independently confirm the percentage of the ingredients and quantity in grams of the ingredients being used in each Covered Product, and other data that independently supports VRP’s contention that the lead it seeks to exclude is naturally occurring. If such information is confidential, VRP will label it “Confidential” and ERC will keep such information in confidence.

d. VRP represents that during periods when the Covered Products were placed in the stream of commerce it was a person in the course of doing business because it employed 10 or more employees.

4. In full and final satisfaction of civil penalties, payment in lieu of further civil penalties, attorney’s fees and costs, ERC’s expenses, and consulting fees and costs of investigation, VRP shall make a total payment of \$75,000.00 (“Total Settlement Amount”) to ERC. The payments shall be made in 3 equal payments of \$25,000.00 as follows:

Payment	Amount	Due Date
Number 1	\$25,000.00	Within 10 days of the Effective Date
Number 2	\$25,000.00	Within 60 days of the Effective Date
Number 3	\$ 25,000.00	Within 90 days of the Effective Date

The Total Settlement Amount shall be for the following:

a. As a portion of the Total Settlement Amount, \$9,700.00 shall be considered a civil penalty pursuant to California Health and Safety Code §25249.7(b)(1). ERC shall remit 75% (\$7,275.00) 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% (\$2,425.00) of the civil penalty.

b. As a portion of the Total Settlement Amount, \$29,093.00 shall be considered a payment to ERC in lieu of further civil penalties for activities such as (1) funding the investigating, researching and testing of consumer products that may contain Proposition 65 listed chemicals; (2) funding grants to California non-profit foundations/entities dedicated to public health; (3) funding ERC’s Got Lead? Program to assist consumers in testing products for lead content; (4) funding post-settlement monitoring of past consent judgments; (5) funding to maintain ERC’s database of lead-free products, Proposition 65-compliant products, and contaminated products; (6) funding to track and catalog Proposition 65 complaints and contamination-free sources of ingredients used in the products ERC tests; and (7) funding the continued enforcement of Proposition 65 matters which address contaminated ingestible products, similar to the subject matter of this Action.

c. As a portion of the Total Settlement Amount, \$21,472.00 shall be considered a reimbursement to ERC for its reasonable investigation and consulting costs associated with the enforcement of Proposition 65 and other expenses and costs incurred as a result of investigating, bringing this matter to VRP’s attention, and negotiating a settlement in the public interest.

d. As a portion of the Total Settlement Amount, \$14,735.00 shall be considered payment to William Wraith as reimbursement of ERC’s attorney’s fees.

e. Pursuant to Section 4, VRP agrees to remit the Total Settlement Amount of \$75,000.00 to William Wraith consistent with the schedule set forth above. VRP shall make these payments by check made payable to “The Wraith Law Client Trust Account” and sent by first-class mail, or overnight delivery, to William F. Wraith, Esq., Wraith Law, 16485 Laguna Canyon Road, Suite 250, Irvine, CA 92618.

f. VRP’s failure to remit the any payment on or before its due date shall be deemed a material breach of this Agreement.

5. Other than set forth above in Section 4(d), VRP and ERC shall bear any and all of their own costs, expenses, and attorneys’ fees related to this matter.

6. Release. In consideration of the terms of this Agreement, the consideration, and other conditions in the Agreement, the Parties enter into the following Release:

a. This Agreement is a full, final, and binding mutual resolution between ERC, on the one hand, and (a) VRP, and its owners, parents, subsidiaries, affiliates, sister and related companies, employees, shareholders, officers, directors, insurers, attorneys, predecessors, successors, and assigns (collectively “Releasees”) and (b) all entities to whom Releasees have

directly or indirectly provided, distributed or sold, or hereafter provide, distribute or sell, the Covered Products, including but not limited to retailers, wholesalers, customers, franchisees, cooperative members, licensees, users, and any other persons or entities who have purchased or who hereafter purchase the Covered Products in or through the stream of commerce heretofore described (collectively, the "Downstream Releasees"), on the other hand, of any violation or claimed violation of Proposition 65 or any statutory or common law claim that has been or could have been or could be asserted against the Releasees and Downstream Releasees regarding exposing persons to lead and the failure to warn about exposure to lead arising only in connection with the Covered Products sold prior to the Effective Date, even if sold by the Releasees or Downstream Releasees after the Effective Date as long as the Covered Products were in the stream of commerce as of the Effective Date. VRP's compliance with this Agreement shall constitute compliance with Proposition 65 with respect to lead in the Covered Products for both Releasees and Downstream Releasees.

b. ERC, its past and current agents, representatives, attorneys, successors, and/or assignees, hereby waives and releases with respect to the Covered Products all rights to institute or participate in, directly or indirectly, any form of legal action, 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) (collectively "Claims"), against Releasees and/or Downstream Releasees that arise under Proposition 65 or any other statutory or common law claims that were or could have been or could be asserted, only to the extent that such claims relate to Releasees' and/or Downstream Releasees' alleged exposure of persons to lead contained in the Covered Products or any failure by Releasees and Downstream Releasees to warn about exposures to lead contained in the Covered Products.

c. It is intended by the Parties that the releases provided in this Section 6 shall prevent ERC from asserting any Claims against Releasees and/or Downstream Releasees that arise under Proposition 65 or any other statutory or common law claims, to the extent that such claims relate to Releasees' and/or Downstream Releasees' alleged exposure of persons to lead or any failure by Releasees and Downstream Releasees to warn about exposures to lead in the Covered Products, which were sold before the Effective Date or that were in the stream of commerce as of the Effective Date.

ERC and VRP each releases and waives any claims they may have against each other and their shareholders, officers, directors, members, managers, employees, agents, representatives, and attorneys for all actions or statements made or undertaken in connection with the Notice.

Nothing in this Section 6 shall be construed as affecting or diminishing the other terms and conditions of this Agreement and the Parties' ability to enforce it. The terms of this Release do not apply to any private labelers of the Covered Products.

d. ERC, its past and current agents, representatives, attorneys, successors, and/or assignees, are providing a general release herein which shall be effective as a full and final accord and satisfaction, as a bar to all actions, causes of action, obligations, costs, expenses, attorneys' fees, damages, losses, claims, liabilities and demands of any nature, character or kind,

known or unknown, suspected or unsuspected, against Releasees and Downstream Releasees arising under Proposition 65, only to the extent that such claims relate to Releasees' alleged exposure of persons to lead in the Covered Products, and the failure to warn about exposures to lead contained in the Covered Products which were sold prior to the Effective Date of this Agreement. ERC acknowledges that it is familiar with Section 1542 of 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.

ERC, on behalf of itself and its past and current agents, representatives, attorneys, successors, and/or assignees, expressly waives and relinquishes any and all rights and benefits which it may have under, or which may be conferred on it by the provisions of Civil Code § 1542.

7. Within five days following full execution of this Agreement and transmission of the fully executed Agreement to ERC's counsel, ERC will submit to the California Attorney General a Report of Settlement and will provide to the California Attorney General the fully 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 the Matter, its settlement, and this Agreement. The Parties agree that they shall use their best efforts to cooperate with the California Attorney General's office and support this settlement, correct any deficiencies, and address any questions, in the event the Attorney General objects or otherwise has any concerns with respect to the Settlement.

8. ERC and VRP agree to keep the terms and conditions of this Agreement confidential, except for any reporting to the California Attorney General, and except for a proper and necessary business purpose, such as to attorneys, accountants, and financial advisors for the necessary operation of the business.

9. This Agreement contains the entire agreement between the Parties with regard to settlement of this Matter, and supersedes and replaces any and 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 all Parties to this Agreement.

10 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.

11. 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 this Agreement. It is conclusively presumed all of the Parties participated equally in the preparation

and drafting of this Agreement.

12. If any provision, term or section of this Agreement is found to be invalid, illegal or unenforceable, 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, such provision, term or section may be modified so that the unenforceable provision, term or section is enforceable to the greatest extent possible.

13. 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.

14. The Parties acknowledge that they have a right to consult an attorney and they have consulted their respective 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.

15. 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 for its attorney fees in addition to any other legally recoverable costs. No action to enforce this Agreement may be commenced or maintained, and no notice of violation related to the Covered Products may be served or filed against VRP by ERC, unless ERC notifies VRP of the specific future acts alleged to breach this Agreement at least 30 days before serving or filing any action or notice of violation. Any notice of violation to VRP must contain (a) the name of the product, (b) specific dates when the product was manufactured by VRP (if known) and sold in California without a Proposition 65 compliant warning, (c) the store or other place at which the product was available for sale to consumers, and (d) a summary of the evidence and other support possessed by ERC that would provide VRP a reasonable understanding of the allegations of the violation of this Agreement. Within 30 days of receiving the notice described above, VRP may, but is not required to, (1) send the store or other place at which the product was available for sale to the public a letter directing that the offending product be immediately removed from inventory and returned to VRP for full credit, including shipping costs, or (2) refute the information provided to it by ERC.

16. Nothing in this Agreement shall be construed to require VRP to continue to provide a warning for Covered Products hereunder if either (1) new statutory standards applicable to lead no longer require VRP to provide a warning for the Covered Products under Proposition 65; or (2) the Proposition 65 MADL for lead is modified such that a Proposition 65 warning is no longer required for VRP's Covered Products.

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

18. Each of the individuals who execute this Agreement represents and warrants they have the authority to execute this document and bind the party for whom they execute to the terms and conditions of this Agreement, and have read, understand, and agree to all of the terms and conditions in this Settlement Agreement.

DATED: 5/7/13

VITAMIN RESEARCH PRODUCTS, INC.

By: 
Signature

Kevin Donoghue
Print Name Here

CEO
Print Title Here

DATED: 5/7/13

VRP BRAND, LLC

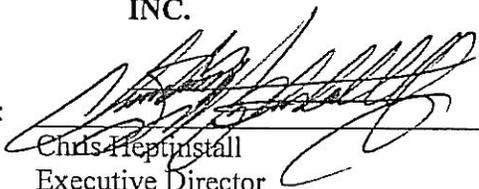
By: 
Signature

Kevin Donoghue
Print Name Here

CEO
Print Title Here

DATED: 5/3/2013

**ENVIRONMENTAL RESEARCH CENTER,
INC.**

By: 
Chris Heptinstall
Executive Director