

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 Organic India USA, LLC, a Colorado Limited Liability Company, individually and doing business as Organic India USA (collectively "Organic India"). ERC and Organic India are hereinafter referred to collectively as "the Parties" and individually as a "Party." The Parties agree as follows:

1. INTRODUCTION

1.1 This "Matter" arises out of the alleged violations of California's Safe Drinking Water and Toxic Enforcement Act of 1986, California Health and Safety Code Section 25249.5 *et seq.* (also known as and hereinafter referred to as "Proposition 65") regarding the following products (hereinafter collectively the "Covered Products" or "Covered Product" to refer to a single product):

1. Organic India USA Fiber Harmony Chocolate Flavor
2. Organic India USA Fiber Harmony Orange
3. Organic India USA Bowelcare
4. Organic India USA Breathe Free
5. Organic India USA Immunity
6. Organic India USA Joy!
7. Organic India USA Neem
8. Organic India USA Osteoseal
9. Organic India USA Turmeric Formula
10. Organic India USA Sugar Balance
11. Organic India USA Chyawanprash
12. Organic India USA Brahmi Gotu Kola
13. Organic India USA Shatavari
14. Organic India USA Complete Flexibility
15. Organic India USA Memory
16. Organic India USA Trikatu
17. Organic India USA Heart Guard
18. Organic India USA Peaceful Sleep
19. Organic India USA Triphala
20. Organic India USA Liver Kidney
21. Organic India USA Vitality
22. Organic India USA Skin Renew
23. Organic India USA Tulsi-Holy Basil
24. Organic India USA Organic Whole Husk Psyllium

1.2 ERC is a California non-profit corporation acting as a private enforcer of Proposition 65 that is dedicated to, among other causes, helping safeguard the public from health hazards by reducing the use and misuse of hazardous and toxic chemicals, facilitating a safe environment for consumers and employees, and encouraging corporate responsibility. ERC



brings this Matter in the public interest pursuant to California Health and Safety Code Section 25249.7.

1.3 Organic India is a person within the meaning of Health and Safety Code Section 25249.11(a). Organic India manufactures, distributes and sells the Covered Products.

1.4 On May 9, 2012, pursuant to California Health and Safety Code Section 25249.7(d)(1), ERC served a Notice of Violations of Proposition 65 ("Notice of Violations") on the California Attorney General, other public enforcers, and Organic India. A true and correct copy of the Notice of Violations is attached as Exhibit "A."

1.5 The Notice of Violation alleges that Organic India manufactured, distributed, and/or sold in California the Covered Products, which contain lead. Lead is a chemical listed under Proposition 65 as a carcinogen and reproductive toxin. The Notice of Violation further alleges that the Covered Products exposed consumers at a level requiring a Proposition 65 warning. Further, the Notice of Violations alleges that use of the Covered Products exposes persons in California to lead without first providing clear and reasonable warnings, in violation of California Health and Safety Code Section 25249.6. Organic India denies all material allegations of the Notice of Violation, asserts numerous affirmative defenses, and specifically denies that the Covered Products require a Proposition 65 warning or otherwise cause harm to any person.

1.6 The Parties enter into this Agreement in order to settle, compromise and resolve disputed claims and avoid prolonged and costly litigation. Nothing in this Agreement, nor compliance with its terms, shall constitute or be construed as an admission by any of the Parties, or by any of their respective officers, directors, shareholders, employees, agents, parent companies, subsidiaries, divisions, affiliates, suppliers, franchisees, licensees, distributors, wholesalers, or retailers, of any fact, conclusion of law, issue of law, violation of law, fault, wrongdoing, or liability, including without limitation, any admission concerning any alleged violation of Proposition 65. Except as expressly set forth herein, nothing in this Agreement shall prejudice, waive, or impair any right, remedy, argument, or defense the Parties may have in any other or future legal proceeding unrelated to these proceedings. However, nothing in this Section shall affect the enforceability of this Agreement.

2. INJUNCTIVE RELIEF, REFORMULATION, TESTING, AND WARNINGS

2.1 Within forty-five (45) days after the Effective Date, Organic India shall be permanently enjoined from manufacturing for sale in California, directly selling to a consumer in California or "Distributing into California" any of the Covered Products for which the maximum daily dose recommended on the label contains more than 0.5 micrograms of lead, unless such Covered Product complies with the warning requirements in Section 2.3 or qualifies as a "Reformulated Covered Product" pursuant to Section 2.4, or unless Organic India 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). "Distributing into California" means to ship any of the Covered Products into California for sale or to sell any of the Covered Products to a distributor that Organic India knows or has reason to

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know will sell the Covered Product in California.

2.2 Calculation of Lead Levels

As used in this Agreement, lead levels are calculated pursuant to the testing protocol described in Section 2.5. For purposes of measuring the lead, the highest lead detection result of the 5 randomly selected samples of the Covered Product will be controlling.

2.3 Clear and Reasonable Warnings

For those Covered Products that are subject to the warning requirement of Section 2.1, Organic India shall provide the following warning ("Warning") as specified below:

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

The text in brackets in the warnings above is optional, except that the term "cancer" must be included if the maximum daily dose recommended on the label contains more than 15 micrograms of lead.

The Warning shall be permanently affixed to or printed on (at the point of manufacture, prior to shipment to California, or prior to distribution within California) the outside packaging or container of each unit of the Covered Product. The Warning shall be displayed with such conspicuousness, as compared with other words, statements, designs, or devices on the packaging or labeling, as to render it likely to be read and understood by an ordinary individual prior to purchase. The word "WARNING" shall be in all capital letters and in bold print. No other statements regarding Proposition 65 or lead will accompany the Warning, but Organic India may refer customers to its company website address and provide any information separately on its website.

2.4 Reformulated Covered Products

A Reformulated Covered Product is one for which the maximum recommended daily serving on the label contains no more than 0.5 micrograms of lead per day.

2.5 Testing and Quality Control Methodology

(a) Beginning within one year of the Effective Date, Organic India shall test five (5) randomly selected samples of each Covered Product (in the form intended for sale to the end-user) for lead content. The testing requirement does not apply to any of the Covered Products for which Organic India has provided the Warning specified in Section 2.3.

(b) Testing for lead shall be performed using Inductively Coupled Plasma-Mass Spectrometry ("ICP-MS") or any other testing method subsequently agreed to in writing by the Parties.



(c) All testing pursuant to this Agreement shall be performed by an independent third-party laboratory certified by the National Accreditation Board for Testing and Calibration Laboratories (NABL), Department of Science & Technology, India. Proof of such accreditation shall be provided upon request.

(d) Organic India shall retain all test results and documentation for a period of four (4) years from the date of the test. Organic India shall direct any laboratory, conducting the testing pursuant to subsections (c) and (e) of this Section, to send electronic or written copies of all test results to ERC after conducting the tests.

(e) Organic India shall test each of the Covered Products at least twice a year, or test once a year only for those Covered Products for which only one lot is manufactured in that year, for a minimum of four (4) consecutive years by testing five (5) randomly selected samples of each Covered Product which Organic India intends to sell or is manufacturing for sale in California, directly selling to a consumer in California, or Distributing into California. If tests conducted pursuant to this Section demonstrate that no warning is required for a Covered Product during each of four (4) consecutive years, then the testing requirements of this Section will no longer be required as to that Covered Product.

(f) 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 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 the recommended dosage appearing on the product label), which equals micrograms of lead exposure per day.

(g) 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

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

(h) For any Covered Product for which the warning in Section 2.3 has not been provided, should Organic India exclude from its calculation of overall lead content any quantity which is "naturally occurring," and should Organic India 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, Organic India 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 Organic India's contention that the lead it seeks to exclude is naturally occurring. If such information is confidential, Organic India will label it "Confidential" and ERC will keep such information in confidence.

3. SETTLEMENT PAYMENT

3.1 Organic India shall make a total payment of \$95,000.00 within 10 business days of the Effective Date, which shall be in full and final satisfaction of all potential civil penalties, payment in lieu of civil penalties, and attorney's fees and costs. The payment will be in the form of separate checks, and sent to counsel for ERC, William F. Wraith, Wraith Law, 16485 Laguna Canyon Road, Suite 250, Irvine, California, 92618. The checks shall be payable to the following parties and the payment shall be apportioned as follows:

3.2 \$17,460.00 as civil penalties pursuant to California Health and Safety Code Section 25249.7(b)(1). Of this amount, \$13,095.00 shall be payable to the Office of Environmental Health Hazard Assessment ("OEHHA"), and \$4,365.00 shall be payable to ERC. (Cal. Health & Safety Code § 25249.12(c)(1) & (d)). ERC's counsel will forward the civil penalty to OEHHA.

3.3 \$16,944.00 payable to ERC as reimbursement to ERC for reasonable costs associated with the enforcement of Proposition 65 and other costs incurred as a result of work in bringing this Matter.

3.4 \$52,441.00 payable to ERC in lieu of further civil penalties, for the day-to-day business activities such as (1) continued enforcement of Proposition 65, which includes work, analysis and testing of consumer products that may contain Proposition 65 chemicals, focusing on the same or similar type of ingestible products that are the subject matter of this Matter; (2) the continued monitoring of past consent judgments and settlements to ensure companies are complying with Proposition 65; and (3) giving a donation of \$2,622.00 to Women's Voices for the Earth (WVE) to address reducing toxic chemical exposures in California through the "Educational Suite on Women's Health & Toxic Chemicals" project. WVE will develop a suite of educational materials to educate women on toxic chemicals in products and give them the tools they need to reduce their exposure. The materials will address exposure from everyday consumer products as well as occupational exposures to salon workers and domestic cleaning workers.

3.5 \$8,155.00 payable to William F. Wraith as reimbursement of ERC's attorney's fees.

3.6 Organic India's failure to remit payment before or on its due date shall be deemed a material breach of this Agreement.



4. APPLICATION OF AGREEMENT

This Agreement shall apply to, be binding upon, and benefit the Parties and their respective officers, directors, shareholders, employees, agents, parent companies, subsidiaries, divisions, affiliates, franchisees, licensees, customers (excluding private labelers), distributors, wholesalers, retailers, predecessors, successors, and assigns.

5. BINDING EFFECT, CLAIMS COVERED AND RELEASED

5.1 This Agreement is a full, final, and binding resolution between ERC, on behalf of itself and in the public interest, and Organic India, of any alleged violation of Proposition 65 or its implementing regulations for failure to provide Proposition 65 warnings of exposure to lead from the handling, use, or consumption of the Covered Products and fully resolves all claims that have been or could have been asserted in this Matter up to and including the Effective Date for failure to provide Proposition 65 warnings for the Covered Products regarding lead, as set forth in the Notice of Violations. ERC, on behalf of itself and in the public interest, hereby discharges Organic India and its respective officers, directors, shareholders, employees, agents, parent companies, subsidiaries, divisions, affiliates, suppliers, franchisees, licensees, customers (not including private label customers of Organic India), distributors, wholesalers, retailers, and all other upstream and downstream entities in the distribution chain of any Covered Product, and the predecessors, successors and assigns of any of them (collectively, "Released Parties"), from all claims for violations of Proposition 65 up through the Effective Date based on exposure to lead from the Covered Products as set forth in the Notice of Violations.

5.2 ERC, on behalf of itself only, hereby releases and discharges the Released Parties from all known and unknown claims for alleged violations of Proposition 65, arising from or relating to alleged exposures to lead in the Covered Products as set forth in the Notice of Violations.

5.3 Compliance with the terms of this Agreement shall be deemed to constitute compliance by any Released Party with Proposition 65 regarding alleged consumer exposures to lead in the Covered Products as set forth in the Notice of Violations.

5.4 Unknown Claims

It is possible that other claims not known to the Parties arising out of the facts alleged in the Notice of Violations and relating to lead in the Covered Products that were manufactured before the Effective Date will develop or be discovered. ERC, on behalf of itself only, acknowledges that this Agreement acknowledges the claims released herein may include unknown claims, and nevertheless waives 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, acknowledges and understands the significance and consequences of this specific waiver of California Civil Code section 1542.

5.5 ERC, on one hand, and Organic India, on the other hand, each release and waive all claims they may have against each other for any statements or actions made or undertaken by them in connection with the Notice of Violations. However, this shall not affect or limit any Party's right to seek to enforce the terms of this Agreement.

6. CONSTRUCTION AND SEVERABILITY

6.1 The terms and conditions of this Agreement have been reviewed by the respective counsel for the Parties prior to its signing, and each Party has had an opportunity to fully discuss the terms and conditions with its counsel. In any subsequent interpretation or construction of this Agreement, the terms and conditions shall not be construed against any Party.

6.2 In the event that any of the provisions of this Agreement is held by a court to be unenforceable, the validity of the remaining enforceable provisions shall not be adversely affected.

6.3 The terms and conditions of this Agreement shall be governed by and construed in accordance with the laws of the State of California.

7. PROVISION OF NOTICE

All notices required to be given to either Party to this Agreement by the other shall be in writing and sent to the following agents listed below by: (a) first-class, registered, (b) certified mail, (b) overnight courier, or (c) personal delivery to the following:

For Environmental Research Center

Chris Heptinstall, Executive Director
Environmental Research Center
3111 Camino Del Rio North, Suite 400
San Diego, CA 92108

With a copy to:

William F. Wraith, Esq.
Wraith Law
16485 Laguna Canyon Road, Suite 250
Irvine, CA 92618

For Organic India USA, LLC and Organic India USA

Stanley W. Landfair, Esq.
Rebecca L. Woodson, Esq.
McKenna Long & Aldridge LLP
One Market Plaza, Spear Tower, 24th Floor
San Francisco, CA 94105

8. REPORT, CONFIDENTIALITY, AND SUPPORT OF SETTLEMENT

8.1. After execution of this Agreement, 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 this 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 that the Attorney General objects or otherwise has any concerns concerning the Settlement.

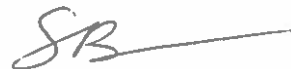
8.2. Each of the Parties and their attorneys agree that they shall keep the terms and conditions of this Agreement confidential, and that except for any reporting obligations set forth in this Agreement, and those to the California Attorney General and/or California courts, the Parties shall not discuss or disclose the terms or conditions of, the negotiations leading up to, or the positions of the Parties in arriving at, this Agreement with any person other than their respective attorneys, representatives, and accountants, each of whom shall be advised to keep such information confidential, unless compelled to do so by legal process, in which case such party shall give reasonable advanced written notice of the proceedings to the other party, or notice which is reasonable under the circumstances. Each Party individually further agrees that it will not make a report or complaint against the other to any governmental or enforcement agency or bureau related to this Matter.

9. EXECUTION AND COUNTERPARTS

This Agreement may be executed in counterparts, which taken together shall be deemed one document. A facsimile or pdf signature shall be construed as valid and as the original signature.

10. MISCELLANEOUS

10.1. This Agreement contains the sole and entire agreement and understanding of the Parties with respect to the entire subject matter herein, and any and all prior discussions, negotiations, commitments and understandings related hereto. No representations, oral or otherwise, express or implied, other than those contained herein have been made by any Party. No other agreements, oral or otherwise, unless specifically referred to herein, shall be deemed to



exist or to bind any Party.

10.2. Each signatory to this Agreement certifies that he or she is fully authorized by the Party he or she represents to stipulate to this Agreement.

10.3. Except as explicitly provided herein, each Party shall bear its own fees and costs.

DATED: 10/11/13

ORGANIC INDIA USA, LLC

By: Steven Bookoff
Signature

Steven Bookoff
Print Name Here

Its manager
Print Title Here

DATED: _____

ENVIRONMENTAL RESEARCH CENTER, INC.

By: _____
Chris Heptinstall
Executive Director

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10.3. Except as explicitly provided herein, each Party shall bear its own fees and costs.

DATED: _____

ORGANIC INDIA USA, LLC

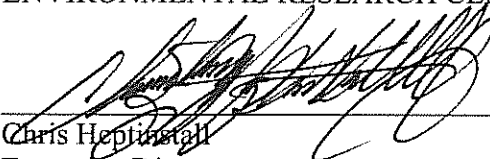
By: _____
Signature

Print Name Here

Print Title Here

DATED: 10/9/2013

ENVIRONMENTAL RESEARCH CENTER, INC.

By:  _____
Chris Heptinstall
Executive Director