

SETTLEMENT AGREEMENT AND RELEASE

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

1. This Agreement is limited to this Matter, which is defined as all claims and allegations related to the Notice of Violations of California Health & Safety Code §25249.5, *et seq.* (also known as "Proposition 65") that ERC served on Arise & Shine on July 9, 2012 (the "Notice"), and the products identified below (the "Covered Products").

- Arise & Shine Herbal Products Inc. Great Greens
- Arise & Shine Herbal Products Inc. Intestinal Fortifier
- Arise & Shine herbal Products Inc. Herbal Nutrition
- Arise & Shine Herbal Products Inc. Hydrated Bentonite & Psyllium Husk Powder Travel Pack
- Arise & Shine Herbal Products Inc. Hydrated Bentonite & Psyllium Husk Powder Travel Pack: Psyllium Husk Powder
- Arise & Shine Herbal Products Inc. Hydrated Bentonite & Psyllium Husk Powder Travel Pack: Hydrated Bentonite
- Arise & Shine herbal Products Inc, The 7-Day Internal Detox Program
- Arise & Shine Herbal Products Inc. The 7-Day Internal Detox Program: Chomper & Herbal Nutrition
- Arise & Shine Herbal Products Inc. The 7-Day Internal Detox Program: Psyllium Husk Powder
- Arise & Shine Herbal Products Inc. The 7-Day Internal Detox Program: Hydrated Bentonite

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 of ERC or Arise & Shine of any fact, issue of law, or violation of law, nor shall compliance with this Agreement constitute or be construed as an admission by Arise & Shine of any fact, issue of law or violation of law. Arise & Shine contends that the settlement in this matter has been agreed to based on economic considerations. 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 Arise & Shine as to any fault, wrongdoing or liability whatsoever. The Parties agree that this paragraph 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 Arise & Shine, and the other conditions contained in this Agreement, ERC releases Arise & Shine as set forth in Paragraph 9 below:

a. Arise & Shine 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 meet the warning requirements set forth in Section 3 (b) - (d). Arise &

Shine represents that it was not a "person in the course of doing business" as that term is defined in Health & Safety Code section 25249.11(b) because it had fewer than ten (10) employees as of November, 2012 and therefore since that date did not have and does not currently have a legal obligation to provide a warning on the Covered Products. Notwithstanding this understanding, Arise & Shine nevertheless agrees to provide the warnings set forth in this Agreement and Release in order to fully inform its customers of the presence of lead in the Covered Products. Arise & Shine has freely and voluntarily chosen to make this decision of its own volition. Arise & Shine understands that even if it is not a "person in the course of doing business" under Proposition 65, other companies in its chain of distribution (such as manufacturers, retailers, or distributors) that have ten (10) or more employees are not exempt from Proposition 65 and could violate Proposition after the Effective Date by knowingly and intentionally exposing individuals to chemicals contained in the Covered Products without first providing a clear and reasonable warning.

b. Beginning on the Effective Date, Arise & Shine 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 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, 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:

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

c. The terms written in brackets above are optional except that the term "cancer" is written in brackets above designating that it shall 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.

d. The warning statement set forth in Section 3b. shall be prominent and displayed securely on either the cap, the unit packaging, or by a securely affixed hang tag on 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 statement in Section 3b may not be accompanied by language beyond or in addition to the warning, such as an explanation of Proposition 65 or exemptions thereto.

e. Arise & Shine shall test at least five (5) randomly-selected samples of each separate lot each year for each Covered Product for lead content to confirm whether the maximum recommended daily dose is more or less than 0.5 micrograms of lead when taken pursuant to the directions on the Covered Product's label. Arise & Shine shall provide BRC with any related documentation pursuant to Section 3.f.2, and shall include the lot identification numbers of the lots tested. The first test shall commence with the next production run of the

Covered Product and no later than November 15, 2013. Arise & Shine shall test samples in the form intended for the end-user.

f. If Arise & Shine is successful with reformulation for any of the Covered Products, and reduces the lead content to 0.5 micrograms or below when taken pursuant to the maximum number of servings pursuant to the directions on the label of the Covered Product, both ERC and Arise & Shine agree that the Covered Products may be offered for sale in California without the warning stated in Section 3b. If Arise & Shine is successful with reformulation on any of the Covered Products, Arise & Shine shall notify ERC and provide any test results for the Covered Products that document this change in formulation, no later than (Ten) 10 business days after Arise & Shine's receipt of the test results.

- (1) Pursuant to Sections 3e. and 3f., any such testing shall be performed by a laboratory certified by the California Environmental Laboratory Accreditation Program for the analysis of heavy metals or a laboratory that is approved by, accredited by, or registered with the United States Food & Drug Administration for the analysis of heavy metals. 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 Arise & Shine's ability to conduct or require that others conduct additional testing of the Products, including raw materials used in their manufacture.
- (2) Pursuant to Sections 3e. and 3f., Arise & Shine 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 receipt of said data after conducting the required testing as set forth above. The requirement to provide all test data to ERC shall cease after five (5) years from the Effective Date.

4. In full and final satisfaction of ERC's expenses, consulting fees, attorney's fees, and costs of investigation, Arise & Shine shall make a total payment of \$15,000.00 ("Total Settlement Amount") to ERC.

a. As a portion of the Total Settlement Amount, \$10,000.00 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 Arise & Shine's attention, and negotiating a settlement in the public interest.

b. As a portion of the Total Settlement Amount, \$5,000.00 shall be considered payment to Michael Freund as reimbursement of ERC's attorney's fees.

c. Pursuant to Section 4, Arise & Shine agrees to remit the Total Settlement Amount of \$15,000.00 to ERC within 15 days of the Effective Date. Arise & Shine shall remit this payment by check made payable to "Michael Freund Trust Fund Account" and send it by first-class registered or certified mail, or overnight delivery to Michael Freund, Law Offices of Michael Freund, 1919 Addison Street, Suite 105, Berkeley, CA 94704.

d. In the event that the Total Settlement Amount owed under Section 4 of this Agreement is not remitted on or before the due date, Arise & Shine shall be in default of its obligations under this Agreement. ERC shall provide written notice to Arise & Shine of any default at Arise & Shine Herbal Products, Inc., 562 Parsons Drive, Suite 103, Medford, OR 97501. Arise & Shine's failure to remedy the default within five (5) business days of receiving such notice shall be deemed a material breach of this Agreement.

5. Other than set forth above in Section 4, Arise & Shine and ERC shall bear their own costs, expenses, and attorneys' fees related to this matter.

6. In consideration of the following covenant of ERC, and the other conditions contained in this Agreement, ERC releases Arise & Shine as set forth in Paragraph 7 below.

7. 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, releases Arise & Shine 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 served on Arise & Shine on July 9, 2012.

8. The Parties hereby agree that this Settlement Agreement & Release applies to Arise & Shine and fully releases Arise & Shine, its parents, subsidiaries, affiliates (including those companies that are under common ownership and/or common control), shareholders, directors, members, managers, officers, employees, and attorneys, and each entity to whom each of them directly or indirectly distributed or sold the Products, including but not limited to manufacturers, distributors, wholesalers, customers, retailers, franchisees, and any other person or entity in the course of doing business who distributed, marketed, or sold the products, and excluding private label customers, from all claims asserted in the Notice.

9. ERC, on its own behalf, on one hand, and Arise & Shine, on the other hand, release and waive any claims they may have against each other, and their shareholders, officers, directors, members, managers, employees, agents, representatives, and attorneys (the "Releasees") for all actions or statements made or undertaken by the Releasees in the course of seeking or opposing enforcement of Proposition 65 in connection with the Notice.

10. Nothing in this Settlement Agreement and Release is intended to apply to any occupational or environmental exposures arising under Proposition 65, nor shall it apply to any of Arise & Shine's products other than the Covered Products.

11. Nothing herein shall be construed as diminishing Arise & Shine's continuing obligations

to comply with Proposition 65.

12. 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.

13. 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 only by an agreement in writing executed by the Parties.

14. 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.

15. 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.

16. 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.

17. 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.

18. 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.

19. 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 of Violations of California Health & Safety Code §25249.5, *et seq.*, that ERC served on Arise & Shine on July 9, 2012, which applies only to the claims made by ERC regarding lead in the Covered Products.

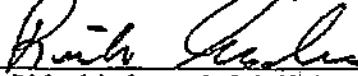
20. Any legal action to enforce this Agreement shall be brought in any county of the State of California, any of which is deemed to be the proper venue for such legal action. The prevailing party in any such legal action shall be entitled to recover its attorneys' fees in addition to any other legally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

21. 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.

22. 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.

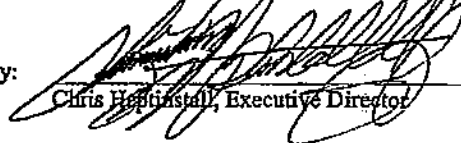
DATED: Aug 23, 2013

ARISE & SHINE HERBAL PRODUCTS, INC.

By: 
Dr. Richard Anderson, On behalf of ARISE & SHINE
HERBAL PRODUCTS, INC.
Title: CEO and Founder

DATED: 8/26/2013

ENVIRONMENTAL RESEARCH CENTER, INC.

By: 
Chris Hopfinstall, Executive Director

CERTIFICATE OF SERVICE

I am a citizen of the United States and a resident of the County of Alameda. I am over the age of eighteen years and not a party to the within entitled action. My business address is 1919 Addison Street, Suite 105, Berkeley, California 94704. On August 27, 2013 I served the within:

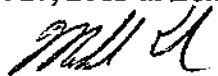
Settlement Agreement and Release

on the parties in said action, by placing a true copy thereof enclosed in a sealed envelope with postage thereon fully prepaid, in the United States Post Office mail box in Berkeley, California addressed as follows:

California Attorney General
Prop 65 Coordinator
1515 Clay Street, Suite 2000
Oakland, CA 94612

Robert Schuda
Mckenna Long & Aldridge, LLP
300 South Grand Ave., 14th Floor
LosAngeles, CA 90071-3124

I, Michael Freund, declare under penalty of perjury that the foregoing is true and correct. Executed on August 27, 2013 at Berkeley, California



Michael Freund