

SETTLEMENT AGREEMENT AND RELEASE

This Settlement Agreement and Release (this “Agreement”) is made effective on the date on which it is fully executed (the “Effective Date”) between Environmental Research Center Inc. (“ERC”), Deepak Chopra, LLC and Chopra Enterprises, LLC (“collectively, “Chopra”) and Zrii, LLC (“Zrii”). ERC, Chopra, and Zrii 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 Chopra on December 13, 2013 and on Zrii on December 13, 2013 (the “Notices”), and the products identified below (the “Covered Products”). Zrii is the manufacturer and retailer of the Covered Products in California. Chopra is a retailer of the Covered Products in California.

- **Zrii LLC Purify (*Kit includes the following products*)**
 - Zrii LLC Purify Fiber Natural Orange**
 - Zrii LLC Purify AM/PM 7 Day System AM Detox**
 - Zrii LLC Purify AM/PM 7 Day System PM Cleanse**
- **Zrii LLC The Original Amalaki**
- **Zrii LLC NutriiVeda Accell (aka Accell)**
- **Zrii LLC Achieve French Vanilla**
- **Zrii LLC Achieve Dutch Chocolate**

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 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. Both Zrii and Chopra contend 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 Zrii or Chopra 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 of Zrii and Chopra, and the other conditions contained in this Agreement, ERC releases Zrii and Chopra as set forth in Section 6 below:

a. **REFORMULATION:** Zrii and Chopra agree to reformulation of the Covered Products. As used in this Agreement, “reformulation” includes, but is not limited to, formula, serving size, and label changes. If Zrii and Chopra are successful with reformulation for the Covered Products, and reduce the lead content to 0.5 micrograms or below when taken pursuant to the maximum suggested dose as directed on the Covered Products’ label, the Parties agree that the Covered Products may be offered for sale in California without the warning stated in Section 3.c.

If Zrii and Chopra are successful with reformulation on any of the Covered Products, Zrii and Chopra shall notify ERC and provide any test results for the Covered Products that document this change in formulation, no longer than ten (10) working days after Zrii and Chopra's receipt of the test results.

(1) All testing shall be performed by an independent third-party laboratory certified by the California Environmental Laboratory Accreditation Program for the analysis of heavy metals or an independent third-party laboratory that is registered with the United States Food & Drug Administration. Zrii and Chopra may perform this testing itself only if it provides, in an attachment to the test results to ERC, proof that its laboratory meets the requirements in this Section 3.a.1. 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 Zrii and Chopra's ability to conduct or require that others conduct additional testing of the Covered Products, including raw materials used in their manufacture.

(2) Zrii and Chopra shall retain copies of its test data from the date testing commenced and shall provide all test data to ERC within fifteen (15) working 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 three (3) years from the Effective Date.

(3) For determining whether the 0.5 micrograms level of lead per day under Section 3.a. is exceeded, Zrii and Chopra may exclude any naturally occurring lead for cocoa powder in an amount up to 1.0 micrograms of lead per gram of cocoa powder (an amount recognized informally by the Attorney General) in the maximum daily dose recommended on the product label, and any naturally occurring lead in the additional ingredients listed below in Table 1A (in the amount of micrograms of lead for each such ingredient as listed in Table 1A per gram of that ingredient in the maximum daily dose recommended on the product label) in accordance with the Attorney General's Stipulation Modifying Agreement in *People v. Warner Lambert, et al.* (San Francisco County Superior Court Case No. 984503). Should Zrii seek to exclude naturally occurring lead in its calculation of overall lead content for any of the Covered Products, Zrii and Chopra shall provide to ERC within fifteen (15) working days of ERC's written request a complete list of all ingredients in the Covered Products and the corresponding percentage and quantity in grams (rounded to the nearest one tenth of a gram) of each of the ingredients being used in each of the Covered Products and any other lab data that independently confirms Zrii and Chopra's contention concerning the amount of any naturally occurring ingredient in the Covered Products. Any documentation that Zrii and Chopra submit to ERC pursuant to the terms of this Section shall be kept confidential.

TABLE 1A

<u>INGREDIENT</u>	<u>NATURALLY OCCURRING AMOUNT OF LEAD</u>
<u>Calcium (elemental)</u>	0.8 <u>mcg/g</u>
<u>Ferrous Fumarate</u>	0.4 <u>mcg/g</u>
<u>Zinc Oxide</u>	8.0 <u>mcg/g</u>
<u>Magnesium Oxide</u>	0.4 <u>mcg/g</u>
<u>Magnesium Carbonate</u>	0.332 <u>mcg/g</u>
<u>Magnesium Hydroxide</u>	0.4 <u>mcg/g</u>
<u>Zinc Gluconate</u>	0.8 <u>mcg/g</u>
<u>Potassium Chloride</u>	1.1 <u>mcg/g</u>

(4) Zrii LLC Purify System: Zrii and Chopra agree that the Covered Products contained in the Purify system, including Zrii LLC Purify Fiber Natural Orange, Zrii LLC Purify AM/PM 7 Day System AM Detox, and Zrii LLC Purify AM/PM 7 Day System PM Cleanse (collectively, “Purify System”), shall only be packaged, labeled, distributed, and/or sold as a system if the lead content of the Purify System products, when taken together, is no greater than 0.5 micrograms when taken pursuant to the maximum suggested dose as directed on the Purify System products’ labels. If Zrii and Chopra are unable to reformulate the Purify System products to meet this requirement, Zrii and Chopra agree to relabel the Purify System products to reflect serving sizes that result in exposure of no greater than 0.5 micrograms as calculated pursuant Section 3.a.3 above.

b. **PRODUCT SALES IN CALIFORNIA:** Zrii and Chopra agree that all Covered Products produced and offered for sale in California (and offered for sale to a third party for retail sale in California) within ninety (90) days of the Effective Date, shall comply with California law, including Proposition 65. Zrii and Chopra agree that, if they are unable to successfully reformulate any of the Covered Products to reduce the lead content to the levels described in Section 3.a. above, that Zrii and Chopra will not sell any of the Covered Products in California, and will remove all such non-compliant Covered Products from the California market immediately.

c. **WARNING IF REFORMULATION UNSUCCESSFUL:** If reformulation is unsuccessful, Zrii shall not manufacture for sale in the State of California, distribute into the State of California¹, or directly sell in the State of California, and Chopra shall not distribute into the State of California, or directly sell in the State of California, any Covered Products which expose a person to a daily dose of lead 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 Products 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.”

d. The term “cancer” 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.

e. The warning statement set forth in Section 3.c. 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 and in bold print. No other statements may accompany the warning.

f. **TESTING:** As the manufacturer of the Covered Products, Zrii shall arrange, for at least three (3) consecutive years and at least once per year, for the lead testing of five (5) randomly-selected samples of five (5) separate lots each year for each Covered Product intended for distribution into the State of California 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. Notwithstanding the above, in the event that fewer than five (5) separate lots for a Covered Product are intended for distribution into the State of California in a year, Zrii shall test all such lots. 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 and minus any naturally occurring levels of lead as provided in Section 3.a.3. and Table 1A, above. Zrii shall provide ERC with any related documentation pursuant to Section 3.a.3, and shall include the lot identification numbers of the

¹ 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 Zrii knows will sell the Covered Product in California.

lots tested. The first test shall commence no later than 60 (sixty) days from the Effective Date of the Agreement. Zrii shall test samples in the form intended for the end-user to be distributed or sold to California consumers.

(1) Zrii shall test each lot of the product “Zrii LLC The Original Amalaki” prior to distributing that lot in California. If any lot of the Amalaki product contains more than 0.5 micrograms of lead per serving per day, Zrii voluntarily agrees not to sell or ship that lot to California.

g. The requirements of Sections 3 will only apply to any time in which Zrii and Chopra are a “person in the course of doing business,” as that term is defined in Health and Safety Code Section 25249.11(b). Zrii 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 ten (10) or more employees. Chopra 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 ten (10) or more employees.

4. In full satisfaction of all potential civil penalties, payment in lieu of civil penalties, attorney’s fees, and costs, Zrii shall make a total payment of \$186,000.00 (“Total Settlement Amount”) to ERC. The first payment of which for \$62,000.00 shall be made within five (5) business days of the Effective Date. The remaining \$124,000.00 shall be paid in two installments of \$62,000.00 each on or before July 31 and September 2, 2014, respectively. Zrii shall make these payments by wire transfer to ERC’s escrow account, for which ERC will give Zrii the necessary account information. Sections 4.a-4.e below describe the agreed partition of the Total Settlement Amount. Provided ZRII timely makes the required payments under this Agreement, the responsibility for apportionment and payment pursuant to Sections 4.a-4.e. below rests solely with ERC.

a. As a portion of the Total Settlement Amount, \$53,000.00 shall be considered a civil penalty pursuant to California Health and Safety Code §25249.7(b)(1). ERC shall remit 75% (\$39,750.00) 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% (\$13,250.00) of the civil penalty.

b. As a portion of the Total Settlement Amount, \$27,960.00 shall be considered a reimbursement to ERC for its reasonable work, analysis, and consulting costs associated with the enforcement of Proposition 65 and other expenses and costs incurred as a result of bringing this matter to Zrii’s attention and negotiating a settlement.

c. \$65,572.50 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, 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. As a portion of the Total Settlement Amount, \$39,467.50 shall be considered reimbursement of attorney fees for Lozeau | Drury LLP.

e. In the event that Zrii fails to remit the payment owed under Section 4 of this Settlement Agreement on or before the due date, Zrii shall be deemed to be in material breach of its obligations 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.

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, releases Zrii and Chopra 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.

b. The Parties hereby agree that this Agreement applies to Zrii and Chopra, and fully releases Zrii and Chopra, their parents, subsidiaries, affiliates (including those companies that are under common ownership and/or common control), shareholders, directors, members, managers, officers, employees, suppliers, manufacturers, and attorneys, and each entity to whom each of them directly or indirectly distributed or sold the Covered 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, from all claims asserted in the Notice.

c. ERC, on its own behalf, and Zrii and Chopra, 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.

d. ERC, on behalf of itself only, has full knowledge of the contents of Section 1542 of the Civil Code. ERC acknowledges that the claims released herein include unknown claims and therefore ERC waives Section 1542 as to any such unknown claims. 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 its own behalf, acknowledges and understands the significance and consequences of this specific waiver of Civil Code 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 products other than the Covered Products.

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

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.

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: 6/23/2014

ZRII, LLC

By: W. Farley

Print Name: William Farley

Title: Managing Member

DATED: _____

DEEPAK CHOPRA, LLC

By: _____

Print Name: _____

Title: _____

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.

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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: _____

ZRII, LLC

By: _____

Print Name: _____

Title: _____

DATED: _____

DEEPAK CHOPRA, LLC

By:  _____

Print Name: Deepak Chopra

Title: Owner

DATED: 6/23/14

CHOPRA ENTERPRISES, LLC

By: 

Print Name: Sara K. Harvey

Title: COO

DATED: _____

ENVIRONMENTAL RESEARCH CENTER, INC.

By: _____
Chris Heptinstall, Executive Director

DATED: _____

CHOPRA ENTERPRISES, LLC

By: _____

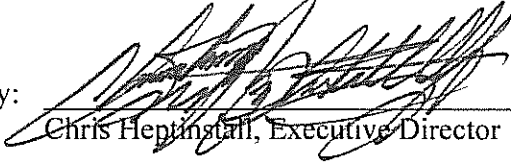
Print Name: _____

Title: _____

DATED: 6/20/2014

ENVIRONMENTAL RESEARCH CENTER, INC.

By: _____



Chris Heptinstall, Executive Director