

## SETTLEMENT AGREEMENT AND RELEASE

This Settlement Agreement and Release ("Agreement") between Environmental Research Center, Inc. ("ERC") and Bliss World LLC, Bliss World Holdings, Inc., and Steiner Leisure Limited (collectively "Bliss") is effective on the date on which it is fully executed ("Effective Date"). ERC and Bliss 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 Bliss on February 13, 2015 (the "Notice") with regard to each of the following products identified below (referred to individually as "Covered Product" or collectively as "Covered Products"):

- **Bliss Labs Total Bliss Nutrient System**
- **Bliss Labs Triple Oxygen 'Glow' Sticks Orange Flavor**
- **Bliss Labs The Youth As We Know It Vitality Blend Guava Flavor**

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 by 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. Bliss represents that all Covered Products have been discontinued and are no longer offered for sale within the state of California.

4. Bliss shall make a total settlement payment of \$40,000.00 ("Total Settlement Payment") by wire transfer to ERC's escrow account by no later than January 1, 2016 ("Due Date"), for which ERC will give Bliss the necessary account information. The Total Settlement Payment shall be allocated as follows:

a. \$12,620.00 shall be considered a civil penalty pursuant to California Health and Safety Code §25249.7(b)(1). ERC shall remit 75% (\$9,465.00) of the civil penalty to the Office of Environmental Health Hazard Assessment ("OEHHA") for deposit in the Safe Drinking Water

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and Toxic Enforcement Fund in accordance with California Health and Safety Code §25249.12(c). ERC will retain the remaining 25% (\$3,155.00) of the civil penalty.

b. \$445.46 shall be considered a reimbursement to ERC for its costs incurred as a result of bringing this Matter to Bliss' attention and negotiating a settlement.

c. \$18,039.20 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. \$8,895.34 shall be considered reimbursement for ERC's in-house legal fees.

e. In the event that Bliss fails to remit the Total Settlement Payment owed under Section 4 of this Settlement Agreement on or before the Due Date, Bliss 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, parents, subsidiaries, successors, assigns, and legal representatives fully releases Bliss and its respective owners, principals, shareholders, officers, directors, employees, agents, parents, subsidiaries, successors, assigns, legal representatives, and any downstream entities including distributors and retailers (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 Bliss, 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

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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 Bliss, 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 Bliss' products other than the Covered Products.
8. Nothing herein shall be construed as diminishing Bliss' 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 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

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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. The transmission of a copy of a signature by email shall be binding under California's Uniform Electronic Transactions Act, Civil Code sections 1633.1, *et seq.*

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: 11/30/15

BLISS WORLD LLC

By: 

Title: VP & CFO

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DATED: 11/30/15

BLISS WORLD HOLDINGS INC.

By: [Signature]

Title: Exec VP, General Counsel

DATED: 11/30/15

STEINER LEISURE LIMITED

By: [Signature]

Title: Exec. VP, General Counsel

DATED: 11/23/2015

ENVIRONMENTAL RESEARCH CENTER, INC.

By: [Signature]  
Chris Heppinstall, Executive Director

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