

SETTLEMENT AGREEMENT AND RELEASE

This Settlement Agreement and Release (“Agreement”) between Environmental Research Center, Inc. (“ERC”) and Riff Enterprises, Inc., individually and dba Nuzest USA (“Nuzest USA”), is effective on the date on which it is fully executed (“Effective Date”). ERC and Nuzest USA are referred to individually as a “Party” and collectively as the “Parties.” The Parties agree as follows:

1. This matter arises out of the Notices of Violation of California Health & Safety Code §25249.5, *et seq.* (also known as “Proposition 65”) that ERC served on Nuzest USA on April 6, 2021 and April 20, 2021 (the “Notices”) with regard to the following products identified below (referred to as the “Covered Products”):

- **Nuzest Nutrition For Life Clean Lean Protein Premium European Golden Pea Protein Just Natural**
- **Nuzest Nutrition For Life Kids Good Stuff Multivitamin Drink Mix Vanilla Caramel**
- **Nuzest Nutrition For Life Kids Good Stuff Multivitamin Drink Mix Wild Strawberry**
- **Nuzest Nutrition For Life Clean Lean Protein Bar Vanilla Almond**

2. The Parties enter into this Agreement in order to fully resolve all claims, demands, and allegations regarding the Notices and 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. 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. WARNINGS

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:

3.1 Beginning on the Effective Date, Nuzest USA shall continue to 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 Lead Exposure Level” of more than 0.5 micrograms of lead per day unless it meets the warning requirements under Section 3.2.

3.1.1 As used in this Agreement, 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

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Covered Product to a distributor that Nuzest USA knows or has reason to know will sell the Covered Product in California.

3.1.2 For purposes of this Agreement, the “Daily Level Exposure Level, ” 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 recommended daily servings appearing on the label), which equals micrograms of lead exposure per day. If the label contains no recommended daily servings, then the number of recommended daily servings shall be one.

3.2 Clear and Reasonable Warnings

If Nuzest USA is required to provide a warning pursuant to Section 3.1, the following warning must be utilized (“Warning”):

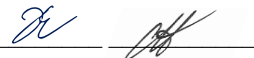
WARNING: Consuming this product can expose you to chemicals including [lead] which is [are] known to the State of California to cause [cancer and] birth defects or other reproductive harm. For more information go to www.P65Warnings.ca.gov/food.

Nuzest USA shall use the phrase “cancer and” in the Warning only if the “Daily Lead Exposure Level” is greater than 15 micrograms of lead as determined pursuant to the quality control methodology set forth in Section 3.4 or if Nuzest USA has reason to believe that another Proposition 65 chemical is present at a level requiring the cancer warning.

The Warning shall be printed upon the labels of the Covered Products and it must be set off from other surrounding information and enclosed in a box. Nuzest USA represents that it complied with this warning method, without the phrase “cancer and,” prior to receiving the Notices and it agrees that it shall continue that practice. In addition, for any Covered Product sold over the internet, the Warning shall appear either on the Covered Product’s primary display page or on the checkout page when a California delivery address is indicated for any purchase of any Covered Product. If the Warning appears on the checkout page, an asterisk or other identifying method must be utilized to identify which product on the checkout page is subject to the Warning. The Warning may be provided with a conspicuous hyperlink stating “**WARNING**” in all capital and bold letters so long as the hyperlink goes directly to a page prominently displaying the Warning without content that detracts from the Warning. Nuzest USA represents that it has added a clearly marked hyperlink using the word “**WARNING**” on the primary product display pages for the Covered Products. The hyperlink links to the Warning. Except as provided in the next paragraph, below, Nuzest USA shall continue to provide the Warning on labels and for internet sales in accordance with this Section 3.2 after the Effective Date, so long as the Warning is required pursuant to Section 3.1 of this Agreement.

The label Warning is not required if: (1) Nuzest USA provides notice and warning materials to the “authorized agent” for a business or retail seller in full compliance with Title 27,

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Cal Code of Regs., Section 25600.2(b)-(c) (in effect as of the Effective Date of this Agreement); or (2) a packing insert no smaller than 3 inches by 5 inches or the invoice accompanies the Covered Product(s) and provides the clear and conspicuous Warning in accordance with this Section 3.2 and identifies which product(s) are subject to it. When the Warning is provided on the label, however, as an alternative to printing the Warning on the label, the warning may be securely affixed to the label, e.g., via sticker.

The Warning shall be at least the same size as the largest of any other health or safety warnings also appearing on the website or on the label. The word “**WARNING**” shall be in all capital letters and in bold print. No statements intended to or likely to have the effect of diminishing the impact of, or reducing the clarity of, the Warning on the average lay person shall accompany the Warning. Further, no statements may accompany the Warning that state or imply that the source of the listed chemical has an impact on or results in a less harmful effect of the listed chemical.

Nuzest USA must display the above Warning with such conspicuousness, as compared with other words, statements, or designs on the label, or on its website, as applicable, to render the Warning likely to be read and understood by an ordinary individual under customary conditions of purchase or use of the product.

For purposes of this Agreement, the term “label” means a display of written, printed or graphic material that is printed on or affixed to a Covered Product or its immediate container or wrapper. “Labeling” means any written, printed, graphic, or electronically provided communication that accompanies a product, such as a packaging insert.


3.3 Conforming Covered Products

A Conforming Covered Product is a Covered Product for which the “Daily Lead Exposure Level” is no greater than 0.5 micrograms of lead per day as determined by the exposure methodology set forth in Section 3.1.2 and the quality control methodology described in Section 3.4, and that is not known by Nuzest USA to contain other chemicals that violate Proposition 65’s safe harbor thresholds.

3.4 Testing and Quality Control Methodology

3.4.1 Beginning within one year of the Effective Date, Nuzest USA shall arrange for lead testing of the Covered Products at least once a year for a minimum of five (5) consecutive years by arranging for testing of three (3) randomly selected samples of the Covered Products, in the form intended for sale to the end-user, which Nuzest USA intends to sell or is manufacturing for sale in California, directly selling to a consumer in California or “Distributing into the State of California.” If tests conducted pursuant to this Section demonstrate that no Warning is required for any of the Covered Products during each of the five (5) consecutive years, then the testing requirements of this Section will no longer be required as to that Covered Product. However, if during or after the five-year testing period, Nuzest USA changes ingredient suppliers for the Covered Products and/or reformulates the

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Covered Products, Nuzest USA shall test the applicable Covered Products annually for at least four (4) consecutive years after such change is made.

3.4.2 For purposes of measuring the “Daily Lead Exposure Level,” the highest lead detection result of the three (3) randomly selected samples of the Covered Products will be controlling.

3.4.3 All testing pursuant to this Agreement shall be performed using a laboratory method that complies with the performance and quality control factors appropriate for the method used, including limit of detection and limit of quantification, sensitivity, accuracy, and precision that meets the following criteria: Inductively Coupled Plasma-Mass Spectrometry (“ICP-MS”) achieving a limit of quantification of less than or equal to 0.005 mg/kg.

3.4.4 All testing pursuant to this Agreement shall be performed by an independent third-party laboratory certified by the California Environmental Laboratory Accreditation Program or an independent third-party laboratory that is registered with the United States Food & Drug Administration.

3.4.5 Nothing in this Agreement shall limit Nuzest USA’s ability to conduct, or require that others conduct, additional testing of the Covered Products, including the raw materials used in their manufacture.

3.4.6 Within thirty (30) days of ERC’s written request, Nuzest USA shall deliver lab reports obtained pursuant to Section 3.4, and related documentation, to ERC. Nuzest USA shall retain all such lab reports and related documentation for a period of five years from the date of each test. Any request by ERC for lab reports and related documentation shall be made prior to the expiration of the five-year time period identified in this section 3.4.6.

3.4.7 The testing and reporting requirements of Section 3.4 do not apply to any Covered Product for which Nuzest USA is providing a Warning, continuously and without interruption from the Effective Date, pursuant to Section 3.2 of this Agreement. In the event a Warning is provided after the Effective Date but Nuzest USA thereafter ceases to provide the Warning, the testing and reporting requirements of Section 3.4 of this Agreement shall apply beginning within one year after the date the Warning ceases to be provided, unless Nuzest USA can show to the satisfaction of ERC that the cessation in providing the Warning was a temporary error that was resolved when discovered.

4. Nuzest USA shall make a total payment of \$20,000 (“Total Settlement Amount”) by wire transfer to ERC’s account within 10 days of the Effective Date (“Due Date”), for which ERC will give Nuzest USA the necessary account information. The Total Settlement Amount shall be allocated as follows:

- a. \$5,292.08 shall be considered a civil penalty pursuant to California Health and

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Safety Code §25249.7(b)(1). ERC shall remit 75% (\$3,969.06) 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% (\$1,323.02) of the civil penalty.

b. \$918.50 shall be considered a reimbursement to ERC for its costs incurred as a result of bringing this matter to Nuzest USA’s attention and negotiating a settlement.

c. \$6,650.00 shall be distributed to Michael Freund as reimbursement of ERC’s attorney fees, while \$7,139.42 shall be distributed to ERC for its in-house legal fees.

d. In the event that Nuzest USA fails to remit the Total Settlement Amount owed under Section 4 of this Agreement on or before the Due Date, Nuzest USA shall be deemed to be in material breach of its obligations under this Agreement. ERC shall provide written notice of the delinquency to Nuzest USA via electronic mail. If Nuzest USA fails to deliver the Total Settlement Amount within five days from the written notice, the Total Settlement Amount shall become immediately due and payable and shall accrue interest at the statutory judgment interest rate provided in the Code of Civil Procedure section 685.010. Additionally, Nuzest USA agrees to pay ERC’s reasonable attorneys’ fees and costs for any efforts to collect the payment(s) due 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 the Notices.

6. Binding Effect; Claims Covered and Released

6.1. This Agreement is a full, final, and binding resolution between ERC, on behalf of itself, and Nuzest USA and its respective officers, directors, shareholders, employees, agents, parent companies, subsidiaries, divisions, suppliers, franchisees, licensees, licensors (including Nuzest Lift Pty Ltd. and Nuzest IP Pty Ltd), customers (not including private label customers of Nuzest USA), distributors, wholesalers, retailers, and all other upstream and downstream entities in the distribution chain of the Covered Products, and the predecessors, successors, and assigns of any of them (collectively, “Released Parties”) with respect to the Covered Products. ERC, on behalf of itself and in the public interest, hereby fully releases and discharges the Released Parties from any and all claims, actions, causes of action, suits, demands, liabilities, damages, penalties, fees, costs, and expenses asserted, or that could have been asserted from the handling, use, or consumption of the Covered Products, as to any alleged violation of Proposition 65 or its implementing regulations arising from the failure to provide Proposition 65 warnings on the Covered Products regarding lead up to and including the Effective Date.

6.2 ERC on its own behalf only, and Nuzest USA on its own behalf only, 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 Notices up through and including the Effective Date, provided, however, that nothing in Section 6 shall affect or limit any Party’s right to seek to enforce the

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terms of this Agreement.

6.3 It is possible that other claims not known to the Parties, arising out of the facts alleged in the Notices, and relating to the Covered Products, will develop or be discovered. ERC, on behalf of itself only, and Nuzest USA, on behalf of itself only, 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. ERC and Nuzest USA acknowledge that the claims released in Sections 6.1 and 6.2 above may include unknown claims, and the Parties nevertheless waive California Civil Code section 1542 as to any such unknown claims. California Civil Code section 1542 reads as follows:

(i) A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

ERC, on behalf of itself only, and Nuzest USA, on behalf of itself only, acknowledge and understand the significance and consequences of this specific waiver of California Civil Code section 1542.

6.4 Compliance with the terms of this Agreement shall be deemed to constitute compliance with Proposition 65 by any of the Released Parties regarding alleged exposures to lead in the Covered Products as set forth in the Notices.

6.5 Nothing in this Agreement is intended to apply to any occupational or environmental exposures arising under Proposition 65, nor shall it apply to any of Nuzest USA's products other than the Covered Products.

7. Nothing herein shall be construed as diminishing Nuzest USA's continuing obligations to comply with Proposition 65.


8. 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 via first-class mail, or via electronic mail where required. Courtesy copies of notices sent via first-class mail may also be sent via email.

FOR ENVIRONMENTAL RESEARCH CENTER, INC.:

Chris Heptinstall, Executive Director, Environmental Research Center
3111 Camino Del Rio North, Suite 400
San Diego, CA 92108
Tel: (619) 500-3090
Email: chris.heptinstall@erc501c3.org

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With a copy to:
Michael Freund
Michael Freund & Associates
1919 Addison Street, Suite 105
Berkeley, CA 94704
Ph: (510) 540-1992
Email: freund1@aol.com

FOR RIFF ENTERPRISES, INC., individually and dba NUZEST USA:

Jonathan Edwards, President
1455 NW Leary Way, Suite 400
Seattle, WA 98107
Tel: (206) 909-6698
Email: jonathan@nuzest-usa.com

With a copy to:
Peter A. Arhangelsky, Esq.
Emord & Associates P.C.
2730 S. Val Vista Dr., Bldg. 6, Ste. 133
Gilbert, AZ 85295
Ph: (602) 334-4416
Email: parhangelsky@emord.com

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 the Notices, the settlement, and this Agreement.

10. This Agreement contains the entire agreement between the Parties with regard to settlement of the Notices, and supersedes all prior or contemporaneous agreements or understandings, written or oral, with regard to the Notices as set forth in this Agreement. This Agreement may be amended or modified as to injunctive terms only 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.

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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 by signing this Agreement that they have a right to consult an attorney and that they have either consulted their attorney(s) with respect to the Notices and the terms and conditions of this Agreement or have made the decision not to consult with an attorney regarding the Notices and the terms and conditions of this Agreement. The Parties further acknowledge that they fully understand this Agreement and the effect of signing and executing this Agreement.

16. Any legal action to enforce this Agreement shall be brought in the county of Alameda of the State of California. ERC shall be entitled to recover its reasonable attorneys' fees and costs that are necessary and required to enforce the Agreement pursuant to California Code of Civil Procedure section 1021.5.

17. 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.

18. 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.


The remainder of this page is intentionally blank.

Signatures on following page.

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DATED: August 26, 2021

RIFF ENTERPRISES, INC., individually and dba
NUZEST USA

By: 
Name: Jonathan Edwards
Title: President

DATED: August 30, 2021

ENVIRONMENTAL RESEARCH CENTER, INC.

By: 
Name: Chris Heptinstall
Title: Executive Director

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