

RELEASE AND SETTLEMENT AGREEMENT

THIS RELEASE AND SETTLEMENT AGREEMENT (this "Agreement") is entered as of this 22d day of October 2013 (the "Effective Date") by and between THE PUBLIC INTEREST ALLIANCE LLC, a California limited liability company ("PIA"), and Australia Gold, Inc. and California Tan, Inc. (collectively, "AGI/CTI").

THE PARTIES ENTER THIS AGREEMENT on the basis of the following facts, understandings, and intentions:

A. The Public Interest Alliance LLC is a California limited liability company whose mission is to improve human health, preserve the natural environment, and promote compliance with environmental and consumer disclosure laws.

B. On or around June 21, 2013, PIA served a 60-Day Notice of Violation of Proposition 65 re: Titanium Dioxide (airborne, unbound particles of respirable size) on AGI/CTI (the "NOV"). Among other things, PIA alleged in the NOV that AGI/CTI had exposed California consumers to Titanium Dioxide (airborne, unbound particles of respirable size) through the sale and use of AGI/CTI's California Tan Suddenly Sun Bronzing Powder manufactured with Titanium Dioxide (the "Noticed Product").

C. Titanium Dioxide (airborne, unbound particles of respirable size) was added to California's Proposition 65 list on September 2, 2011, and compliance with Proposition 65's notice requirements became effective as of September 2, 2012.

D. AGI/CTI produced the Notices Product and those listed in Exhibit A, all of which do or may fall within the definition of Noticed Products provided in the NOV. All sales of the Noticed Products in California by AGI/CTI or its licensed distributors ceased as of September 2012. AGI/CTI is not aware of any retailer or other seller physically located in California still selling any Noticed Product in California.

E. Before PIA filed a Proposition 65 enforcement action, AGI/CTI expressed to PIA, through their respective counsel that it was interested in settling the claims alleged in the NOV outside the context of a lawsuit, with the understanding that such settlement would only resolve

PIA's claims against AGI/CTI with respect to the Noticed Products, and that this Agreement would not preclude another person from suing AGI/CTI in the public interest for any or all claims alleged in the NOV pertaining to the Noticed Products.

NOW, THEREFORE, IN CONSIDERATION of the mutual covenants and promises of the parties, the parties hereto agree as follows:

1. Settlement Payment. For and in consideration of the payment of Seven Thousand Five Hundred and No/100 Dollars (\$7,500.00) (the "Settlement Payment"), the parties hereby agree that all claims asserted by PIA against AGI/CTI in the NOV will be fully settled and resolved. Payment shall be made within five (5) business days after the Effective Date by check or wire transfer to Judd Law Group LLP.

2. AGI/CTI's Covenants in Lieu of Injunction. AGI/CTI hereby covenants and agrees as follows:

a. *Reformulation Covenant.* AGI/CTI no longer distributes, sells, or offers to sell to California consumers the Noticed Products identified on Exhibit A, attached hereto and by this reference incorporated herein. AGI/CTI will not distribute, sell, or offer to sell to California consumers the Noticed Products in the future, unless and until such Noticed Products have been reformulated by deleting Titanium Dioxide as an ingredient of such Noticed Products or otherwise are made to comply with Proposition 65; provided, however, in the event that PIA or the Attorney General's Office enters into an agreement or consent judgment with any other person or entity that received a 60-Day Notice of Violation of Proposition 65 alleging Titanium Dioxide in similar personal care products, which such agreement or consent judgment establishes a No Significant Risk Level ("NSRL") or otherwise allowable level for Titanium Dioxide without a Proposition 65 warning, or at such time, if ever, that the California Office of Environmental Health Hazard Assessment establishes an NSRL for Titanium Dioxide that permits the sale of the Noticed Products without a Proposition 65 warning that conform to the NSRL, then that allowable level shall be deemed incorporated into this Agreement, and AGI/CTI shall be permitted to distribute, sell or offer to sell to California consumers any personal care

products it sells without a Proposition 65 warning, so long as such products comply with the NSRL or otherwise allowable level for Titanium Dioxide.

b. *Noticed Products No Longer in AGI/CTI's Control.* AGI/CTI is not aware of any Noticed Products currently being sold in California by any third party within its control. In the event AGI/CTI discovers that the Notice Products are being sold in California by a third party not in its control, AGI/CTI will send an appropriate written notice, electronic or otherwise ("Prop 65 Notice") to any such California store or entity which shall advise the recipient that the Noticed Products "contain Titanium Dioxide, which upon use may expose consumers to Titanium Dioxide (airborne, unbound particles of respirable size), a chemical known to the State of California to cause cancer," and request that the recipient destroy or return to AGI/CTI (or another party that AGI/CTI has designated) all units of the Noticed Products.

c. *Current Inventory.* Commencing on the Effective Date, AGI/CTI shall not sell or otherwise distribute any Noticed Products in California or to a California consumer unless such product (i) satisfies the provisions provided in Paragraph 2.a above or (ii) contains a clear and reasonable warning as provided in Paragraph 2.d below.

d. *Noticed Product Warnings.*

i. **Product Labeling.** Any warning provided under this Agreement shall be (a) affixed to any invoice or shipping document delivered with the Noticed Product, (b) affixed to the Noticed Product itself in immediate proximity to any marketing, ownership, or pricing tags or labels or, if none, to a surface of the product that would be readily visible to a purchaser or user upon inspection or use of the Noticed Product. Each warning shall be of such size, color, and font, and shall be prominently placed with such conspicuousness as compared with other words, statements, designs, or devices as to render it likely to be read and understood by an ordinary individual under customary conditions before purchase or use. Each warning shall be provided in a manner such that the consumer or user understands to which specific Noticed Product the warning applies, so as to minimize the risk of consumer confusion. A warning provided pursuant to this Agreement shall state to the effect:

WARNING: This product contains Titanium Dioxide, which when used may expose the consumer to Titanium dioxide (airborne, unbound particles of respirable size), a chemical known to the State of California to cause cancer.

ii. **Internet Website Warning.** A warning shall be given in conjunction with any sale by AGI/CTI or its licensed distributors of the Noticed Products to California residents via the internet, which warning shall appear on each product display page and on a link prominently displayed on a checkout page, which link must be accessed by the purchaser prior to completion of the checkout process, along with electronic confirmation of the purchaser's review of the link. The following warning shall be used and shall appear in the same type size or larger than the text of the Noticed Product description and state to the effect:

WARNING: This product contains Titanium Dioxide, which when used may expose the consumer to Titanium dioxide (airborne, unbound particles of respirable size), a chemical known to the State of California to cause cancer.

3. Opt-In to NSRL Consent Judgment. Prior to the Effective Date, PIA offered to work collaboratively with a joint defense group comprised of significant manufacturers of personal care and cosmetics products (the "JDG") to, among other things, develop an NSRL for Titanium Dioxide (airborne, unbound particles of respirable size). In the event that PIA enters into an agreement or consent judgment with the JDG, or any other person or entity that received a 60-Day Notice of Violation of Proposition 65 materially identical to the NOV, which such agreement or consent judgment establishes an NSRL for Titanium Dioxide (airborne, unbound particles of respirable size) (the "NSRL Consent Judgment"), then subject to the terms of such NSRL Consent Judgment, AGI/CTI shall have the right to opt-in, and any payment made to PIA or its counsel under this Agreement shall be credited to AGI/CTI as an offset against any opt-in payments required by such NSRL Consent Judgment

4. Releases.

a. *PIA's Release of AGI/CTI.* PIA acting on its own behalf releases AGI/CTI and each of their shareholders, members, heirs, successors, predecessors, assigns, conservators, directors, officers, employees, representatives, subsidiaries, parent companies, affiliates, agents, partners, joint venturers, insurers, attorneys, and sureties, if any, and each entity to whom

AGI/CTI directly or indirectly distributed or sold Noticed Products, including, but not limited to downstream distributors, wholesalers, customers, retailers, franchisees, cooperative members, and licensees (collectively, "Releasees"), from any and all claims, for violations of Proposition 65 through the Effective Date based on unwarned exposures to Titanium Dioxide (airborne, unbound particles of respirable size) (hereafter, "TiO2") from the Noticed Products, as set forth in the NOV. Compliance with the terms of this Agreement constitutes compliance with Proposition 65 with respect to exposures to TiO2 from the Noticed Products, as set forth in the NOV. PIA's release shall be effective as a full and final accord and satisfaction, as a bar to all actions, causes of action, obligations, costs, expenses, attorneys' fees, damages, losses, claims, liabilities, and demands of PIA of any nature, character, or kind, whether known or unknown, suspected or unsuspected, limited to and arising out of alleged or actual exposures to TiO2 in the Noticed Products manufactured, imported, distributed, or sold by AGI/CTI prior to the Effective Date. AGI/CTI further understands and agrees that this Paragraph 3.a release shall not extend upstream to any manufacturing entities not affiliated with AGI/CTI. Nothing in this Paragraph 3.a shall affect PIA's rights to commence or prosecute an action under Proposition 65 against a Releasee that does not involve a Noticed Product. The foregoing releases are expressly conditioned on the following:

i. Confirmation of receipt of funds in the amount of the Settlement Payment in a Judd Law Group LLP bank account; and

ii. Performance of the covenants described in Paragraph 2.a through 2.d, above.

iii. Certification by a duly authorized officer of AGI/CTI, in the form attached hereto as Exhibit B, to the following facts: As of the Effective Date, AGI/CTI no longer distributes, sells, or offers to sell to California consumers the Noticed Products.

b. *AGI/CTI's Release of PIA.* AGI/CTI, on behalf of itself, its past and current shareholders, members, heirs, successors, predecessors, assigns, conservators, directors, officers, employees, representatives, subsidiaries, parent companies, affiliates, agents, partners, joint

venturers, insurers, attorneys, and sureties, if any, hereby waives, releases and forever discharges any and all claims against PIA and its attorneys and other representatives, for any and all actions taken or statements made (or those that could have been taken or made) by PIA and its attorneys and other representatives, whether in the course of investigating claims or otherwise seeking to enforce Proposition 65 against it in this matter with respect to the Noticed Products.

5. Waiver. This is a full and final Release applying to all unknown and unanticipated injuries or damages relating to or arising out of the claims alleged in the NOV, as well as those now known, whether or not disclosed, pertaining to or arising from the Noticed Products, and PIA and AGI/CTI do hereby relinquish and waive all rights or benefits conferred upon them by the provisions of Section 1542 of the California Civil Code, which reads as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM, MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR.

6. No Admission of Liability. PIA understands the liability alleged in the NOV is disputed by AGI/CTI herein released; that this Agreement is a compromise and shall not be construed as an admission of liability, and AGI/CTI expressly denies the material factual and legal allegations contained in the NOV or related thereto, and maintains that all products it has manufactured, imported, distributed, and/or sold in California, including the Noticed Products, have been and are in compliance with all laws.

7. Warranties.

a. *PIA*. PIA warrants and represents that PIA is competent to give this complete Release, and has fully authorized the signatory below to give this complete release and discharge on PIA's behalf.

b. *AGI/CTI*.

i. Due Authority. AGI/CTI warrants and represents that AGI/CTI is competent to give this complete Release, and has fully authorized the signatory below to give this complete release and discharge on AGI/CTI's behalf.

ii. Accuracy of Information Provided to PIA. AGI/CTI warrants and represents that the information provided to PIA regarding the sales volume of Noticed Products during the period between September 2, 2012, and the Effective Date (the “Relevant Time Period”) is, to AGI/CTI’s best knowledge, complete and accurate.

8. Attorneys’ Fees. PIA and AGI/CTI each acknowledge and agree that each will bear its own costs, expenses and attorneys’ fees arising out of and/or connected with the NOV, and the negotiation, drafting and execution of this Agreement.

9. Notices. Unless otherwise specified in this Agreement, all correspondence and notices required to be provided under this Agreement shall be in writing and sent by: (a) personal delivery; (b) first-class registered or certified mail, return receipt requested; or (c) overnight courier to any party by the other party at to the following addresses:

To PIA: Jeffrey M. Judd
Judd Law Group LLP
222 Sutter Street, Suite 600
San Francisco, CA 94108

To AGI/CTI Merchant Capital, LLC
5311 Kane Road
Eau Clair, WI
[P]715.876.2107
-[F] 715.876.2871

With a copy to: Mr. Christopher Borders
HINSHAW & CULBERTSON LLP
One California Street, 18th Floor
San Francisco, CA 94111

From time to time, any Party may specify in writing to the other a change of address to which all notices and other communications shall be sent.

10. Construction of Agreement. This Agreement is the product of negotiation and preparation by and between PIA and AGI/CTI and their respective attorneys; and that, therefore, PIA and AGI/CTI each expressly acknowledge and agree that this Agreement shall not be deemed prepared or drafted by one party or the other, or by either party’s respective attorneys, and will be construed accordingly.

11. Governing Law. This Agreement shall be interpreted in accordance with and governed in

all respects by the laws of the State of California.

12. Binding Effect. This Agreement shall be binding upon and inure to the benefit of PIA and AGI/CTI and each party's respective spouses, heirs, members, executors, administrators, trustors, trustees, beneficiaries, predecessors, successors, assigns, partners, partnerships, parents, subsidiaries, attorneys, affiliated and related entities, officers, directors, principals, shareholders, agents, employees, servants, representatives, and all persons, firms, associations, and/or corporations connected with them, including without limitation, their insurers and sureties.

13. Severability. If any provision of this Agreement is for any reason held invalid, unenforceable or contrary to any public policy, law, statute and/or ordinance, then the remainder of this Agreement shall not be affected thereby and shall remain valid and fully enforceable.

14. Modification. This Agreement may be amended or modified only by a written agreement duly executed by PIA and AGI/CTI at the time of such amendment or modification.

15. Headings. The paragraph headings are solely for the convenience of the parties and shall not be utilized in the construction of any of the terms of this Agreement.

16. Miscellaneous.

a. *Entire Agreement*. This Agreement contains the entire agreement between PIA and AGI/CTI. PIA and AGI/CTI each warrants and represents that no promise or inducement has been offered or received, except as herein recited for the releases of PIA and AGI/CTI recited to be released herein, and PIA and AGI/CTI further warrant that this Release and Settlement Agreement is executed without reliance on any statement or representation by PIA or AGI/CTI, persons or entities recited to be released herein, or any of their representatives, attorneys, investigators, agents, experts, consultants, adjusters or insurers, concerning the nature and extent of the damages which may have been sustained, if at all, or concerning the rights of PIA and AGI/CTI, or of the legal liability therefore, or the rights, duties or obligations of any party, person or entity recited to be released herein.

b. *Consultation With Attorneys*. PIA and AGI/CTI each acknowledge and warrant that each has consulted at length in this matter with his, her, or its attorney, and each warrants

that he, she, or it executes this Agreement pursuant to said agreement, and with the advice of his, her, or its attorney that he, she, or it do so.

c. *No Fraud, Duress, or Undue Influence.* PIA and AGI/CTI each further warrant that he, she, or it executes this Release and Settlement Agreement freely, voluntarily and without fraud, duress or undue influence.

d. *Signatories.* Signatories on the behalf of the parties represent that they are authorized to bind the parties to this Agreement.

e. *Counterparts.* This Release and Settlement Agreement may be signed in counterparts and a facsimile signature shall have the same force and effect as an original signature.

17. Covenant Not to Sue. PIA and AGI/CTI agree that he, she, or it will not file, or permit to be filed, in his, her, or its name or on his, her, or its behalf any lawsuit based on any of the matters released herein. This Release and Settlement Agreement may be pled as a full and complete defense of any action, proceeding or claim, or as a basis for abatement of or injunction against such action.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

THE PUBLIC INTEREST ALLIANCE LLC

Dated: October 22, 2013

By: Dashiell P. Madison
Title: Managing Member

AUSTRALIAN GOLD, INC.

Dated: 11/4, 2013

By: [Signature]
Title: CEO

CALIFORNIA TAN, INC.

Dated: 11/4, 2013


By: Larry Cotton
Title: CEO

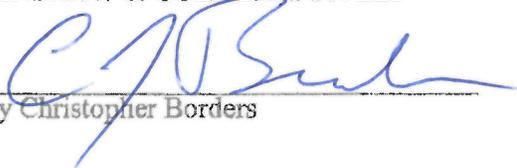
Approved as to form:

JUDD LAW GROUP LLP

By Jeffrey M. Judd

Dated: October 22, 2013

HINSHAW & CULBERTSON LLP


By Christopher Borders

Dated: 11/4, 2013

**EXHIBIT A
NOTICED PRODUCTS**

- California Tan Suddenly Sun Bronzing Powder

EXHIBIT B
FORM OF CERTIFICATION

The undersigned, having been duly authorized to make this Certification on behalf of AGI/CTI en PROVENCE SA ("AGI/CTI"), and after reasonable inquiry and diligent search, certifies that to AGI/CTI's best knowledge, the following facts are true, correct, and complete: (a) during the period between September 2, 2012 and August 31 2013, AGI/CTI sold 0 units of AGI/CTI California Tan Suddenly Sun Bronzing Powder (the "Noticed Product"), for which it received total revenues of approximately \$0.00; and (b) As of November 5, 2011, AGI/CTI no longer distributes, sells, or offers to sell to California Consumers the Noticed Product.

Signed this 5th day of November 2013, in Indianapolis, Indiana, under penalty of perjury under the laws of the State of California.

AGI/CTI en PROVENCE SA

By: 
Name: Matthew Cotton
Title: President of Australian Gold, Inc. and
California Tan, Inc.