

SETTLEMENT AGREEMENT

1. INTRODUCTION

1.1 Tiana Hartsock and Nass-Walk, Inc.

This Settlement Agreement is entered into by and between Tiana Hartsock (“Hartsock”), on the one hand, and Nass-Walk, Inc. (“Nass-Walk”), with Hartsock and Nass-Walk collectively referred to as the “Parties.” Hartsock is an individual residing in California who seeks to promote awareness of exposures to toxic chemicals and improve human health by reducing or eliminating hazardous substances contained in consumer products. Hartsock contends that Nass-Walk is a company in the course of doing business for purposes of Proposition 65.

1.2 General Allegations

Hartsock alleges that Nass-Walk distributed and/or sold in the State of California sex toys containing di(2-ethylhexyl) phthalate (“DEHP”) and that such sales have not included warnings pursuant to the Safe Drinking Water and Toxic Enforcement Act of 1986, California Health & Safety Code sections 25249.6 *et seq.* (“Proposition 65”). DEHP is listed under Proposition 65 as a chemical known to the State of California to cause birth defects or other reproductive harm.

1.3 Product Description

The products that are covered by this Settlement Agreement are defined as personal sex toys (marital aids) containing DEHP, including but not limited to certain Double Penetrator Ultimate Cockrings. All such items shall be referred to herein as the “Products.”

1.4 Notice of Violation

On or about September 24, 2013, Hartsock served Nass-Walk, and all public enforcement agencies eligible to initiate Proposition 65 actions on behalf of the People of the State of California with a document entitled "60-Day Notice of Violation" ("Notice") that provided Nass-Walk and such public enforcers with notice that alleged that Nass-Walk was in violation of California Health & Safety Code section 25249.6 for failing to warn consumers and customers that the Products exposed users in California to DEHP. No public enforcer has diligently prosecuted the allegations set forth in the Notice.

1.5 No Admission

Nass-Walk denies the material factual and legal allegations contained in Hartsock's Notice and maintains that all products that it has sold and distributed in California, including the Products, have been and are in compliance with Proposition 65 and all other applicable laws. Nothing in this Settlement Agreement shall be construed as an admission by Nass-Walk of any fact, finding, issue of law, or violation of law; nor shall compliance with this Settlement Agreement constitute or be construed as an admission by Nass-Walk of any fact, finding, conclusion, issue of law, or violation of law, such being specifically denied by Nass-Walk. However, this section shall not diminish or otherwise affect the obligations, responsibilities, and duties of Nass-Walk under this Settlement Agreement.

1.6 Effective Date

For purposes of this Settlement Agreement, the term "Effective Date" shall mean the date this Settlement Agreement is fully executed.

2. INJUNCTIVE RELIEF: WARNINGS AND REFORMULATION

2.1 Reformulation Option

The Products shall be deemed to comply with Proposition 65 with regard to DEHP and be exempt from any Proposition 65 warning requirements for DEHP if the Products do not exceed the following limits for DEHP: 1000 ppm (0.1 percent) by weight for any accessible component part. For purposes of this Settlement Agreement, accessible component part shall mean components of the Product to which a person would be exposed to DEHP by direct contact during normal use of the Product.

2.2 Warning Alternative

Products that do not meet the warning exemption standard set forth in Section 2.1 above shall be accompanied by a warning as described in Section 2.3 below. The warning requirements set forth in Section 2.3 below shall apply only to Products that Nass-Walk manufactures after the Effective Date that are distributed, marketed, sold or shipped for sale in the State of California. The warning requirement shall not apply to Products that are already in the stream of commerce as of the Effective Date.

2.3 Warning Language

Where required under Sections 2.1 and 2.2 above, Nass-Walk shall provide Proposition 65 warnings as follows:

- (a) Nass-Walk may use either of the following warning statements:
- (1) **WARNING:** This product contains a chemical known to the State of California to cause birth defects or other reproductive harm.
or, where Nass-Walk has reason to believe that chemicals listed under Proposition 65 in addition to DEHP are present in a Product,

WARNING: This product contains chemicals known to the State of California to cause cancer and birth defects or other reproductive harm.

(b) The requirements for warnings, set forth in subsection (a) above are imposed pursuant to the terms of this Settlement Agreement. The Parties recognize that these are not the exclusive methods of providing a warning under Proposition 65 and its implementing regulations.

(c) If Proposition 65 warnings for DEHP should no longer be required, Nass-Walk shall have no further obligations pursuant to this Settlement Agreement.

3. PENALTIES PURSUANT TO HEALTH & SAFETY CODE SECTION 25249.7(b)

In settlement of all the claims referred to in this Settlement Agreement, Nass-Walk shall pay a total of Two Thousand Dollars (\$2,000) in civil penalties in accordance with this Section. Each penalty payment will be allocated in accordance with California Health & Safety Code section 25249.12(c)(1) & (d), with 75% of the funds remitted to the California Office of Environmental Health Hazard Assessment (“OEHHA”) and the remaining 25% of the penalty remitted to Hartsock. Nass-Walk shall issue two separate checks for its civil penalty payment to: (a) “OEHHA” in the amount of One Thousand Five Hundred Dollars (\$1,500); and (b) Tiana Hartsock in the amount of Five Hundred Dollars (\$500). Nass-Walk shall make these payments within seven (7) days of the receipt of Hartsock’s signature on this Settlement Agreement.

4. REIMBURSEMENT OF FEES AND COSTS

The Parties reached an accord on the compensation due to Hartsock and her counsel under the private attorney general doctrine and principles of contract law. Under these legal principles, Nass-Walk shall reimburse Hartsock’s counsel for fees and costs, incurred as a result of investigating and bringing this matter to Nass-Walk’s attention. Nass-Walk shall pay Hartsock’s counsel Seven Thousand Five Hundred Dollars (\$7,500) for all attorneys’ fees, expert and investigation fees, and related costs associated with this matter and the Notice. Nass-Walk shall issue a check to “Custodio & Dubey LLP” in the amount of Seven Thousand Five Hundred

Dollars (\$7,500). Nass-Walk shall make this payment within seven (7) days of the receipt of Hartsock's signature on this Settlement Agreement. Other than the payment required in this Section 4, each side is to bear its own attorneys' fees and costs.

5. **RELEASE OF ALL CLAIMS**

5.1 **Release of Nass-Walk and Downstream Customers**

In further consideration of the promises and agreements herein contained, and for the payments to be made pursuant to Sections 3 and 4 above, Hartsock, on behalf of herself, her past and current agents, representatives, attorneys, successors and/or assignees, hereby waives all rights to institute or participate in, directly or indirectly, any form of legal action and releases all claims relating to the Products, including, without limitation, all actions, and causes of action, in law or in equity, suits, liabilities, demands, obligations, damages, costs, fines, penalties, losses or expenses (including, but not limited to, investigation fees, expert fees and attorneys' fees) of any nature whatsoever, whether known or unknown, fixed or contingent (collectively "Claims"), against Nass-Walk and each of its downstream distributors, wholesalers, licensors, licensees, auctioneers, retailers, franchisees, dealers, customers, owners, purchasers, users, parent companies, corporate affiliates, subsidiaries, and their respective officers, directors, attorneys, representatives, shareholders, agents, and employees, and sister and parent entities (collectively "Releasees").

Hartsock also, in her individual capacity, on behalf of herself, her past and current agents, representatives, attorneys, successors, and/or assignees and *not* in her representative capacity, provides a general release herein which 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 any nature, character or kind, known or

unknown, suspected or unsuspected, against Nass-Walk and the Releasees. Hartsock acknowledges that she is familiar with California Civil Code section 1542, which provides 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.

Hartsock, in her individual capacity only, and on behalf of herself, her past and current agents, representatives, attorneys, successors, and/or assignees expressly waives and relinquishes any and all rights and benefits which she may have under, or which may be conferred on her by the provisions of California Civil Code section 1542 as well as under any other state or federal statute or common law principle of similar effect, to the fullest extent that she may lawfully waive such rights or benefits pertaining to the released matters.

The Parties agree that compliance with the terms of this Settlement Agreement resolves any issue, now and in the future, concerning compliance by Nass-Walk and Nass-Walk's Releasees with the requirements of Proposition 65 with respect to alleged exposure to DEHP in the Products.

The Parties intend and agree that this Settlement Agreement shall be given full effect for purposes of precluding claims regarding the Products against Nass-Walk and Nass-Walk's Releasees under Proposition 65 as covered under this release. If requested in writing by Nass-Walk, Hartsock shall promptly file a complaint and seek approval of this Settlement Agreement through a court approved consent judgment incorporating the terms of this Settlement Agreement pursuant to California Health and Safety Code section 25249.7, or as may be otherwise allowed

by law, and Hartsock shall reasonably cooperate with Nass-Walk and use her best efforts and that of her counsel to support the entry of a consent judgment incorporating the terms of this Settlement Agreement for approval by a superior court in California. Pursuant to California Civil Procedure sections 1021 and 1021.5, Nass-Walk will reimburse Hartsock and her counsel for their reasonable attorney's fees and costs incurred in filing the complaint and seeking judicial approval of this Settlement Agreement, in an amount not to exceed Ten Thousand Dollars (\$10,000). No fees under this paragraph will be due and owing to Hartsock and her counsel unless a written request is made by Nass-Walk to have Hartsock file a complaint and seek a consent judgment. Such additional fees shall be paid by Nass-Walk within ten (10) days after its receipt of an invoice from Hartsock's counsel for work performed under this paragraph.

5.2 Nass-Walk's Release of Hartsock

Nass-Walk waives any and all claims against Hartsock, her attorneys and other representatives, for any and all actions taken or statements made (or those that could have been taken or made) by Hartsock and her attorneys and other representatives, whether in the course of investigating claims or otherwise seeking enforcement of Proposition 65 against it in this matter, and/or with respect to the Products.

6. GOVERNING LAW

The terms of this Settlement Agreement shall be governed by the laws of the State of California and apply within the State of California. In the event that Proposition 65 is repealed or is otherwise rendered inapplicable by reason of law generally, or as to the Products, then Nass-Walk shall provide written notice to Hartsock of any asserted change in the law, and shall have no further obligations pursuant to this Settlement Agreement.

7. **NOTICES**

Unless specified herein, all correspondence and notices required to be provided pursuant to this Settlement Agreement shall be in writing and personally delivered or sent by: (i) first-class, (registered or certified mail) return receipt requested; or (ii) overnight courier on any party by the other party at the following addresses:

For Nass-Walk:

Peg Carew Toledo
Toledo Don LLP
3001 Douglas Blvd., Suite 340
Roseville, CA 95661

For Hartsock:

Vineet Dubey
Custodio & Dubey
766 East Colorado Blvd., Suite 108
Pasadena, CA 91101

Any party, from time to time, may specify in writing to the other party a change of address to which all notices and other communications shall be sent.

8. **COUNTERPARTS; FACSIMILE SIGNATURES**

This Settlement Agreement may be executed in counterparts and by facsimile, each of which shall be deemed an original, and all of which, when taken together, shall constitute one and the same document.

9. **COMPLIANCE WITH HEALTH & SAFETY CODE SECTION 25249.7(f)**

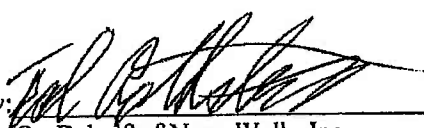
Hartsock agrees to comply with the reporting form requirements referenced in California Health & Safety Code § 25249.7(f).

10. **MODIFICATION**

This Settlement Agreement may be modified only by a written agreement of the Parties.

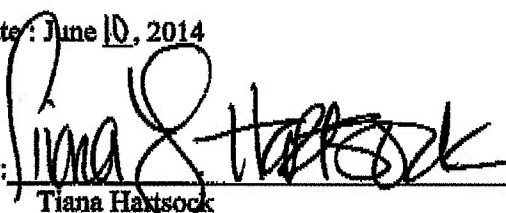
12. AUTHORIZATION

The undersigned are authorized to execute this Settlement Agreement on behalf of their respective Parties and have read, understood and agree to all of the terms and conditions of this Settlement Agreement.

AGREED TO:	AGREED TO:
Date : June __, 2014	Date: June ^{10th} __, 2014
By: _____ Tiana Hartsock	By:  On Behalf of Nass-Walk, Inc.

12. AUTHORIZATION

The undersigned are authorized to execute this Settlement Agreement on behalf of their respective Parties and have read, understood and agree to all of the terms and conditions of this Settlement Agreement.

AGREED TO:	AGREED TO:
Date: June 10, 2014	Date: June __, 2014
By:  Tiana Hartssock	By: _____ On Behalf of Nass-Walk, Inc.