

SETTLEMENT AGREEMENT

This Settlement Agreement (hereinafter “Agreement”) is entered into by and between RAD Source Technologies, Inc. (“RAD Source”) and The State of Nevada *ex rel.* Department of Taxation, Marijuana Enforcement Division (the “Department”). The parties to this Agreement may be referred to collectively as the “Parties” or individually as a “Party.” This Agreement shall be effective as of the date the Agreement is fully executed by all Parties (“Effective Date”).

RECITALS

WHEREAS, RAD Source brought claims against the Department in an action styled *RAD Source Technologies, Inc. v. The State of Nevada ex rel. Department of Taxation, Marijuana Enforcement Division*, Case No. A-19-805074-W in the Eighth Judicial District Court in Clark County, Nevada (the “Action”);

WHEREAS, on July 8, 2020, the Court in the Action entered an *Order Granting RAD Source Technologies Inc.’s Petition for Writ of Mandamus* (the “Writ”);

WHEREAS, on November 5, 2020, the Parties attended a mediation through the Senior Judge Department of the Eighth Judicial District Court, Justice Michael Cherry (Ret.) serving as the mediator, where they reached an agreement to settle the Action and any claims relating to the events that are the subject of the Action;

WHEREAS, the Parties placed the principal terms of their agreement on the record and agreed to memorialize the settlement terms in this Agreement; and

WHEREAS, upon the advice of competent professional counsel, the Parties deem it to be in their respective best interests to enter into this Agreement and intend this Agreement to be a settlement between them which will fully and finally resolve the Action.

NOW THEREFORE, in consideration of the conditions and mutual covenants set forth herein, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Parties hereto agree to the following:

TERMS

1. RECITALS

1.1 The above Recitals are true and correct and are made a substantive part of this Agreement.

2. SETTLEMENT

2.1 Pursuant to Nevada Revised Statutes (“NRS”) § 678A.460 and Nevada Cannabis Compliance Board Regulation (“NCCR”) 4.145, RAD Source shall file a petition (the “Petition”) with the Cannabis Compliance Board (the “CCB”) for the amendment or repeal of NCCR 12.065 (the “Labeling Regulation”).

2.1.1 Within three (3) judicial days of the Effective Date or as soon as reasonably possible after the Effective Date, the Department shall deliver to RAD Source’s counsel a payment of \$500.00 to reimburse RAD Source for the filing fee for the Petition.

2.2 Pursuant to NCCR 4.145(6), upon receipt of the Petition the CCB will provide public notice of said filing at the next CCB Meeting held fifteen (15) days thereafter. In addition, the CCB has scheduled a public workshop on January 19, 2021 with respect to the Labeling Regulation to be chaired by CCB Board Member Dr. Bryan Young. The CCB shall provide notice of the public workshop to the Nevada cannabis industry.

2.3 Within twenty one (21) calendar days of the Effective Date, the CCB shall provide notice to the Nevada cannabis industry that NCCR 12.065 as presently adopted is applicable to all forms of radiation used, at any time, to treat cannabis.

3. DISMISSAL OF THE ACTION

3.1 Within three (3) judicial days of the Effective Date of this Agreement, RAD Source shall file with the Court in the Action a stipulation and order for dismissal with prejudice in the form attached hereto as “**Exhibit 1**”.

3.2 Notwithstanding the dismissal of the Action as provided in this Agreement, the findings of fact, conclusions of law, and order of the Court in the Action as set forth in the Writ shall remain in full force and effect and shall remain binding on the Parties and their successors-in-interest.

3.3 The dismissal of the Action as provided in this Agreement shall pertain only to the allegations, claims, and defenses asserted by the Parties in their respective pleadings in the Action, and shall not be construed as a waiver or release of any allegations, claims, or defenses not pled in the Action.

3.3.1 Specifically, RAD Source expressly reserves any and all claims, rights, and remedies, at law and in equity, against the CCB with respect to, *inter alia*, compliance with the Writ and the Labeling Regulation. The CCB expressly reserves any and all defenses, at law and in equity, brought by RAD Source.

4. REPRESENTATIONS AND WARRANTIES

4.1 In the event that the Department is no longer responsible for performing any of the conditions, obligations, and/or requirements in this Agreement, then the entity that is responsible for performance of same (i.e., the CCB or any related entity or successor-in-interest thereto) shall

be subject to the conditions obligations, and/or requirements in this Agreement. The Department represents and warrants that the Chair of the CCB approved the terms of Section 2 of this Agreement, agrees to the conditions obligations, and/or requirements in this Agreement, and will request approval by the CCB at its next meeting, and the Department has authority to enter into and sign this Agreement.

5. NO ADMISSION

5.1 The Parties, and each of them, hereby acknowledge and agree that this Agreement is entered into as a mutual compromise and settlement that is not in any respect or for any purpose to be deemed or construed as an admission or concession of any improper or unlawful conduct and/or any liability whatsoever.

6. ADVICE OF COUNSEL

6.1 Each party represents and warrants that it has consulted with and received the advice of independent legal counsel prior to signing this Agreement or otherwise elected to waive its rights to seek the advice of counsel with respect to this Agreement and any negotiations in connection therewith, and acknowledges that no other party or agent or attorney of any other party has made any promise, representation, or warranty whatsoever, express or implied, not contained herein, concerning the subject matter hereof or to induce the party to sign this Agreement.

7. ENTIRE AGREEMENT

7.1 It is expressly understood and agreed that this Agreement contains the entire agreement and understanding of the Parties concerning the subject matter hereof, and that this Agreement supersedes all prior negotiations and agreements between the Parties hereto, whether written or oral. It is further expressly understood and agreed that there have been no promises, agreements, warranties or inducements not herein expressed, made to either party. The Parties hereto acknowledge that they have read this Agreement and are executing it without relying upon any statements, representations or warranties, written or oral, which are not expressly set forth herein.

8. WAIVER, MODIFICATION AND AMENDMENT

8.1 No provision of this Agreement may be waived unless in writing and signed by the party or parties whose rights are thereby waived. Waiver of any one provision herein shall not be deemed a waiver of any other provision herein. This Agreement may be modified or amended only by written agreement executed by the Parties hereto.

9. NOTICES

9.1 All notices or demands of any kind that any party is required or desires to give or make upon others in connection with this Agreement shall be in writing and shall be deemed to be delivered by depositing the notice or demand in the United States mail, postage prepaid, and addressed to the other party and sending a copy of the notice or demand via e-mail as follows:

If to RAD Source:

Joel Schwarz
H1 Law Group
701 North Green Valley Parkway, Suite 200
Henderson, NV 89074
joel@h1lawgroup.com

If to Department:

Michelle Briggs
Senior Deputy Attorney General
Office of the Attorney General
555 E. Washington Avenue, Suite 3900
Las Vegas, NV 89101
mbriggs@ag.nv.gov

10. INTERPRETATION

10.1 This Agreement was drafted through the joint efforts of the Parties and/or through counsel, and shall not be read for or against any party to this Agreement on that account.

10.2 If any term, paragraph, condition or covenant of this Agreement or the application thereof to any party or circumstance shall, to the extent, be held invalid or unenforceable, the remainder of this Agreement, or the application of such term, provision, condition or covenant to persons or circumstances other than those as to whom or which it is held invalid or unenforceable, shall not be affected thereby, and each term and paragraph of this Agreement shall be valid and enforceable to the fullest extent permitted by law, and said invalid or unenforceable term, provision, condition or covenant shall be substituted by a term, paragraph, condition or covenant as near in substance as may be valid and enforceable.

10.3 This Agreement is intended to be enforced according to its written terms under the laws of the State of Nevada.

11. BENEFIT

11.1 This Agreement shall be binding upon and inure to the benefit of the Parties, and each of them, their heirs, spouses, dependents, beneficiaries, assigns, attorneys, agents, partners, trustees, successors, assigns, affiliates, personal representatives, and any and all other persons acting on the party's behalf. Except as expressly provided herein, nothing in this Agreement is intended to confer on any other person or entity any rights or remedies under or by reason of this Agreement.

12. ATTORNEYS' FEES

12.1 If any action is brought to enforce this Agreement, or is brought in connection with any Future Dispute arising out of this Agreement or the claims which are the subject of this Agreement, the prevailing Party or Parties shall be entitled to recover damages, fees and other costs incurred in such litigation which they may prove are the direct and proximate result of any breach hereof in addition to any other relief which that Party or Parties may be entitled to by law.

13. COUNTERPARTS

13.1 This Agreement may be executed in any number of counterparts and each counterpart executed by any of the undersigned together with all other counterparts so executed shall constitute a single instrument and agreement of the Parties. Facsimile or emailed PDF copies hereof and signatures hereon shall have the same force and effect as originals.

14. AUTHORITY TO SIGN

14.1 Each party warrants that it has the authority to sign this Agreement, and each individual executing this Agreement on behalf of any entity specifically warrants that he/she has the authority to bind that entity by his/her signature.

IN WITNESS WHEREOF, THE PARTIES HERETO HAVE EXECUTED THIS AGREEMENT AND THE PARTIES AFFIRM AND WARRANT THAT THEY HAVE REVIEWED THE ABOVE AND SPECIFICALLY AGREE TO THE CONTENTS.

RAD SOURCE TECHNOLOGIES, INC.

By: _____
Its: _____

Dated: December ____, 2020.

THE STATE OF NEVADA *ex rel.*
DEPARTMENT OF TAXATION

By: Melanie Young
Its: Executive Director

Dated: December ____, 2020.

EXHIBIT 1

1 **SAO**
2 **H1 LAW GROUP**
3 Eric D. Hone, NV Bar No. 8499
4 eric@h1lawgroup.com
5 Joel Z. Schwarz, NV Bar 9181
6 joel@h1lawgroup.com
7 701 N. Green Valley Parkway, Suite 200
8 Henderson NV 89074
9 Phone 702-608-3720
10 Fax 702-703-1063
11 *Attorneys for Plaintiff RAD Source Technologies, Inc.*

8 EIGHTH JUDICIAL DISTRICT COURT
9 CLARK COUNTY, NEVADA

11 RAD SOURCE TECHNOLOGIES, INC.,
12 a Florida Corporation,

13 Plaintiff,

14 vs.

15 THE STATE OF NEVADA *ex rel.*
16 DEPARTMENT OF TAXATION,
17 MARIJUANA ENFORCEMENT DIVISION,

18 Defendant.

CASE NO.: A-19-805074-W
DEPT. NO.: 29

**STIPULATION AND ORDER FOR
DISMISSAL WITH PREJUDICE**

19
20 Plaintiff RAD Source Technologies, Inc. (“RAD Source”) and Defendant The State of
21 Nevada *ex rel.* Department of Taxation, Marijuana Enforcement Division (the “Department”),
22 by and through their respective undersigned counsel, having settled this matter on November 5,
23 2020 pursuant to terms set forth on the record before Justice Michael Cherry (Ret.) and further
24 memorialized in a written settlement agreement, HEREBY STIPULATE AND AGREE to the
25 dismissal of all claims in this matter with prejudice, with each party to bear its own fees and
26 costs.

27 The bench trial in this matter presently set for the stack beginning December 7, 2020,
28 and all pretrial hearings and filing deadlines shall be vacated.

H1 LAW GROUP
701 N. Green Valley Parkway, Suite 200
Henderson, Nevada 89074
Tel: 702-608-3720



1 In addition, the December 9, 2020 hearing previously scheduled for RAD Source's
2 motion to join the Cannabis Compliance Board as a party and the Department's motion for
3 summary judgment, and currently scheduled as a status check regarding the parties' settlement,
4 shall be vacated.

5 Dated this ___ day of December 2020.

Dated this ___ day of December 2020.

6 H1 LAW GROUP

OFFICE OF THE ATTORNEY GENERAL

7 /s/ Joel Z. Schwarz

/s/ Michelle Briggs

8 Eric D. Hone, NV Bar No. 8499

Gregory Zunino, NV Bar No. 4805

eric@h1lawgroup.com

GZunino@ag.nv.gov

9 Joel Z. Schwarz, NV Bar No. 9181

Michelle Briggs, NV Bar No. 7617

joel@h1lawgroup.com

MBriggs@ag.nv.gov

10 701 N. Green Valley Parkway, Suite 200

100 North Carson Street

11 Henderson NV 89074

Carson City, NV 89701-4717

12 *Attorneys for Plaintiff RAD Source*
13 *Technologies, Inc.*

Attorneys for Defendant the State of Nevada ex
rel. Department Of Taxation, Marijuana
Enforcement Division

14
15 **ORDER**

16 IT IS SO ORDERED.
17
18
19
20
21
22
23
24
25
26
27
28
