## SETTLEMENT AGREEMENT

This Settlement Agreement (Agreement) is entered into by and between the California Air Resources Board (ARB), with its principal office at 1001 I Street, Sacramento, California, and Delicious Brands, LLC (Delicious Brands) located at 3475 Misty Meadow Drive, Dallas, Texas.

## RECITALS

- ARB alleges that Delicious Brands failed to report the date code explanation for their Vanilla Orange Environmental Spray that was sold, supplied, and offered for sale in California from October 2006 through 2008, title 17, California Code of Regulations (CCR) section 94512 (c) Additional Product Dating Requirements.
- 2. ARB alleges that if the allegation described in recital paragraphs 1 were proven; civil penalties could be imposed against Delicious Brands as provided in Health and Safety Code sections 42402 et seq. for each and every unit involved in the violation.
- 3. Delicious Brands admits the allegations described in recital paragraph 1, but denies any liabilities from said allegations.
- 4. The parties agree to resolve this matter completely by means of this Agreement, without the need for formal litigation.

Therefore, the parties agree as follows:

## TERMS AND CONDITIONS

- Delicious Brands shall not sell, supply, offer for sale or manufacture for sale in California any consumer products in violation of ARB Consumer Products Regulations set forth in title 17, CCR, Section 94500 et seq. However, the terms and conditions set forth in this agreement will remain valid and enforceable notwithstanding any future violations that may occur.
- Delicious Brands, in settlement of the above-described violations of title17, CCR, section 94512 (c) agrees to pay a penalty to the ARB in the amount of \$3,000.00 payable to the California Air Pollution Control Fund concurrent with the execution of this agreement.
- 3. This settlement shall apply to and be binding upon Delicious Brands and its officers, directors, receivers, trustees, employees, successors and assignees, subsidiary and parent corporations and upon ARB and any successor agency that may have responsibility for and jurisdiction over the subject matter of this settlement.

- 4. The parties stipulate that this Agreement shall be the final resolution of ARB claims regarding the above-described violations and shall have the same res judicata effect as a judgment in terms of acting as bar to any civil action by the ARB against Delicious Brands, its officers, directors, receivers, trustees, employees, successors and assignees, subsidiary and parent corporations. This Agreement shall be deemed the recovery of civil penalties for purposes of precluding subsequent criminal action as provided in Health and Safety Code section 42400.7(a).
- 5. This Agreement shall be interpreted and enforced in accordance with the laws of the State of California, without regard to California's choice of law rules.
- 6. This Agreement constitutes the entire agreement and understanding between the ARB and Delicious Brands concerning the claims and settlement in this Agreement, and this Agreement fully supersedes and replaces any and all prior negotiations and agreement of any kind or nature, whether written or oral, between the ARB and Delicious Brands, concerning these claims.
- 7. No agreement to modify, amend, extend, supersede, terminate, or discharge this Agreement, or any portion thereof, shall be valid or enforceable unless it is in writing and signed by all parties to this Agreement.
- 8. Each of the undersigned represents and warrants that he or she has full power and authority to enter into this Agreement.

Dated

Dated: 1/04/2011

## CALIFORNIA AIR RESOURCES BOARD

James R. Ryden, Chief

Enforcement Division

DELICIOUS BRANDS, LLC.

Bv:

Stan Rothschild, President/CEO Delicious Brands, LLC.