

SETTLEMENT AGREEMENT AND RELEASE

This Settlement Agreement and Release (this "Agreement") is made effective on the date last executed herein ("Effective Date") by and between **Environmental Research Center ("ERC")** and **Green Foods Corporation and YH Products Corporation ("GF/YH")**. ERC and GF/YH are hereinafter referred to collectively as the "Parties". The Parties agree as follows:

1. This Agreement is limited to this Matter, which is defined as all claims and allegations related to the Notice of Violations of California Health & Safety Code §25249.5, *et seq.* (also known as "Proposition 65") that ERC served on GF/YH on November 23, 2010 and January 14, 2011 (the "Notices"), and to the additional products that were to be the subject of a third Notice of Violation pending as of October 26, 2012, namely:

Green Foods Corporation Magma Plus 150 Grams

Green Foods Corporation Magma Plus

Green Foods Corporation True Vitality Plant Protein Shake With DHA Vanilla

Green Foods Corporation True Vitality Unflavored

Green Foods Corporation Veggie Magma

Green Foods Corporation True Vitality Chocolate

Green Foods Corporation Green Fusion

Green Foods Corporation Wheat Grass Shots

(Collectively, the above products shall be referred to herein as the "Covered Products").

2. For purposes of this Agreement, GF/YH acknowledges that they are a "person in the course of doing business" within the meaning of Proposition 65.

3. The Parties enter into this Agreement in order to achieve a settlement of the claims as stated in Section 1 for the purpose of avoiding prolonged litigation. Nothing in this Agreement shall be construed, nor constitute, as an admission of GF/YH of any fact, issue of law, or violation of law. The Parties agree that this paragraph shall not diminish or otherwise affect the obligations, responsibilities, and duties of the Parties under this Agreement.

4. In consideration of the following covenants of GF/YH, and the other conditions contained in this Agreement, ERC releases GF/YH as set forth in Paragraph 7 below:

A. GF/YH agrees that after the Effective Date, GF/YH shall not distribute into the state of California, sell into the State of California, or supply its vendors, distributors or retailers, wherever located, for sale into the State of California any Covered Product for which the

maximum dose recommended on the label contains more than 0.5 micrograms (mcg) of lead, excluding (a) the amounts of naturally occurring lead in the ingredients listed in accordance with the Attorney General's Stipulation Modifying Consent Judgments in *People v. Warner Lambert et al.* (San. Fran. Sup. Ct. Case No. 984503) and (b) excess exposure caused solely by "naturally occurring" lead at the "lowest level currently feasible," as set forth in Title 27, California Code of Regulations, Section 25501(a) and applicable case law, if any, unless each individual product (in the form intended for sale to the end user) bears one of the warning statements specified in 4.A. (i) and (ii) below on its individual unit label or unit packaging.

(i) If the daily lead exposure level is greater than 0.5 micrograms (mcg) for any lot of the Covered Products, the following warning shall be provided on the product labels of any of the product from that lot distributed in California, sold in California, or supplied to customers, vendors, distributors, or retailers, wherever located, for sale in California:

WARNING: This product contains lead, a chemical known to the State of California to cause birth defects or other reproductive harm.

(ii) If the daily lead exposure level is 15 micrograms (mcg) or greater for any lot of the Covered Products, the following warning shall be provided on the product labels of any of the product from that lot distributed in California, sold in California, or supplied to customers, vendors, distributors, or retailers, wherever located, for sale in California:

WARNING: This product contains lead, a chemical known to the State of California to cause cancer, or birth defects or other reproductive harm.

In the event that a warning is used, the warning shall be prominently and securely affixed to or printed upon the product label so as to be clearly conspicuous in accordance with Section 25603.1 of the California Code of Regulations, as compared with other statements or designs on the label as to render it likely to be read and understood by an ordinary purchaser or user of the product. If the warning is displayed on the product label, the warning shall be at least the same size as the largest of any other health or safety warnings on the product and the word "warning" shall be in all capital letters and in bold print.

This section shall not apply to Covered Products already in the possession of GF/YH's customers, vendors, distributors, or retailers prior to the Effective Date.

B. Beginning no more than 45 days after the Effective Date, and every six months thereafter, GF/YH shall conduct testing to determine if the Covered Products comply with Proposition 65, which at the time this Agreement is written means the daily exposure of Lead is no more than 0.5 micrograms (mcg) when taken as directed on the Covered Products' labels, or the appropriate warning is on the product. The provisions of this paragraph shall become inoperable two years after the Effective Date.

(i). GF/YH shall test at least three (3) randomly selected samples of each of the Covered Products (in the form intended for sale to the end-user). All testing done pursuant to Paragraph 4.B. is to be performed by a laboratory certified by the California Environmental Laboratory Accreditation Program for the analysis of heavy metals or a laboratory that is approved by, accredited by, or registered with the United States Food & Drug Administration for

the analysis of heavy metals. Testing under this section shall be performed using Inductively Coupled Plasma-Mass Spectrometry (ICP-MS) and closed-vessel, microwave-assisted digestion employing high-purity reagents, or other testing methods recommended at the time of the testing by the California Attorney General's Office, or any other testing method agreed upon in writing by the Parties. The method of selecting samples for testing under Paragraph 4.B. shall comply with the regulations of the Food and Drug Administration as set forth in Title 21, Part 111, Subpart E of the Code of Federal Regulations, including section 111.80(c).

(ii). GF/YH shall provide copies of all test results and related laboratory report documentation relating to the testing for lead content of each of the Covered Products directly to ERC within thirty (30) business days after GF/YH's receipt of such testing results. GF/YH shall include the lot identification numbers of the lots tested.

(iii). For purposes of this Agreement, daily lead exposure levels shall be measured in micrograms, and shall be calculated using the following formula: micrograms of lead per gram of product (lead content found using the above described testing), multiplied by grams of product per serving of the product (using the serving size appearing on the product label), multiplied by servings of the product per day (using the largest number of servings in a recommended dosage appearing on the product label), equals micrograms of lead exposure per day.

(iv). For purposes of determining which warning, if any is required pursuant to paragraph 4.A., the highest lead detection result of the three (3) randomly selected samples of the Covered Products will be controlling.

Nothing in this Agreement shall limit GF/YH's ability to conduct, or require that others conduct, additional testing of the Covered Products, including the raw materials used in their manufacture.

C. If the formula of the Covered Products is altered by the inclusion of a new or different ingredient ("New Ingredient") then, GF/YH agrees to conduct Lead testing (pursuant to 4.B.(i)-(iv) above) of such New Ingredient. Additionally, if any of the ingredients in the Covered Products is sourced from a supplier different from that used for the Covered Products as of the effective date of this Agreement (the "New Source"), then GF/YH agrees to conduct Lead testing (pursuant to 4.B.(i)-(v) above) of the Covered Products supplied by the New Source.

D. In full and final satisfaction of civil penalties, payment in lieu of further civil penalties, ERC's expenses and costs of analysis, and ERC's attorney fees, GF/YH shall make a total payment of thirty-five thousand dollars (\$35,000.00) ("Total Settlement Amount"). Paragraphs 4.D.(i)-(iv) below describe the agreed partition and timing of payments of the Total Settlement Amount.

(i) As a portion of the Total Settlement Amount, \$2,500 shall be considered a civil penalty pursuant to California Health and Safety Code §25249.7(b)(1). ERC shall remit 75% (\$1,875) of the civil penalties to the Office of Environmental Health Hazard Assessment ("OEHHHA") 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% (\$625) of the civil penalty.

(ii) As a portion of the Total Settlement Amount, \$7,500 shall be considered a payment to ERC in lieu of further civil penalties for activities such as (1) funding the analysis, researching and testing of consumer products that may contain Proposition 65 listed chemicals; (2) funding grants to California non-profit foundations/entities dedicated to public health; (3) funding the ERC Eco Scholarship Fund for high school students in California interested in pursuing an education in the field of environmental sciences; (4) funding ERC's Operation Education Program designed to provide funding to educators in the State of California public school system for creative and effective environment and environmental sciences teaching projects; (5) funding ERC's Voluntary Compliance Program to work with companies not subject to Proposition 65 to reformulate their products to reduce potential consumer exposures to Proposition 65 listed chemicals; (6) funding ERC's RxY Program to assist various medical personnel to provide testing assistance to independent distributors of various products; (7) funding ERC's Got Lead? Program to assist consumers in testing products for lead content; (8) funding post-settlement monitoring of past consent judgments; (9) funding to maintain ERC's database of lead-free products, Proposition 65-compliant products and contaminated products; (10) funding to track and catalog Proposition 65-compliant, contamination-free sources of ingredients used in the products ERC tests; (11) funding ERC's Cancer Scholarship Fund; and (12) funding the continued enforcement of Proposition 65 matters which address contaminated ingestible products, similar to the subject matter of this Action.

(iii) As a portion of the Total Settlement Amount, \$15,000 shall be considered a reimbursement to ERC for its reasonable work and analysis costs associated with the enforcement of Proposition 65 and other expenses and costs incurred as a result of investigating, bringing this matter to GF/YH's attention, and negotiating a settlement in the public interest.

(iv) As a portion of the Total Settlement Amount, \$10,000 shall be considered a reimbursement to ERC for its attorney fees.

(v) Within 10 days of the Effective Date, GF/YH shall pay ERC the sum of twenty thousand dollars, (\$20,000.00); within 40 days of the Effective Date GF/YH shall pay ERC the sum of fifteen thousand dollars (\$15,000.00); by checks made payable to "Environmental Research Center" and sent by first-class registered or certified mail, or overnight delivery, to ERC's counsel Karen A. Evans at the Law Office of Karen A. Evans, 4218 Biona Place, San Diego, California 92116. In the event that any payment owed under this Agreement is not remitted on or before its due date, GF/YH shall be deemed to be in default of its obligations under this Agreement and all future payments shall become immediately due and payable with the California statutory interest rate applying to all interest accruing on unpaid balances due hereunder, beginning on the due date of the funds in default.

E. The Parties intend and agree that this Agreement shall be given full effect for purposes of precluding claims regarding the Products against GF/YH or their respective Releasees under Proposition 65 as covered under this Release. If ERC is requested in writing by GF/YH within twelve months of the Effective Date to serve a 60-day Notice of Violation as to the products Green Fusion and Wheat Grass Shots, and to file a complaint and seek approval of this Agreement through a court approved consent judgment incorporating the terms of this

Settlement Agreement pursuant to California Health and Safety Code § 25249.7, or as may be otherwise allowed by law, ERC agrees to reasonably cooperate with GF/YH and to use ERC's best efforts (including, but not limited to ERC engaging counsel), to support the entry of a Consent Judgment incorporating the terms of this Agreement for approval by a superior court in California. Pursuant to California Code of Civil Procedure §§ 1021 and 1021.5, GF/YH will reimburse ERC and its counsel for their reasonable fees and costs incurred in filing the complaint and seeking judicial approval of this Agreement in the form of a consent judgment, in an amount not to exceed a total of Five Thousand Dollars (\$5,000.00). No fees under this paragraph will be due and owing to ERC or its counsel unless a written request is made by GF/YH to have ERC file a complaint and thereafter a motion for Court approval of the Parties' Proposition 65 Agreement and a "Stipulation And Proposed Order Re: Consent Judgment" to be drafted by ERC's counsel. Within fifteen days of entry of the resulting judgment, GF/YH will remit payment to ERC and ERC's counsel via joint check in an amount not to exceed Five Thousand Dollars (\$5,000.00) for work reasonably and necessarily performed to effectuate the provisions of this paragraph.

5. GF/YH shall bear any and all of its own costs, expenses, and attorney fees related to this matter.

6. In consideration of the following covenant of ERC, and the other terms and conditions contained in this Agreement, GF/YH releases the claims against ERC as set forth in Paragraph 8 below:

7. ERC acting on its own behalf, releases GF/YH and their respective officers, directors, shareholders, employees, agents, representatives, distributors, wholesalers, retailers and all other entities in downstream distribution chain of the Covered Products, excluding private label customers of GF/YH, from all claims for violations of Proposition 65 up through the Effective Date based on exposure to Lead from the Covered Products as set forth in the Notice.

8. ERC, on its own behalf, on one hand, and GF/YH, on the other hand, release and waive any claims they may have against each other, and their officers, directors, employees, agents, representatives, and attorneys ("the Releasees") for all actions or statements made or undertaken by the Releasees in the course of seeking or opposing enforcement of Proposition 65 in connection with the Notice.

9. Nothing in this Agreement is intended to apply to any claims for occupational or environmental exposures, which result in injury to consumers arising under Proposition 65, nor shall it apply to any of GF/YH's products other than the Covered Products.

10. Nothing herein shall be construed as diminishing GF/YH's continuing obligations to comply with Proposition 65.

11. After execution of the Agreement, ERC will submit to the California Attorney General a Report of Settlement on Form JUS 1501, or as currently required by the California Attorney General, and shall submit a copy of the Report of Settlement to GF/YH. In addition, ERC will provide to the California Attorney General the fully 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 Matter, its settlement, and this Agreement.

12. This Agreement contains the entire agreement between the Parties with regard to settlement of this Matter, and supersedes and replaces any and all prior or contemporaneous agreements or understandings, written or oral, with regard to the matters set forth in this Agreement. This Agreement may be amended or modified in whole or in part at any time only by an agreement in writing executed by all parties to this Agreement.

13. This Agreement shall be binding upon and shall inure to the benefit of the Parties and their respective owners, principals, shareholders, officers, directors, employees, agents, servants, heirs, executors, successors, and assigns.

14. 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 this Agreement. It is conclusively presumed all of the Parties participated equally in the preparation and drafting of this Agreement.

15. If any provision, term or section of this Agreement is found to be invalid, illegal or unenforceable, 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, such provision, term or section may be modified so that the unenforceable provision, term or section is enforceable to the greatest extent possible.

16. 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.

17. Any legal action to enforce this Agreement shall be brought in any county of the State of California, any of which is deemed to be the proper venue for such legal action. The prevailing party in any such legal action shall be entitled to recover for its attorney fees in addition to any other legally recoverable costs.

18. This Agreement may be signed in counterparts, and each counterpart, as well as any facsimile, e-mail or other copies of this Agreement or any counterparts, shall be deemed to be an original.

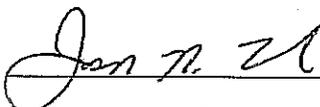
19. Each of the individuals who execute this Agreement represents and warrants they have the authority to execute this document and bind the party for whom they execute to the terms and conditions of this Agreement.

20. For purposes of this Agreement, the term "Persons" shall mean any individual, corporation, partnership, firm, joint venture, association, limited liability company, limited

liability partnership, joint-stock company, trust, unincorporated organization, governmental entity or other entity.

DATED: 3-12-13

GREEN FOODS CORPORATION
YH PRODUCTS CORPORATION

By: 

Print Name: JASON NAVA

Title: President

DATED: 3/18/13

ENVIRONMENTAL RESEARCH CENTER

By: 
Chris Heptinstall, Executive Director