

## EXHIBIT “B”

**SETTLEMENT AGREEMENT AND  
GENERAL RELEASE OF ALL CLAIMS**

THIS SETTLEMENT AGREEMENT AND GENERAL RELEASE (the "**Agreement**") is made by and between SHELDON R. BLUM, TRUSTEE FOR THE SHELDON R. BLUM TRUST, an individual (collectively "**Plaintiffs**") and WM. BOLTHOUSE FARMS, INC., a Michigan corporation, and BOLTHOUSE PROPERTIES, LLC, a California limited liability company (collectively "**Defendants**"), in Los Angeles County, California, who agree and contract as described below. Plaintiff and Defendants are singularly referred to as a "party" and collectively as the "parties" on a generic basis.

**Recitals**

This Agreement is made with reference to the following facts and circumstances:

A. Plaintiff is, and at all times relevant hereto was, the owner of two (2) parcels of unimproved agricultural real property located at or about the intersection of Avenue "J" and 70<sup>th</sup> Street in Lancaster, California, more particularly described as Assessor's Parcel Numbers 3384-009-001 and 3384-009-006 (collectively the "**Parcels**").

B. On or about January 31, 1999 Plaintiff and WM. BOLTHOUSE FARMS, INC. entered into a written Lease Agreement whereby Plaintiff leased to WM. BOLTHOUSE FARMS, INC. the Parcels for agricultural use, but said lease was subsequently terminated (the "**1999 Lease**").

C. On or about August 2, 2001 Plaintiff and WM. BOLTHOUSE FARMS, INC. entered into a written Lease Agreement whereby Plaintiff leased to WM. BOLTHOUSE FARMS, INC. the Parcels for agricultural use. (the "**2001 Lease**").

D. On or about May 17, 2004 the 2001 Lease was modified by the Modification of Lease Agreement which, among other details, extended the lease term an additional two (2) years (the "**2004 Modification**"). The 2001 Lease and 2004 Modification are referred to herein collectively as the "**Lease**."

E. On or about January 25, 2001 WM. BOLTHOUSE FARMS, INC. filed a Quiet Title action to water rights in the Riverside County Superior Court bearing case number RIC 353840, which was subsequently amended by Second Amended Complaint on November 14, 2003, and again on December 3, 2003, which identified Plaintiffs' Parcels. The foregoing pleadings were ultimately made part of a coordinated action known as the Antelope Valley Groundwater Cases, Judicial Council Coordination Proceeding No. 4408, Case No. 1-05-CV-049053, before the Hon. Judge Jack Komar (referred to herein as the "**Groundwater Adjudication**"). Similarly, on or about January 2, 2007 BOLTHOUSE PROPERTIES, LLC filed a Cross-Complaint to Quiet Title/Appurtenant Rights; Declaratory Relief, among other causes of action in the Groundwater Adjudication proceedings, which incorporated by reference Plaintiffs' Parcels as identified in WM. BOLTHOUSE FARMS, INC.'S Second Amended Complaint.

F. On August 2, 2007, Plaintiffs visited the Parcels and contend that without prior knowledge, then became aware of the underground water pipeline delivery system which brought water onto the Parcels for irrigation purposes, which Plaintiffs learned were installed by WM. BOLTHOUSE FARMS, INC. as part of its farming operations. Plaintiffs thereafter claimed that WM. BOLTHOUSE FARMS, INC. was in default and in breach of the Lease, culminating in the delivery of Plaintiffs' September 1, 2007 written "Notice of Default Under Lease Agreement" to WM. BOLTHOUSE FARMS, INC. Plaintiffs further contend that at or about the same time they became aware of Defendants' pleadings in the Groundwater Adjudication, culminating in the delivery of Plaintiffs' October 17, 2007 written "Notice of Default Under Lease Agreement & Extensions Thereof" to WM. BOLTHOUSE FARMS, INC.

G. That from September to December 2007, counsel for the parties met and conferred on the issues raised by Plaintiff's September 1, 2007 and October 17, 2007 letters, but were ultimately unable to resolve all of the issues addressed therein.

H. On or about December 20, 2007 Plaintiffs filed a Cross-Complaint against Defendants which alleged eight (8) causes of action arising out of Lease. Concurrent therewith, Plaintiffs also filed an Answer to the Complaint of Los Angeles County Waterworks District 40 in the Groundwater Adjudication. On or about March 28, 2008, Plaintiffs' Ex Parte Motion to Amend Plaintiffs' Cross-Complaint by adding the name of SHELDON R. BLUM, individually, as a party plaintiff thereto, was granted by the Hon. Judge Jack Komar.

I. On or about January 18, 2008 Defendants filed a joint Answer to the Cross-Complaint and thereafter Plaintiffs commenced discovery on Defendants consisting of Plaintiffs' Special Written Interrogatories, Set One, and Request for Production of Documents, Set One, as well as Noticed the Taking of Depositions. Both Defendants verified written responses and verified further responses to said discovery were served on Plaintiffs. A lengthy meet and confer process regarding the discovery ensued between the parties.

J. On July 29, 2008, Defendants filed a Motion to Sever Plaintiff's Cross-Complaint from the Groundwater Adjudication.

K. On out August 4, 2008 Defendants and Plaintiff agreed to sever the Cross-Complaint (hereinafter referred to as the "**Complaint**") from the Groundwater Adjudication, which was thereafter reduced to a written Stipulation and accompanying Order, the Order having thereafter been executed by the Honorable Jack Komar providing, in pertinent part, as follows:

i. That the Cross-Complaint of Plaintiff and the Joint Answer of Defendants is severed from the Groundwater Adjudication.

ii. That notwithstanding the Joint Stipulation to Sever the Cross-Complaint from the Groundwater Adjudication, Plaintiff and Defendants shall continue to remain parties to the Groundwater Adjudication and each will prosecute and/or defend their respective groundwater rights.

L. On September 5, 2008, the parties further agreed before the Hon. Jack Komar to remove Plaintiffs name as cross-defendants and the identification of Plaintiffs' Parcels from Defendants Proposed Jointly Amended Cross-Complaint in the Groundwater Adjudication, which was thereafter reduced to a written Stipulation and accompanying Order signed by Hon. Judge Jack Komar on or about September 22, 2008.

M. The allegations and issues raised by the Cross-Complaint are described and referred to herein below collectively as the "**Dispute.**"

N. On or about November 13, 2008 Plaintiff and Defendants agreed to resolve the Dispute, to be reduced to this writing.

NOW, THEREFORE, the parties wish to resolve the Dispute without admitting fault, liability, or responsibility and thus hereby expressly agree and contract as follows:

#### Agreement

1. Compromise and Settlement Agreement. The parties, in consideration of the promises and concessions herein made by each party to the other party, hereby mutually compromise and settle the Dispute upon the conditions, covenants, provisions and terms set forth herein. In addition, the parties agree to be bound by, and shall comply with, the following terms:

- a. On behalf of Defendants, and within three (3) days from the effective date of this Agreement, WM. BOLTHOUSE FARMS, INC. shall deliver to Plaintiffs a bank draft payable to the SHELDON R. BLUM TRUST in the sum of Twenty Thousand Dollars and No Cents (\$20,000.00);
- b. That for the remainder of the term of the Lease WM. BOLTHOUSE FARMS, INC. may continue to import water onto the Parcels by use of its existing pipeline in the manner it has historically on the Parcels;
- c. That the Lease shall continue to be in full force and effect up through and December 31, 2009, at which time the Lease shall expire, and that upon the expiration of the Lease WM. BOLTHOUSE FARMS, INC. will vacate the Parcels and surrender same in the manner set forth in Paragraph 13 of the Lease, and/or such other provisions of the Lease controlling surrender of the Parcels, and that WM. BOLTHOUSE FARMS, INC. shall not thereafter possess, retain or maintain any Rights of First Refusal and/or Options to Purchase relating to or arising from the Lease or the Parcels;
- d. That by this Agreement, Plaintiff releases the following individuals and entities in the same manner as Plaintiff and Defendants release one another herein as set forth below in Section 2: John Calandri, Calandri/Son Rise Farms, LP, Dennis Greer, Coldwell Banker Commercial, Anthony L. Leggio, Derek Yurosek, Michael W. Kovacevich and Robert Huckaby;

- e. That it is understood and agreed between Plaintiff and Defendants that Defendants do not possess, own or hold any encumbrance, lien, claim, right, title or interest in or to the surface or subsurface water rights of or for the Parcels, other than WM. BOLTHOUSE FARMS, INC.'S right to possession and use of the Parcels during the term of, and subject to, the Lease, and such groundwater rights as are held by similar overlying landowners in the Antelope Valley to be determined and adjudged in the Groundwater Adjudication;
- f. That consistent with the terms of the Stipulation and Order severing the Complaint from the Groundwater Adjudication, the Parties shall continue to remain parties to the Groundwater Adjudication and each will prosecute and/or defend their respective groundwater rights. The parties further mutually agree that they shall not hereafter name the other parties to this Agreement as a defendant/cross-defendant in any new action arising out of any known or unknown claims currently existing, or as a defendant/cross-defendant in any cross-action in the Groundwater Adjudication.
- g. Without changing the terms of paragraph "f." above, Plaintiff reserves the right in the Groundwater Adjudication to contend on a correlative basis that the volume or amount of groundwater pumped by WM. BOLTHOUSE FARMS, INC. and its sublessees in undertaking its/their farming operations was/is for the beneficial use on the Parcels during the relevant calendar years of January 1, 2002 through December 31, 2009, and claims such pumping should be allocated and credited to the Parcels under any California water priority allocation system. Defendants dispute the contentions set forth by Plaintiff in this paragraph and reserve the right to dispute these contentions in the Groundwater Adjudication;
- h. That each party shall bear its own costs of suit and attorneys' fees arising out of or related in any way to the Dispute and Groundwater Adjudication; and,
- i. That Plaintiff shall file a Request for Entry of Dismissal of the entirety of the Complaint, *with prejudice* as to all defendants thereto, within three (3) days of its receipt of the settlement draft identified in Section 1(a) above.

2. General Release: With the exception of all covenants, representations and warranties, and the rights created or expressly reserved under this Agreement, including, and upon each party's full and complete performance of their respective duties, obligations and responsibilities pursuant to Section 1, each party agrees to release, remise and forever discharge the other party and their respective administrators, agents, attorneys, conservators, employees, executors, guardians, heirs, predecessors, representatives, servants, successors, and all others acting for, under, or in concert with it, past, present, and future, of and from any and all past, present and future accounts, actions, agreements, causes of action, claims, costs or expenses (including, but not limited to, attorneys' fees and disbursements), damages, debts, demands, liabilities, losses,

obligations, or reckonings of any kind or nature whatsoever, for compensatory or exemplary and punitive damages, or declaratory, equitable or injunctive relief, whether based on contract, tort, or other theories of recovery provided for by the common or statutory law, ascertained or unascertained, known or unknown, patent or latent, suspected or claimed, arising out of, concerning or related in any way to the Dispute.

3. Waiver of Civil Code § 1542: Plaintiff and Defendants knowingly and intentionally waives any and all protection which is or may be given by section 1542 of the California *Civil Code* with respect to this Release and each assumes the risk of further loss, injury or damage which may relate to the incident giving rise to the claim settled herein.. Said section 1542 of said *Civil Code* reads 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.”

4. No Admission: This Agreement is being executed and the consideration exchanged therefor in order to compromise and settle disputed matters and neither the execution nor acceptance of this Agreement nor the payment of funds constitutes any admission of liability by any party hereto.

5. No Reliance: The parties each represent that no promise, inducement or agreement not set forth above has been made to them, and this document contains the entire agreement between the parties hereto, and the terms of this Agreement are contractual and not a mere recital.

6. Binding Effect: This Agreement shall inure to and for the benefit of and be binding upon each party's respective parent, subsidiary or affiliated organizations, accountants, administrators, agents, attorneys, beneficiaries, conservators, directors, employees, executors, guardians, heirs, independent contractors, joint venturers, members, officers, partners, predecessors, representatives, servants, successors, and all others acting for, under, or in concert with it, past, present, and future.

7. Cooperation: That the Parties will cooperate in all respects, including the execution of any documents necessary or required, to effectuate the purpose, terms, objectives and conditions of this Agreement.

8. Governing Law and Venue: This Agreement shall be construed, enforced and interpreted pursuant to the internal substantive law and not the law of conflicts, of the State of California. Any action arising out of, asserted based upon, or to enforce any provision of this Agreement shall be venued in the Los Angeles County Superior Court.

9. Construction: Headings are used herein for convenience only and shall have no force or effect in the construction or interpretation of this Agreement. As used in this Agreement, the singular includes the plural and masculine includes the feminine and neuter. This Agreement

shall not be construed against the party drafting it but shall be construed fairly and equitably as though it was the joint product of the parties.

10. Invalidity: If any paragraph, sentence, clause or phrase hereof shall become illegal, null or void for any reason or shall be held by any court of competent jurisdiction to be illegal, null or void, or against public policy, the remaining paragraphs, sentences, clauses or phrases hereof shall not be affected thereby and the parties shall negotiate an equitable adjustment of the affected provision with a view toward effecting the purpose of this Agreement.

11. Duplicate Originals: This Agreement will be executed in two (2) duplicate originals, either and each of which shall be deemed an original for all purposes.

12. Effective Date: This Agreement shall become effective immediately upon the latter of the dates of execution by the parties.

13. Entire Agreement. This Agreement contains the entire agreement, contract and understanding between the parties and constitute an integration of the entire understanding and agreement of the parties. All prior agreements, conditions, contract, promises, representations, understandings, or warranties, whether oral or written, express or implied, concerning the subject matter of this Agreement are expressly superseded hereby and have no further force or effect.

**THE UNDERSIGNED HAVE READ THE FOREGOING, HAD THE OPPORTUNITY TO DISCUSS SAME WITH COUNSEL AND ACKNOWLEDGE THAT THEY FULLY UNDERSTAND IT.**

**"Plaintiffs"**

SHELDON R. BLUM TRUST

Dated: December 16, 2008

By: 

Sheldon R. Blum, Trustee

**"Defendants"**

WM. BOLTHOUSE FARMS, INC.

Dated: December 15, 2008

By: 

Kevin Manion, VP/CFO

BOLTHOUSE PROPERTIES, LLC

Dated: December 15, 2008


By: 

Anthony L. Leggio, President

APPROVED AS TO FORM:

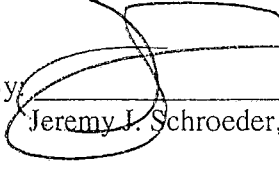
LAW OFFICES OF SHELDON R. BLUM  
Counsel for "Plaintiffs"

Dated: December 16, 2008

By:   
Sheldon R. Blum, Esq.

CLIFFORD & BROWN, PC,  
Counsel for "Defendants"

Dated: December 15, 2008

By:   
Jeremy J. Schroeder, Esq.