

SETTLEMENT AGREEMENT

THIS SETTLEMENT AGREEMENT (the "Agreement") is entered into by the California Department of Food and Agriculture ("CDFA") and Michael and Merisa Halperin, dba Frazier Lake Farm ("Frazier Lake Farm"), effective as of the date of the last signature set forth below.

CDFA and Frazier Lake Farm have decided to compromise and settle the issues between them related to the Accusation filed against Frazier Lake Farm by CDFA, dated April 12, 2011, DFA Case No. 6656, and OAH Case No. 2011050383 (the "Accusation"), and the Appeal filed by Frazier Lake Farm to the CDFA (the "Appeal") of the February 11, 2010 Combined Notice of Noncompliance and Proposed Suspension of Certification ("2010 Proposed Suspension") issued by the California Certified Organic Farmers Certification Services, LLC ("CCOF").

Accordingly, all parties agree to the following:

1. That CDFA will dismiss its Accusation against Frazier Lake Farm. This Agreement resolves the issues raised by the 2010 Proposed Suspension, the Appeal, and the Accusation. CDFA has no objection to Frazier Lake Farm retaining a new certifying agent.
2. That Frazier Lake Farm agrees to waive its rights to a hearing on the matters set forth in the Accusation, and to waive all further procedural rights with respect to an adjudication of the matters set forth in the Accusation.
3. Frazier Lake Farm denies all of the allegations in the Accusation and the 2010 Proposed Suspension, and denies that it violated the National Organic Program ("NOP").
4. Frazier Lake Farm agrees that it will not sell any produce as certified organic produce from the fields named Apricot, Breen, or Union after September 1, 2011, unless an inspection is completed on or before September 1, 2011 by the certifying agent for Frazier Lake Farm, who certifies, in writing that the above named fields are in compliance with the NOP.
5. That as a result of the foregoing, Frazier Lake Farm hereby agrees that during the next 12 months, Frazier Lake Farm will submit to one annual inspection a year of its organic operations, within 10 days of the date it is requested by the certifying agent, and will submit to two additional surprise inspections a year of its organic operations, and will pay the certifying agent for the costs of such inspections, in order to verify the compliance of Frazier Lake Farm with the provisions of the NOP. In addition, Frazier Lake Farm shall promptly submit a copy of the reports of these inspections to the CDFA upon receipt of the reports from the certifying agent.



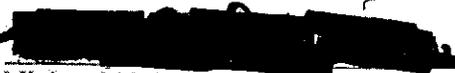
6. Frazier Lake Farm further agrees that if Frazier Lake Farm fails to comply with any of the terms set forth in this Agreement, then Frazier Lake Farm agrees that its organic certification can be immediately suspended by the CDFA pursuant to the provisions of NOP §205.662. Further, Frazier Lake Farm agrees that a fine of \$22,000 may be levied by the CDFA against Frazier Lake Farm, without any further proceedings necessary, in the event that Frazier Lake Farm is determined to have committed any major violation of the NOP by its certifying agent during the next 12 months. In the event of such suspension, Frazier Lake Farm shall not be eligible to reinstate its organic certification until it can demonstrate that its noncompliance has been corrected and that it has paid the \$22,000 fine, if a fine has been levied pursuant to the terms of this Agreement.

This Agreement has been duly executed by the authorized representatives of the parties as of the date(s) set forth below.

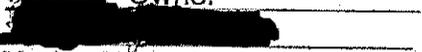
Date: 7/8/11

Date: 7/8/11

FRAZIER LAKE FARM

By: 

Michael Halperin
Title: Owner

By: 

Merisa Halperin
Title: Owner

Date: 7-8-2011

**CALIFORNIA DEPARTMENT OF
FOOD AND AGRICULTURE**

By: 

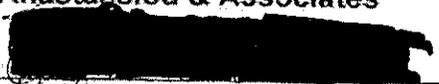
Title: I & C Branch Chief

Approved as to Form and Content:

Date: 7/8/11

Date: 7/8/11

Anastassiou & Associates

By: 

Efthi F. Anastassiou, Esq.,
Attorneys for Frazier Lake Farm

By: 

Marc N. Melnick, Esq.
Deputy Attorney General
State of California