

**INDEMNIFICATION AGREEMENT
BY AND BETWEEN HUMBOLDT COUNTY AND
Emerald Family, LLC**

THIS INDEMNIFICATION AGREEMENT ("Agreement") is entered into this 11 day of October, 2016 by and between the County of Humboldt ("County") and Emerald Family, LLC ("Applicant").

RECITALS

WHEREAS, the Applicant has a legal and/or equitable interest in the certain real property located at Assessor Parcel Number(s): 522-201-001 ("Property"); and

WHEREAS, the Applicant has submitted an application to the County for an entitlement (Zoning Clearance Certificate, Special Permit, or Conditional Use Permit) for the commercial cultivation, distribution, or manufacture of medical marijuana on the Property, pursuant to sections 313-55.4 of Chapter 3 and 314-55.4 of Chapter 4 of Division 1 of Title III of the Humboldt County Code and the California Medical Marijuana Regulation and Safety Act, hereafter referred to as the "Project."

TERMS

NOW, THEREFORE, pursuant to sections 313-55.4 of Chapter 3 and 314-55.4 of Chapter 4 of Division 1 of Title III of the Humboldt County Code, and in consideration of the promises, covenants and provisions set forth herein, the receipt and adequacy of which are hereby acknowledged, the parties agree as follows:

1. Nothing in this Agreement shall be construed to limit, direct, impede or influence the County's review and consideration of the Project.
2. Applicant shall defend, indemnify, save and hold harmless the County of Humboldt, its elected and appointed officials, officers, employees, agents and volunteers from any and all claims, actions, proceedings or liability of any nature whatsoever (including, but not limited to: any approvals issued in connection with any of the above described application(s) by County; any action taken to provide related environmental clearance under the California Environmental Quality Act ("CEQA") by County's advisory agencies, boards or commissions, appeals boards, or commissions, Planning Commission, or Board of Supervisors; and attorneys' fees and costs awards) arising out of, or in connection with the County's review or approval of the Project or arising out of or in connection with the acts or omissions of the Applicant, its agents, employees or contractors.

With respect to review or approval, this obligation shall also extend to any effort to attack, set aside, void, or annul the approval of the Project, including any contention the Project or its approval is defective because a County ordinance, resolution, policy, standard or plan is not in compliance with local, state or federal law. With respect to

acts or omissions of the Applicant, its agents, employees or contractors, its obligation, hereunder shall apply regardless of whether the County prepared, supplied or approved plans, specifications or both.

3. The obligations of the Owner and Applicant under this Indemnification shall apply regardless of whether any permits or entitlements are issued.
4. The County will promptly notify Owner and Applicant of any such claim, action, or proceeding that is or may be subject to this Indemnification and will cooperate fully in the defense. The County may, within its unlimited discretion, participate in the defense of any such claim, action, or proceeding if the County defends the claim, action, or proceeding in good faith.
5. The County Counsel shall have the absolute right to approve any and all counsel employed to defend the County. To the extent the County uses any of its resources to respond to such claim, action or proceeding, or to assist the defense, the Applicant will reimburse the County upon demand. Such resources include, but are not limited to, staff time, court costs, County Counsel's time at its regular rate for non-County agencies, or any other direct or indirect cost associated with responding to, or assisting in defense of, the claim, action or proceedings.
6. For any breach of this obligation the County may rescind its approval of the Project.
7. The Applicant shall not be required to pay or perform any settlement unless the settlement is approved in writing by the Applicant, which approval shall not be unreasonably withheld. The County must approve any settlement affecting the rights and obligations of the County.
8. The parties agree that this Agreement shall constitute a separate agreement from any Project approval, and that if the Project, in part or in whole, is invalidated, rendered null or set aside by a court of competent jurisdiction, the parties agree to be bound by the terms of this Agreement, which shall survive such invalidation, nullification or setting aside.
9. This Agreement shall be construed and enforced in accordance with the laws of the State of California.
10. In any legal action or other proceeding brought by either party to enforce or interpret this Agreement, the appropriate venue is the Humboldt County Superior Court.
11. The Applicant shall pay all court ordered costs and attorney fees.
12. The defense and indemnification of County set forth herein shall remain in full force and effect throughout all stages of litigation including appeals of any lower court judgments rendered in the proceeding.

After review and consideration of all of the foregoing terms and conditions, Applicant, but its signature below, hereby agrees to be bound by and to fully and timely comply with all of the foregoing terms and conditions.

Dated: 10/11/16

Applicant(s):

Patrick Murphy
Printed Name

Patrick Murphy
Signature

Printed Name

Signature

Printed Name

Signature

Printed Name

Signature