



## COUNTY OF HUMBOLDT

AGENDA ITEM NO.

C20

For the meeting of: **November 14, 2017**

Date: **November 3, 2017**

To: **Board of Supervisors**

From: **Planning and Building Department, Code Enforcement**  
**John Ford, Director**

Subject: **Code Enforcement Compliance Agreements with Various Responsible Parties**

### RECOMMENDATION(S):

That the Board of Supervisors:

1. Approve the attached Compliance Agreements with various Responsible Parties;
2. Authorize the Director of Planning and Building Department, or his designee, to sign original pages of the agreements; and
3. Authorize the Director of Planning and Building Department or his designee to sign future amendments directly related to these Compliance Agreements upon review and approval of County Counsel.

### SOURCE OF FUNDING:

General funds were used to prepare this agenda item.

### DISCUSSION:

The Planning and Building Department's Code Enforcement Unit ("CEU") is requesting that your Board approve the attached Compliance Agreements and authorize the Director of Planning and Building or designee ("Director"), to sign the Compliance Agreements. This will enable the Responsible Party, consisting of property owners and/or violators, of the affected parcels to begin abating the public nuisance by correcting violations on their affected parcels, knowing that administrative civil penalty and/or abatement process will be stayed as per the agreement.

Prepared by: Jeff Conner and John Nguyen

CAO Approval

REVIEW:

Auditor \_\_\_\_\_ County Counsel JF Personnel \_\_\_\_\_ Risk Manager \_\_\_\_\_ Other \_\_\_\_\_

TYPE OF ITEM:

☒ Consent  
☐ Departmental  
☐ Public Hearing  
☐ Other \_\_\_\_\_

PREVIOUS ACTION/REFERRAL:

Board Order No. I-2

Meeting of: October, 24, 2017

**BOARD OF SUPERVISORS, COUNTY OF HUMBOLDT**

Upon motion of Supervisor Fennell Seconded by Supervisor Wilson

Ayes Sundberg, Fennell, Bass, Bohn, Wilson

Nays  
Abstain  
Absent

and carried by those members present, the Board hereby approves the recommended action contained in this Board report.

Dated: 11/14/17

By:   
Kathy Hayes, Clerk of the Board

In June of 2017, your Board approved changes in the code enforcement process and related Humboldt County Codes that allowed CEU to issue daily administrative civil penalties. However, it has always been CEU's goal to obtain voluntary compliance rather than to generate revenue. In the past, CEU was able to suspend or dismiss administrative civil penalties that it had issued. However, the amended County Codes did not codify this process.

On October 24, the CEU brought an item before your Board that amended the County Code to allow the Director to sign compliance agreements between Humboldt County and the Responsible Party. These compliance agreements would significantly reduce the amount of the administrative penalty and/or stop the public nuisance abatement process in exchange for the voluntary correction of violations in a timely manner.

Your Board has set a hearing for the adoption of these amendments on November 7, 2017 and as a result, the amendments will not take effect until December 2017. In the meantime, seven separate Responsible Parties have signed such a compliance agreement. To expedite the compliance agreement process and to avoid further delays in abating the public nuisances, CEU is requesting that your Board authorize the Director to sign these seven agreements prior to when the these amendments take effect.

The compliance agreement contracts that are pending approval include the waiver of a large portion of the proposed administrative civil penalty. The Responsible Party for these seven agreements agreed to pay a reduced administrative civil penalty in association with bringing the site into compliance. This approach will reduce the workload of the Planning and Building Department and County Counsel's Office while gaining compliance with various County Codes. In addition, all seven Responsible Parties have agreed to pay all administrative costs incurred as a result of enforcement activities.

The Compliance Agreements are for the following parcels:

<b>Parcel Number</b>	<b>Responsible Party</b>	<b>Primary Violation</b>
316-075-009	W Creek LLC	Commercial Marijuana Cultivation
522-034-018	Miles Garrett	Commercial Marijuana Cultivation
522-044-014	DLF Enterprise LLC	Commercial Marijuana Cultivation
522-034-011	Ross and Kristin Garrett	Commercial Marijuana Cultivation
522-034-003	Three Ks LLC	Commercial Marijuana Cultivation
522-035-006	Three Creeks Ranch LLC	Commercial Marijuana Cultivation
303-063-017	Judith Rantasuo	Junkyard

The Compliance Agreements are included as Attachment "A."

#### FINANCIAL IMPACT:

The total amount of anticipated fines that will be collected is \$180,000. The amount of anticipated administrative costs that will be recouped is \$7,696.09.

This Board action supports the Board's Strategic Framework core roles by enforcing laws and regulations to protect residents and emphasizing public safety and health.

#### OTHER AGENCY INVOLVEMENT:

None.

**ALTERNATIVES TO STAFF RECOMMENDATIONS:**

The Board could decline to authorize the Director to sign these seven Compliance Agreements. This alternative is not recommended as it may delay voluntary compliance and with the onset of the rainy season, this could have significant impacts to the environment.

**ATTACHMENTS:**

Attachment A –Seven Compliance Agreements

**ATTACHMENT A**  
**Seven Compliance Agreements**

**COMPLIANCE AGREEMENT  
BY AND BETWEEN  
COUNTY OF HUMBOLDT  
AND  
W CREEK LLC**

This Compliance Agreement ("Agreement"), provisionally entered into this day of October 10, 2017 and awaiting approval by the Humboldt County Board of Supervisors on a future date ("Effective Date"), by and between the County of Humboldt, a political subdivision of the State of California, hereinafter referred to as "COUNTY," and W Creek LLC, as owner who has allowed a violation to occur on the property described as Assessor's Parcel Number: 316-075-009 located on Berg Road in Willow Creek, California ("Subject Property"), hereinafter referred to as "RESPONSIBLE PARTY," is made upon the following considerations:

**RECITALS:**

**WHEREAS**, on or about September 20, 2017, COUNTY, by and through the Humboldt County Planning and Building Department – Code Enforcement Unit ("Code Enforcement Unit") opened **Code Enforcement Case Number 17CEU-279** in response to complaints of alleged nuisances and/or other violations of local, state and/or federal law ("Violations") that had occurred and/or existed on the Subject Property; and

**WHEREAS**, after conducting an inspection of the Subject Property, the Code Enforcement Unit determined that the following Violations had occurred and/or existed on the Subject Property:

- Construction without permits; and
- Grading without permits; and
- A violation of the Commercial Medical Marijuana Ordinance; and

**WHEREAS**, on or about September 27, 2017, the Code Enforcement Unit served RESPONSIBLE PARTY with a Notice of Violation and Proposed Administrative Civil Penalty ("Notice of Violation") and a Notice to Abate Nuisance pertaining to the Violations that had occurred and/or existed on the Subject Property; and

**WHEREAS**, the above-referenced Notice of Violation notified RESPONSIBLE PARTY that a daily administrative civil penalty in the amount of ten thousand dollars per day (\$10,000 per day) would be imposed on the Subject Property for a period of up to ninety (90) calendar days, if the required corrective action or actions set forth therein were not completed within ten (10) calendar days after service thereof; and

**WHEREAS**, COUNTY has incurred Administrative Costs, as defined by Humboldt County Code Section 352-3(a), in the amount of **one thousand and two hundred dollars (\$1,200)** as of the Effective Date of this Agreement; and

**WHEREAS**, RESPONSIBLE PARTY hereby acknowledges that the Violations set forth in the above-referenced Notice of Violation have occurred and/or exist on the Subject Property; and

**WHEREAS**, RESPONSIBLE PARTY hereby accepts full responsibility, without condition, for making the required corrections and/or repairs set forth in the above-referenced Notice of Violation; and

**WHEREAS**, in exchange for RESPONSIBLE PARTY's promise to settle and resolve, as set forth herein, the Violations that occurred and/or existed on the Subject Property on or before October 8, 2017, COUNTY is willing to stay enforcement and collection of the above-referenced daily administrative civil penalty; and

**WHEREAS**, in the event RESPONSIBLE PARTY does not correct the Violations that have occurred and/or exist on the Subject Property within the timeframes set forth herein, and COUNTY does not extend the time allowed to resolve such Violations, the above-referenced daily administrative civil penalty will be enforced to the fullest extent allowed by law; and

**WHEREAS**, COUNTY and RESPONSIBLE PARTY desire to enter into an agreement which sets forth each party's rights and obligations regarding the settlement and resolution of the Violations that have occurred and/or exist on the Subject Property; and

**WHEREAS**, RESPONSIBLE PARTY acknowledges and agrees that this Agreement only applies to the daily administrative civil penalties imposed pursuant to the above-referenced Notice of Violation pertaining to the Violations that occurred and/or existed on the Subject Property on or before October 8, 2017; and

**WHEREAS**, RESPONSIBLE PARTY acknowledges and agrees that nothing set forth herein shall be deemed to waive or reduce any applicable permit fees, including, without limitation, double fees, or administrative civil penalties imposed after October 8, 2017; and

**WHEREAS**, RESPONSIBLE PARTY acknowledges and agrees that this Agreement only relates to Violations that occurred and/or existed on the Subject Property on or before October 8, 2017; and

**WHEREAS**, RESPONSIBLE PARTY acknowledges and agrees that nothing set forth herein shall preclude COUNTY from investigating and enforcing any and all new Violations that occur and/or exist on the Subject Property after October 8, 2017.

**NOW THEREFORE**, in consideration of the mutual covenants and promises contained herein and other good and valuable consideration, receipt of which is hereby acknowledged, the parties hereto mutually agree as follows:

**AGREEMENT:**

**1. INCORPORATION OF RECITALS:**

The foregoing recitals are hereby incorporated into this Agreement by reference as if fully set forth below.

**2. RIGHTS AND OBLIGATIONS OF RESPONSIBLE PARTY:**

By executing this Agreement, RESPONSIBLE PARTY, for itself, and its assignees and successors in interest, agrees as follows:

**A. Monetary Settlement of Penalties and Costs.**

1. RESPONSIBLE PARTY shall pay the sum of **thirty thousand dollars (\$30,000)** prior to the Effective Date of this Agreement, in settlement of the above-referenced administrative civil penalty.

2. RESPONSIBLE PARTY shall pay the sum of **one thousand and two hundred dollars (\$1,200)** prior to the Effective Date of this Agreement, in settlement of the above-referenced Administrative Costs incurred prior to the Effective Date of the Agreement.
3. RESPONSIBLE PARTY acknowledges and agrees that COUNTY will incur Administrative Costs subsequent to the Effective Date of this Agreement to administer this Agreement including but not limited to inspection and verification for compliance. Accordingly, RESPONSIBLE PARTY agrees to pay a **Not To Exceed** amount of **four thousand and five hundred dollars (\$4,500)** within **twenty-one (21) calendar days** of receiving COUNTY's invoice for Administrative Costs COUNTY incurred subsequent to the Effective Date of this Agreement.
4. RESPONSIBLE PARTY shall be jointly and severally liable for all amounts listed in Section 2.A.

**B. Corrective Actions.** RESPONSIBLE PARTY shall take all of the following corrective actions, in accordance with the timeframes set forth herein, in order to abate the Violations described in the above-referenced Notice of Violation on or before January 6, 2018:

1. Remove all cannabis plants and cease any and all cannabis operations located on the Subject Property no later than October 12, 2017.
2. Complete demolition of any and all unpermitted structures and soil containers supporting cannabis cultivation, including applying for and obtaining all proper permits from the Planning and Building Division and Division of Environmental Health in order to complete above-referenced demolition no later than November 6, 2017. All of the solid waste generated by this cleanup must be disposed of in the proper manner and care must be taken to ensure that nutrients in the waste soil do not leach into a watercourse.
3. Submit completed application for proper permits to the Planning and Building Division in order to permit an existing unpermitted single family residence located on Subject Property. Completed application must have plans drawn by or under the supervision of a licensed architect and/or structural engineer no later than November 6, 2017.
4. Submit completed application for proper permits to the Planning and Building Division in order to permit any accessory structures located on the Subject Property that conform to the requirements of the Subject Property's zoning designation and therefore may be allowed to exist with proper permits. Completed application must have plans drawn by or under the supervision of a licensed architect and/or structural engineer no later than November 6, 2017.
5. Submit completed application for proper permits to the Planning and Building Division in order to remove any accessory structures and unpermitted single family residence that cannot be permitted and/or that you do not wish to submit permit applications for no later than November 6, 2017.
6. Secure and implement winter weatherization and soil erosion control measures under the supervision of a licensed professional with credentials relevant to the work to be completed no later than November 21, 2017.
7. Remove all accessory structures and unpermitted single family residence after obtaining proper permits from the Planning and Building Division no later than December 6, 2017.

8. Submit a comprehensive site restoration plan drafted by a licensed professional with credentials relevant to the work to be completed no later than December 6, 2017.
- C. **Receipt of Applicable Permits.** RESPONSIBLE PARTY shall apply for and receive, at its own expense, any and all applicable local, state and/or federal permits prior to taking the corrective actions set forth herein. RESPONSIBLE PARTY shall respond to any and all requests for information necessary to process permit applications within **ten (10) business days** after receipt of such request. All permits issued pursuant to the terms and conditions of this Agreement shall be picked up from the COUNTY within **five (5) business days** after the issuance thereof.
- D. **Consent to Inspection.** RESPONSIBLE PARTY shall permit COUNTY and any other duly authorized local, state and or federal agencies to conduct any and all inspections of the Subject Property that may be required to determine whether RESPONSIBLE PARTY is complying with the terms and conditions of this Agreement.
- E. **Property Transfers.** RESPONSIBLE PARTY will not sell, transfer, mortgage, lease or otherwise dispose of the Subject Property until the corrective actions set forth herein are completed or until the Responsible Party first furnishes the grantee, transferee, mortgagee or lessee with a true and correct copies of the above-referenced Notice of Violation and this Agreement. RESPONSIBLE PARTY shall provide COUNTY with a signed and notarized statement from the grantee, transferee, mortgagee or lessee which acknowledges the receipt of true and correct copies of the above-referenced Notice of Violation and this Agreement, and full acceptance of the responsibility, without condition, for taking the corrective actions set forth herein.
- F. **Waiver of Appeal Rights.** RESPONSIBLE PARTY hereby waives its right to request a an Administrative Civil Penalty Appeal Hearing and/or Code Enforcement Appeal Hearing before a COUNTY appointed hearing officer in order to determine whether the Violations set forth in the above-referenced Notice of Violation and Notice to Abate Nuisance actually occurred and/or existed on the Subject Property and/or the reasonableness of the amount of the administrative civil penalty.
- G. **Effect of Noncompliance.** In the event that RESPONSIBLE PARTY fails to comply with the terms and conditions of this Agreement, the above-referenced administrative civil penalty in the amount of **nine hundred thousand dollars (\$900,000)**, as well as any unpaid portion of the Administrative Costs incurred by COUNTY during the investigation of the Violations set forth in the above-referenced Notice of Violation will become immediately due and payable. The execution of this Agreement is a one-time opportunity granted by COUNTY to RESPONSIBLE PARTY to voluntarily correct the Violations. COUNTY reserves its rights and discretion to enter into future compliance agreements for other Notice to Abate Nuisance and/or Notice of Violation.

### 3. **RIGHTS AND OBLIGATIONS OF COUNTY:**

By executing this Agreement, COUNTY, for itself, and its assignees and successors in interest, agrees as follows:

- A. **Stay of Enforcement and Collection Actions.** COUNTY shall not take any enforcement or collection actions regarding the administrative civil penalty imposed pursuant to the above-referenced Notice of Violation. However, in the event RESPONSIBLE PARTY fails to abide



by the terms of this Agreement, COUNTY shall be entitled to take any and all appropriate enforcement and/or collection actions pursuant to Chapters 1 and 2 of Division 5 of Title III of the Humboldt County Code.

- B. Release of Violations.** Upon RESPONSIBLE PARTY's completion of all the corrective actions required hereunder and payment of all amounts listed in Section 2.A. and all applicable permit and/or inspection fees, COUNTY shall dismiss the above-referenced Notice of Violation and Notice to Abate Nuisance and issue a Release of Notice of Violation and Proposed Administrative Civil Penalty and Release of Notice to Abate Nuisance to RESPONSIBLE PARTY.

**4. TERM:**

This Agreement shall begin upon execution by both parties and shall remain in full force and effect until January 6, 2018, unless sooner terminated or extended as provided herein.

**5. TERMINATION:**

COUNTY may immediately terminate this Agreement, upon notice, if RESPONSIBLE PARTY fails to comply with the terms of this Agreement within the time limits specified herein, or violates any ordinance, regulation or other law applicable to its performance herein.

**6. NOTICES:**

Any and all notices required to be given pursuant to the terms and conditions of this Agreement shall be in writing and either served personally or sent by certified mail, return receipt requested, to the respective addresses set forth below. Notice shall be effective upon actual receipt or refusal as shown on the receipt obtained pursuant to the foregoing.

COUNTY: Humboldt County Code Enforcement Unit  
Attention: Bob Russell  
3015 H Street  
Eureka, California 95501

RESPONSIBLE PARTY: W Creek LLC  
Attention: Dean Holter  
315 P Street  
Eureka, California 95501

**7. CONFIDENTIAL INFORMATION:**

In the performance of this Agreement, each party hereto may receive information that is confidential under local, state or federal law. Each party hereby agrees to protect all confidential information in conformance with any and all applicable local, state and federal laws, regulations, policies, procedures and standards.

**8. NUCLEAR FREE HUMBOLDT COUNTY ORDINANCE COMPLIANCE:**

By executing this Agreement, RESPONSIBLE PARTY certifies that it is not a Nuclear Weapons Contractor, in that RESPONSIBLE PARTY is not knowingly or intentionally engaged in the research, development, production or testing of nuclear warheads, nuclear weapons systems or nuclear weapons

components, as defined by the Nuclear Free Humboldt County Ordinance. RESPONSIBLE PARTY agrees to notify COUNTY immediately if it becomes a Nuclear Weapons Contractor as defined above. COUNTY may immediately terminate this Agreement if it determines that the foregoing certification is false or if RESPONSIBLE PARTY subsequently becomes a Nuclear Weapons Contractor.

**9. INDEMNIFICATION:**

- A. **Hold Harmless, Defense and Indemnification.** RESPONSIBLE PARTY shall hold harmless, defend and indemnify COUNTY and its agents, officers, officials, employees and volunteers from and against, any all claims, demands, losses, damages, liabilities, expenses and costs of any kind or nature, including, without limitation, reasonable attorneys' fees and other costs of litigation, arising out of, or in connection with, RESPONSIBLE PARTY's negligent performance of, or failure to comply with, any of the duties and/or obligations contained herein, except such loss or damage which was caused by the sole negligence or willful misconduct of COUNTY.
- B. **Effect of Insurance.** Acceptance of the insurance required by this Agreement shall not relieve RESPONSIBLE PARTY from liability under this provision. This provision shall apply to all claims for damages related to the performance of RESPONSIBLE PARTY's performance of the duties and obligations set forth in this Agreement regardless of whether any insurance is applicable or not. The policy limits pertaining to the insurance required hereunder shall not act as a limitation upon the amount of indemnification or defense to be provided by RESPONSIBLE PARTY hereunder.

**10. INSURANCE REQUIREMENTS:**

Without limiting the indemnification obligations set forth herein, RESPONSIBLE PARTY will obtain or maintain in full force and effect, at its own expense, any and all insurance policies required by law. RESPONSIBLE PARTY will ensure that any and all hired subcontractors have the appropriate insurance for the services provided.

**11. RELATIONSHIP OF PARTIES:**

It is understood that this Agreement is by and between two (2) independent entities and is not intended to, and shall not be construed to, create the relationship of agent, servant, employee, partnership, joint venture or any other similar association. RESPONSIBLE PARTY shall be solely responsible for the acts or omissions of its agents, officers, employees, assignees and subcontractors.

**12. COMPLIANCE WITH APPLICABLE LAWS:**

RESPONSIBLE PARTY agrees to comply with any and all local, state and federal laws, regulations, policies and procedures applicable to the performance of the duties and/or obligations set forth herein.

**13. PROVISIONS REQUIRED BY LAW:**

This Agreement is subject to any additional local, state and federal restrictions, limitations, or conditions that may affect the provisions, terms or conditions of this Agreement. This Agreement shall be read and enforced as though all legally required provisions are included herein, and if for any reason any such provision is not included, or is not correctly stated, the parties agree to amend the pertinent section to make such insertion or correction.

**14. REFERENCE TO LAWS AND RULES:**

In the event any law, regulation, policy or procedure referred to in this Agreement is amended during the term hereof, the parties agree to comply with the amended provision as of the effective date of such amendment.

**15. SEVERABILITY:**

In the event any provision of this Agreement, or any portion thereof, is found by any court of competent jurisdiction to be unenforceable or invalid for any reason, such provision shall be severable and shall not in any way impair the enforceability of any other provision of this Agreement.

**16. ASSIGNMENT:**

RESPONSIBLE PARTY shall not delegate its duties nor assign its rights hereunder, either in whole or in part, without COUNTY's prior written consent. Any assignment by RESPONSIBLE PARTY in violation of this provision shall be void, and shall be cause for immediate termination of this Agreement.

**17. AGREEMENT SHALL BIND SUCCESSORS:**

All provisions of this Agreement shall be fully binding upon, and inure to the benefit of, the parties and to each of their heirs, executors, administrators, successors and permitted assigns.

**18. WAIVER OF DEFAULT:**

The waiver by either party of any breach or violation of any requirement of this Agreement shall not be deemed to be a waiver of any such breach in the future, or of the breach of any other requirement of this Agreement.

**19. NON-LIABILITY OF COUNTY OFFICIALS AND EMPLOYEES:**

No official or employee of COUNTY shall be personally liable for any default or liability under this Agreement.

**20. AMENDMENT:**

This Agreement may be extended and/or modified at any time during the term of this Agreement upon the mutual consent of both parties. No supplement, modification, waiver, extension or termination of this Agreement or any provision hereof shall be binding unless executed in writing by the parties in the same manner as this Agreement.

**21. JURISDICTION AND VENUE:**

This Agreement shall be construed in accordance with the laws of the State of California. Any dispute arising hereunder, or relating hereto, shall be litigated in the State of California and venue shall lie in the County of Humboldt unless transferred by court order pursuant to California Code of Civil Procedure Sections 394 or 395.

**22. SUBCONTRACTS:**

RESPONSIBLE PARTY shall remain legally responsible for the performance of all terms and conditions of this Agreement, including corrective actions performed by third parties under subcontracts.

**23. ATTORNEYS' FEES:**

COUNTY and RESPONSIBLE PARTY shall each bear their own costs and attorneys' fees. However, if either party commences any legal action or proceeding, including an action for declaratory relief, against the other by reason of the alleged failure of the other to perform or keep any provision of this Agreement, the prevailing party in said action or proceeding shall be entitled to recover, court costs and reasonable attorneys' fees, including the reasonable value of services rendered by the Humboldt County Counsel's Office, to be fixed by the court, collection costs, and such recovery shall include court costs and attorneys' fees on appeal, if applicable. As used herein, "prevailing party" means the party who dismisses an action or proceeding in exchange for payment of substantially all sums allegedly due, performance of provisions allegedly breached, or other considerations substantially equal to the relief sought by said party, as well as the party in whose favor final judgment is rendered.

**24. SURVIVAL:**

The duties and obligations of the parties set forth in Section 7 – Confidential Information and Section 9 – Indemnification shall survive the expiration or termination of this Agreement.

**25. CONFLICTING TERMS OR CONDITIONS:**

In the event of any conflict in the terms or conditions set forth in any other agreements in place between the parties hereto and the terms and conditions set forth in this Agreement, the terms and conditions set forth herein shall have priority.

**26. INFORMED CONSENT:**

RESPONSIBLE PARTY has had the opportunity to be represented by independent legal counsel of their own choice, and this Agreement was prepared with the joint input of all parties. RESPONSIBLE PARTY further acknowledges that this Agreement was executed freely and voluntarily and with the opportunity for RESPONSIBLE PARTY to receive the advice of independent legal counsel. RESPONSIBLE PARTY is fully aware of its contents and its legal effect.

**27. NO REPRESENTATION NOT CONTAINED HEREIN:**

Each party acknowledges that no other party, nor any agent or attorney of any party, has made any promise, representation or warranty whatsoever, express or implied, not expressly contained herein, concerning the subject matter hereto so as to induce it to execute this Agreement; and each party acknowledges that it has not executed this Agreement in reliance on any promise, representation or warranty not contained herein.

**28. INTERPRETATION:**

This Agreement, as well as its individual provisions, shall be deemed to have been prepared equally by both of the parties hereto, and shall not be construed or interpreted more favorably for one party on the basis that the other party prepared it.

**29. INDEPENDENT CONSTRUCTION:**

The titles of the sections, subsections and paragraphs set forth in this Agreement are inserted for convenience of reference only, and shall be disregarded in construing or interpreting any of the provisions of this Agreement.

**30. ENTIRE AGREEMENT:**

This Agreement constitutes the entire agreement between the parties pertaining to the subject matter hereof and supersedes all prior and contemporaneous agreements, understandings, negotiations and discussions, whether oral or written, of the parties. Any and all acts which may have already been consummated pursuant to the terms and conditions of this Agreement are hereby ratified.

**31. AUTHORITY TO EXECUTE:**

Each person executing this Agreement represents and warrants that he or she is duly authorized and has legal authority to execute and deliver this Agreement. Each party hereto represents and warrants to the other that the execution and delivery of this Agreement and the performance of such party's obligations hereunder have been duly authorized.

[Signatures on following page]

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the day, month and year below written:

TWO SIGNATURES ARE REQUIRED FOR CORPORATIONS:

- (1) CHAIRPERSON OF THE BOARD, PRESIDENT, OR VICE PRESIDENT; AND
- (2) SECRETARY, ASSISTANT SECRETARY, CHIEF FINANCIAL OFFICER OR TREASURER.

W CREEK LLC:

By: 

Date: <sup>10-10-17</sup> 10-10-17 2017

Name: Devon Cruz

Title: Managing Partner "member"

By: \_\_\_\_\_

Date: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

COUNTY OF HUMBOLDT:

By: \_\_\_\_\_  
*Humboldt County Board of Supervisors on*  
*\_\_\_\_\_, 20[ ], Item [ - ]*

Date: \_\_\_\_\_

**NOTE TO NOTARY PUBLIC:** If you are notarizing the signatures of persons, signing on behalf of a corporation, partnership, trust, etc., please use the correct notary jurat (acknowledgment) as explained in your Notary Public Law Book.

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA

COUNTY OF HUMBOLDT)

On Oct 10, 2017 before me, Kristina Culbertson, a

Notary Public, personally appeared Devon Cruz, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/~~she/they~~ executed the same in his/~~her/their~~ authorized capacity(ies), and that by his/~~her/their~~ signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature Kristina Culbertson



(Seal)

**COMPLIANCE AGREEMENT  
BY AND BETWEEN  
COUNTY OF HUMBOLDT  
AND  
MILES GARRETT**

This Compliance Agreement ("Agreement"), provisionally entered into this day of October 10, 2017 and awaiting approval by the Humboldt County Board of Supervisors on a future date ("Effective Date"), by and between the County of Humboldt, a political subdivision of the State of California, hereinafter referred to as "COUNTY," and Miles Garrett, as owner who has allowed a violation to occur on the property located at Brannan Mountain Road in Willow Creek, CA 95573, Assessor's Parcel Number: 522-034-018 ("Subject Property"), hereinafter referred to as "RESPONSIBLE PARTY," is made upon the following considerations:

**RECITALS:**

**WHEREAS**, on or about September 20, 2017, COUNTY, by and through the Humboldt County Planning and Building Department – Code Enforcement Unit ("Code Enforcement Unit") opened **Code Enforcement Case Number 17CEU-277** in response to complaints of alleged nuisances and/or other violations of local, state and/or federal law ("Violations") that had occurred and/or existed on the Subject Property; and

**WHEREAS**, after conducting an inspection of the Subject Property, the Code Enforcement Unit determined that the following Violations had occurred and/or existed on the Subject Property:

- Grading without permits; and
- A violation of the Commercial Medical Marijuana Ordinance; and

**WHEREAS**, on or about September 27, 2017, the Code Enforcement Unit served RESPONSIBLE PARTY with a Notice of Violation and Proposed Administrative Civil Penalty ("Notice of Violation") and a Notice to Abate Nuisance pertaining to the Violations that had occurred and/or existed on the Subject Property; and

**WHEREAS**, the above-referenced Notice of Violation notified RESPONSIBLE PARTY that a daily administrative civil penalty in the amount of ten thousand dollars per day (\$10,000 per day) would be imposed on the Subject Property for a period of up to ninety (90) calendar days, if the required corrective action or actions set forth therein were not completed within ten (10) calendar days after service thereof; and

**WHEREAS**, COUNTY has incurred Administrative Costs, as defined by Humboldt County Code Section 352-3(a), in the amount of **one thousand and two hundred dollars (\$1,200)** as of the Effective Date of this Agreement; and

**WHEREAS**, RESPONSIBLE PARTY hereby acknowledges that the Violations set forth in the above-referenced Notice of Violation have occurred and/or exist on the Subject Property; and

**WHEREAS**, RESPONSIBLE PARTY hereby accepts full responsibility, without condition, for making the required corrections and/or repairs set forth in the above-referenced Notice of Violation; and

**WHEREAS**, in exchange for RESPONSIBLE PARTY's promise to settle and resolve, as set forth



herein, the Violations that occurred and/or existed on the Subject Property on or before October 8, 2017, COUNTY is willing to stay enforcement and collection of the above-referenced daily administrative civil penalty; and

**WHEREAS**, in the event RESPONSIBLE PARTY does not correct the Violations that have occurred and/or exist on the Subject Property within the timeframes set forth herein, and COUNTY does not extend the time allowed to resolve such Violations, the above-referenced daily administrative civil penalty will be enforced to the fullest extent allowed by law; and

**WHEREAS**, COUNTY and RESPONSIBLE PARTY desire to enter into an agreement which sets forth each party's rights and obligations regarding the settlement and resolution of the Violations that have occurred and/or exist on the Subject Property; and

**WHEREAS**, RESPONSIBLE PARTY acknowledges and agrees that this Agreement only applies to the daily administrative civil penalties imposed pursuant to the above-referenced Notice of Violation pertaining to the Violations that occurred and/or existed on the Subject Property on or before October 8, 2017; and

**WHEREAS**, RESPONSIBLE PARTY acknowledges and agrees that nothing set forth herein shall be deemed to waive or reduce any applicable permit fees, including, without limitation, double fees, or administrative civil penalties imposed after October 8, 2017; and

**WHEREAS**, RESPONSIBLE PARTY acknowledges and agrees that this Agreement only relates to Violations that occurred and/or existed on the Subject Property on or before October 8, 2017; and

**WHEREAS**, RESPONSIBLE PARTY acknowledges and agrees that nothing set forth herein shall preclude COUNTY from investigating and enforcing any and all new Violations that occur and/or exist on the Subject Property after October 8, 2017.

**NOW THEREFORE**, in consideration of the mutual covenants and promises contained herein and other good and valuable consideration, receipt of which is hereby acknowledged, the parties hereto mutually agree as follows:

**AGREEMENT:**

**1. INCORPORATION OF RECITALS:**

The foregoing recitals are hereby incorporated into this Agreement by reference as if fully set forth below.

**2. RIGHTS AND OBLIGATIONS OF RESPONSIBLE PARTY:**

By executing this Agreement, RESPONSIBLE PARTY, for itself, and its assignees and successors in interest, agrees as follows:

**A. Monetary Settlement of Penalties and Costs.**

1. RESPONSIBLE PARTY shall pay the sum of **twenty thousand dollars (\$20,000)** prior to the Effective Date of this Agreement, in settlement of the above-referenced administrative civil penalty.
2. RESPONSIBLE PARTY shall pay the sum of **one thousand and two hundred dollars (\$1,200)** prior to the Effective Date of this Agreement, in settlement of the above-

referenced Administrative Costs incurred prior to the Effective Date of the Agreement.

3. RESPONSIBLE PARTY acknowledges and agrees that COUNTY will incur Administrative Costs subsequent to the Effective Date of this Agreement to administer this Agreement including but not limited to inspection and verification for compliance. Accordingly, RESPONSIBLE PARTY agrees to pay a **Not To Exceed** amount of **four thousand and five hundred dollars (\$4,500)** within **twenty-one (21) calendar days** of receiving COUNTY's invoice for Administrative Costs COUNTY incurred subsequent to the Effective Date of this Agreement.
4. RESPONSIBLE PARTY shall be jointly and severally liable for all amounts listed in Section 2.A.

**B. Corrective Actions.** RESPONSIBLE PARTY shall take all of the following corrective actions, in accordance with the timeframes set forth herein, in order to abate the Violations described in the above-referenced Notice of Violation on or before January 6, 2018:

1. Remove all cannabis plants and cease any and all cannabis operations located on the Subject Property no later than October 10, 2017.
2. Complete demolition of any and all unpermitted structures and soil containers supporting cannabis cultivation, including applying for and obtaining all proper permits from the Planning and Building Division and Division of Environmental Health in order to complete above-referenced demolition no later than November 6, 2017. All of the solid waste generated by this cleanup must be disposed of in the proper manner and care must be taken to ensure that nutrients in the waste soil do not leach into a watercourse.
3. Submit completed application for proper permits to the Planning and Building Division in order to permit an existing unpermitted single family residence located on Subject Property. Completed application must have plans drawn by or under the supervision of a licensed architect and/or structural engineer no later than November 6, 2017.
4. Submit completed application for proper permits to the Planning and Building Division in order to permit any accessory structures located on the Subject Property that conform to the requirements of the Subject Property's zoning designation and therefore may be allowed to exist with proper permits. Completed application must have plans drawn by or under the supervision of a licensed architect and/or structural engineer no later than November 6, 2017.
5. Submit completed application for proper permits to the Planning and Building Division in order to remove any accessory structures and unpermitted single family residence that cannot be permitted and/or that you do not wish to submit permit applications for no later than November 6, 2017.
6. Secure and implement winter weatherization and soil erosion control measures under the supervision of a licensed professional with credentials relevant to the work to be completed no later than November 21, 2017.
7. Remove all accessory structures and unpermitted single family residence after obtaining proper permits from the Planning and Building Division no later than December 6, 2017.
8. Submit a comprehensive site restoration plan drafted by a licensed professional with credentials relevant to the work to be completed no later than December 6, 2017.

- C. **Receipt of Applicable Permits.** RESPONSIBLE PARTY shall apply for and receive, at its own expense, any and all applicable local, state and/or federal permits prior to taking the corrective actions set forth herein. RESPONSIBLE PARTY shall respond to any and all requests for information necessary to process permit applications within **ten (10) business days** after receipt of such request. All permits issued pursuant to the terms and conditions of this Agreement shall be picked up from the COUNTY within **five (5) business days** after the issuance thereof.
- D. **Consent to Inspection.** RESPONSIBLE PARTY shall permit COUNTY and any other duly authorized local, state and or federal agencies to conduct any and all inspections of the Subject Property that may be required to determine whether RESPONSIBLE PARTY is complying with the terms and conditions of this Agreement.
- E. **Property Transfers.** RESPONSIBLE PARTY will not sell, transfer, mortgage, lease or otherwise dispose of the Subject Property until the corrective actions set forth herein are completed or until the Responsible Party first furnishes the grantee, transferee, mortgagee or lessee with a true and correct copies of the above-referenced Notice of Violation and this Agreement. RESPONSIBLE PARTY shall provide COUNTY with a signed and notarized statement from the grantee, transferee, mortgagee or lessee which acknowledges the receipt of true and correct copies of the above-referenced Notice of Violation and this Agreement, and full acceptance of the responsibility, without condition, for taking the corrective actions set forth herein.
- F. **Waiver of Appeal Rights.** RESPONSIBLE PARTY hereby waives its right to request a an Administrative Civil Penalty Appeal Hearing and/or Code Enforcement Appeal Hearing before a COUNTY appointed hearing officer in order to determine whether the Violations set forth in the above-referenced Notice of Violation and Notice to Abate Nuisance actually occurred and/or existed on the Subject Property and/or the reasonableness of the amount of the administrative civil penalty.
- G. **Effect of Noncompliance.** In the event that RESPONSIBLE PARTY fails to comply with the terms and conditions of this Agreement, the above-referenced administrative civil penalty in the amount of **nine hundred thousand dollars (\$900,000)**, as well as any unpaid portion of the Administrative Costs incurred by COUNTY during the investigation of the Violations set forth in the above-referenced Notice of Violation will become immediately due and payable. The execution of this Agreement is a one-time opportunity granted by COUNTY to RESPONSIBLE PARTY to voluntarily correct the Violations. COUNTY reserves its rights and discretion to enter into future compliance agreements for other Notice to Abate Nuisance and/or Notice of Violation.

### **3. RIGHTS AND OBLIGATIONS OF COUNTY:**

By executing this Agreement, COUNTY, for itself, and its assignees and successors in interest, agrees as follows:

- A. **Stay of Enforcement and Collection Actions.** COUNTY shall not take any enforcement or collection actions regarding the administrative civil penalty imposed pursuant to the above-referenced Notice of Violation. However, in the event RESPONSIBLE PARTY fails to abide by the terms of this Agreement, COUNTY shall be entitled to take any and all appropriate enforcement and/or collection actions pursuant to Chapters 1 and 2 of Division 5 of Title III of

the Humboldt County Code.

- B. **Release of Violations.** Upon RESPONSIBLE PARTY's completion of all the corrective actions required hereunder and payment of all amounts listed in Section 2.A. and all applicable permit and/or inspection fees, COUNTY shall dismiss the above-referenced Notice of Violation and Notice to Abate Nuisance and issue a Release of Notice of Violation and Proposed Administrative Civil Penalty and Release of Notice to Abate Nuisance to RESPONSIBLE PARTY.

4. **TERM:**

This Agreement shall begin upon execution by both parties and shall remain in full force and effect until January 6, 2017 unless sooner terminated or extended as provided herein.

5. **TERMINATION:**

COUNTY may immediately terminate this Agreement, upon notice, if RESPONSIBLE PARTY fails to comply with the terms of this Agreement within the time limits specified herein, or violates any ordinance, regulation or other law applicable to its performance herein.

6. **NOTICES:**

Any and all notices required to be given pursuant to the terms and conditions of this Agreement shall be in writing and either served personally or sent by certified mail, return receipt requested, to the respective addresses set forth below. Notice shall be effective upon actual receipt or refusal as shown on the receipt obtained pursuant to the foregoing.

COUNTY: Humboldt County Code Enforcement Unit  
Attention: Bob Russell  
3015 H Street  
Eureka, California 95501

RESPONSIBLE PARTY: Miles Garrett  
1667 H Street  
Arcata, California 95521

7. **CONFIDENTIAL INFORMATION:**

In the performance of this Agreement, each party hereto may receive information that is confidential under local, state or federal law. Each party hereby agrees to protect all confidential information in conformance with any and all applicable local, state and federal laws, regulations, policies, procedures and standards.

8. **NUCLEAR FREE HUMBOLDT COUNTY ORDINANCE COMPLIANCE:**

By executing this Agreement, RESPONSIBLE PARTY certifies that it is not a Nuclear Weapons Contractor, in that RESPONSIBLE PARTY is not knowingly or intentionally engaged in the research, development, production or testing of nuclear warheads, nuclear weapons systems or nuclear weapons

components, as defined by the Nuclear Free Humboldt County Ordinance. RESPONSIBLE PARTY agrees to notify COUNTY immediately if it becomes a Nuclear Weapons Contractor as defined above. COUNTY may immediately terminate this Agreement if it determines that the foregoing certification is false or if RESPONSIBLE PARTY subsequently becomes a Nuclear Weapons Contractor.

**9. INDEMNIFICATION:**

- A. **Hold Harmless, Defense and Indemnification.** RESPONSIBLE PARTY shall hold harmless, defend and indemnify COUNTY and its agents, officers, officials, employees and volunteers from and against, any all claims, demands, losses, damages, liabilities, expenses and costs of any kind or nature, including, without limitation, reasonable attorneys' fees and other costs of litigation, arising out of, or in connection with, RESPONSIBLE PARTY's negligent performance of, or failure to comply with, any of the duties and/or obligations contained herein, except such loss or damage which was caused by the sole negligence or willful misconduct of COUNTY.
- B. **Effect of Insurance.** Acceptance of the insurance required by this Agreement shall not relieve RESPONSIBLE PARTY from liability under this provision. This provision shall apply to all claims for damages related to the performance of RESPONSIBLE PARTY's performance of the duties and obligations set forth in this Agreement regardless of whether any insurance is applicable or not. The policy limits pertaining to the insurance required hereunder shall not act as a limitation upon the amount of indemnification or defense to be provided by RESPONSIBLE PARTY hereunder.

**10. INSURANCE REQUIREMENTS:**

Without limiting the indemnification obligations set forth herein, RESPONSIBLE PARTY will obtain or maintain in full force and effect, at its own expense, any and all insurance policies required by law. RESPONSIBLE PARTY will ensure that any and all hired subcontractors have the appropriate insurance for the services provided.

**11. RELATIONSHIP OF PARTIES:**

It is understood that this Agreement is by and between two (2) independent entities and is not intended to, and shall not be construed to, create the relationship of agent, servant, employee, partnership, joint venture or any other similar association. RESPONSIBLE PARTY shall be solely responsible for the acts or omissions of its agents, officers, employees, assignees and subcontractors.

**12. COMPLIANCE WITH APPLICABLE LAWS:**

RESPONSIBLE PARTY agrees to comply with any and all local, state and federal laws, regulations, policies and procedures applicable to the performance of the duties and/or obligations set forth herein.

**13. PROVISIONS REQUIRED BY LAW:**

This Agreement is subject to any additional local, state and federal restrictions, limitations, or conditions that may affect the provisions, terms or conditions of this Agreement. This Agreement shall be read and enforced as though all legally required provisions are included herein, and if for any reason any such provision is not included, or is not correctly stated, the parties agree to amend the pertinent section to make such insertion or correction.

**14. REFERENCE TO LAWS AND RULES:**

In the event any law, regulation, policy or procedure referred to in this Agreement is amended during the term hereof, the parties agree to comply with the amended provision as of the effective date of such amendment.

**15. SEVERABILITY:**

In the event any provision of this Agreement, or any portion thereof, is found by any court of competent jurisdiction to be unenforceable or invalid for any reason, such provision shall be severable and shall not in any way impair the enforceability of any other provision of this Agreement.

**16. ASSIGNMENT:**

RESPONSIBLE PARTY shall not delegate its duties nor assign its rights hereunder, either in whole or in part, without COUNTY's prior written consent. Any assignment by RESPONSIBLE PARTY in violation of this provision shall be void, and shall be cause for immediate termination of this Agreement.

**17. AGREEMENT SHALL BIND SUCCESSORS:**

All provisions of this Agreement shall be fully binding upon, and inure to the benefit of, the parties and to each of their heirs, executors, administrators, successors and permitted assigns.

**18. WAIVER OF DEFAULT:**

The waiver by either party of any breach or violation of any requirement of this Agreement shall not be deemed to be a waiver of any such breach in the future, or of the breach of any other requirement of this Agreement.

**19. NON-LIABILITY OF COUNTY OFFICIALS AND EMPLOYEES:**

No official or employee of COUNTY shall be personally liable for any default or liability under this Agreement.

**20. AMENDMENT:**

This Agreement may be extended and/or modified at any time during the term of this Agreement upon the mutual consent of both parties. No supplement, modification, waiver, extension or termination of this Agreement or any provision hereof shall be binding unless executed in writing by the parties in the same manner as this Agreement.

**21. JURISDICTION AND VENUE:**

This Agreement shall be construed in accordance with the laws of the State of California. Any dispute arising hereunder, or relating hereto, shall be litigated in the State of California and venue shall lie in the County of Humboldt unless transferred by court order pursuant to California Code of Civil Procedure Sections 394 or 395.

**22. SUBCONTRACTS:**

RESPONSIBLE PARTY shall remain legally responsible for the performance of all terms and conditions of this Agreement, including corrective actions performed by third parties under subcontracts.

**23. ATTORNEYS' FEES:**

COUNTY and RESPONSIBLE PARTY shall each bear their own costs and attorneys' fees. However, if either party commences any legal action or proceeding, including an action for declaratory relief, against the other by reason of the alleged failure of the other to perform or keep any provision of this Agreement, the prevailing party in said action or proceeding shall be entitled to recover, court costs and reasonable attorneys' fees, including the reasonable value of services rendered by the Humboldt County Counsel's Office, to be fixed by the court, collection costs, and such recovery shall include court costs and attorneys' fees on appeal, if applicable. As used herein, "prevailing party" means the party who dismisses an action or proceeding in exchange for payment of substantially all sums allegedly due, performance of provisions allegedly breached, or other considerations substantially equal to the relief sought by said party, as well as the party in whose favor final judgment is rendered.

**24. SURVIVAL:**

The duties and obligations of the parties set forth in Section 7 – Confidential Information and Section 9 – Indemnification shall survive the expiration or termination of this Agreement.

**25. CONFLICTING TERMS OR CONDITIONS:**

In the event of any conflict in the terms or conditions set forth in any other agreements in place between the parties hereto and the terms and conditions set forth in this Agreement, the terms and conditions set forth herein shall have priority.

**26. INFORMED CONSENT:**

RESPONSIBLE PARTY has had the opportunity to be represented by independent legal counsel of their own choice, and this Agreement was prepared with the joint input of all parties. RESPONSIBLE PARTY further acknowledges that this Agreement was executed freely and voluntarily and with the opportunity for RESPONSIBLE PARTY to receive the advice of independent legal counsel. RESPONSIBLE PARTY is fully aware of its contents and its legal effect.

**27. NO REPRESENTATION NOT CONTAINED HEREIN:**

Each party acknowledges that no other party, nor any agent or attorney of any party, has made any promise, representation or warranty whatsoever, express or implied, not expressly contained herein, concerning the subject matter hereto so as to induce it to execute this Agreement; and each party acknowledges that it has not executed this Agreement in reliance on any promise, representation or warranty not contained herein.

**28. INTERPRETATION:**

This Agreement, as well as its individual provisions, shall be deemed to have been prepared equally by both of the parties hereto, and shall not be construed or interpreted more favorably for one party on the basis that the other party prepared it.

**29. INDEPENDENT CONSTRUCTION:**

The titles of the sections, subsections and paragraphs set forth in this Agreement are inserted for convenience of reference only, and shall be disregarded in construing or interpreting any of the provisions of this Agreement.

**30. ENTIRE AGREEMENT:**

This Agreement constitutes the entire agreement between the parties pertaining to the subject matter hereof and supersedes all prior and contemporaneous agreements, understandings, negotiations and discussions, whether oral or written, of the parties. Any and all acts which may have already been consummated pursuant to the terms and conditions of this Agreement are hereby ratified.

**31. AUTHORITY TO EXECUTE:**

Each person executing this Agreement represents and warrants that he or she is duly authorized and has legal authority to execute and deliver this Agreement. Each party hereto represents and warrants to the other that the execution and delivery of this Agreement and the performance of such party's obligations hereunder have been duly authorized.

[Signatures on following page]

Addendum: I agree to pay all fees at "Effective Date" and pay balance in a timely manner.





**NOTE TO NOTARY PUBLIC:** If you are notarizing the signatures of persons, signing on behalf of a corporation, partnership, trust, etc., please use the correct notary jurat (acknowledgment) as explained in your Notary Public Law Book.

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA

COUNTY OF HUMBOLDT)

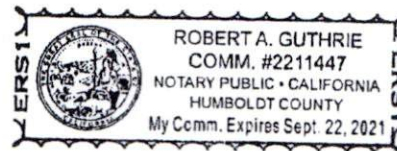
On OCTOBER 10, 2017 before me, ROBERT A. GUTHRIE, a

Notary Public, personally appeared MILES GARRETT, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/~~she~~/they executed the same in his/~~her~~/their authorized capacity(ies), and that by his/~~her~~/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature 



(Seal)

**COMPLIANCE AGREEMENT  
BY AND BETWEEN  
COUNTY OF HUMBOLDT  
AND  
DLF ENTERPRISE LLC**

This Compliance Agreement ("Agreement"), provisionally entered into this day of October 10, 2017 and awaiting approval by the Humboldt County Board of Supervisors on a future date ("Effective Date"), by and between the County of Humboldt, a political subdivision of the State of California, hereinafter referred to as "COUNTY," and DLF Enterprise LLC, as owner who has allowed a violation to occur on the property described as Assessor's Parcel Number: 522-044-014 located on Old Maple Leaf Road in Willow Creek, California ("Subject Property"), hereinafter referred to as "RESPONSIBLE PARTY," is made upon the following considerations:

**RECITALS:**

**WHEREAS**, on or about September 20, 2017, COUNTY, by and through the Humboldt County Planning and Building Department – Code Enforcement Unit ("Code Enforcement Unit") opened **Code Enforcement Case Number 17CEU-276** in response to complaints of alleged nuisances and/or other violations of local, state and/or federal law ("Violations") that had occurred and/or existed on the Subject Property; and

**WHEREAS**, after conducting an inspection of the Subject Property, the Code Enforcement Unit determined that the following Violations had occurred and/or existed on the Subject Property:

- Construction without permits; and
- Grading without permits; and
- A violation of the Commercial Medical Marijuana Ordinance; and

**WHEREAS**, on or about September 27, 2017, the Code Enforcement Unit served RESPONSIBLE PARTY with a Notice of Violation and Proposed Administrative Civil Penalty ("Notice of Violation") and a Notice to Abate Nuisance pertaining to the Violations that had occurred and/or existed on the Subject Property; and

**WHEREAS**, the above-referenced Notice of Violation notified RESPONSIBLE PARTY that a daily administrative civil penalty in the amount of ten thousand dollars per day (\$10,000 per day) would be imposed on the Subject Property for a period of up to ninety (90) calendar days, if the required corrective action or actions set forth therein were not completed within ten (10) calendar days after service thereof; and

**WHEREAS**, COUNTY has incurred Administrative Costs, as defined by Humboldt County Code Section 352-3(a), in the amount of **one thousand and two hundred dollars (\$1,200)** as of the Effective Date of this Agreement; and

**WHEREAS**, RESPONSIBLE PARTY hereby acknowledges that the Violations set forth in the above-referenced Notice of Violation have occurred and/or exist on the Subject Property; and

**WHEREAS**, RESPONSIBLE PARTY hereby accepts full responsibility, without condition, for making the required corrections and/or repairs set forth in the above-referenced Notice of Violation; and

**WHEREAS**, in exchange for RESPONSIBLE PARTY's promise to settle and resolve, as set forth herein, the Violations that occurred and/or existed on the Subject Property on or before October 8, 2017, COUNTY is willing to stay enforcement and collection of the above-referenced daily administrative civil penalty; and

**WHEREAS**, in the event RESPONSIBLE PARTY does not correct the Violations that have occurred and/or exist on the Subject Property within the timeframes set forth herein, and COUNTY does not extend the time allowed to resolve such Violations, the above-referenced daily administrative civil penalty will be enforced to the fullest extent allowed by law; and

**WHEREAS**, COUNTY and RESPONSIBLE PARTY desire to enter into an agreement which sets forth each party's rights and obligations regarding the settlement and resolution of the Violations that have occurred and/or exist on the Subject Property; and

**WHEREAS**, RESPONSIBLE PARTY acknowledges and agrees that this Agreement only applies to the daily administrative civil penalties imposed pursuant to the above-referenced Notice of Violation pertaining to the Violations that occurred and/or existed on the Subject Property on or before October 8, 2017; and

**WHEREAS**, RESPONSIBLE PARTY acknowledges and agrees that nothing set forth herein shall be deemed to waive or reduce any applicable permit fees, including, without limitation, double fees, or administrative civil penalties imposed after October 8, 2017; and

**WHEREAS**, RESPONSIBLE PARTY acknowledges and agrees that this Agreement only relates to Violations that occurred and/or existed on the Subject Property on or before October 8, 2017; and

**WHEREAS**, RESPONSIBLE PARTY acknowledges and agrees that nothing set forth herein shall preclude COUNTY from investigating and enforcing any and all new Violations that occur and/or exist on the Subject Property after October 8, 2017.

**NOW THEREFORE**, in consideration of the mutual covenants and promises contained herein and other good and valuable consideration, receipt of which is hereby acknowledged, the parties hereto mutually agree as follows:

**AGREEMENT:**

**1. INCORPORATION OF RECITALS:**

The foregoing recitals are hereby incorporated into this Agreement by reference as if fully set forth below.

**2. RIGHTS AND OBLIGATIONS OF RESPONSIBLE PARTY:**

By executing this Agreement, RESPONSIBLE PARTY, for itself, and its assignees and successors in interest, agrees as follows:

**A. Monetary Settlement of Penalties and Costs.**

1. RESPONSIBLE PARTY shall pay the sum of **thirty thousand dollars (\$30,000)** prior to the Effective Date of this Agreement, in settlement of the above-referenced administrative civil penalty.

2. RESPONSIBLE PARTY shall pay the sum of **one thousand and two hundred dollars (\$1,200)** prior to the Effective Date of this Agreement, in settlement of the above-referenced Administrative Costs incurred prior to the Effective Date of the Agreement.
3. RESPONSIBLE PARTY acknowledges and agrees that COUNTY will incur Administrative Costs subsequent to the Effective Date of this Agreement to administer this Agreement including but not limited to inspection and verification for compliance. Accordingly, RESPONSIBLE PARTY agrees to pay a **Not To Exceed** amount of **four thousand and five hundred dollars (\$4,500)** within **twenty-one (21) calendar days** of receiving COUNTY's invoice for Administrative Costs COUNTY incurred subsequent to the Effective Date of this Agreement.
4. RESPONSIBLE PARTY shall be jointly and severally liable for all amounts listed in Section 2.A.

**B. Corrective Actions.** RESPONSIBLE PARTY shall take all of the following corrective actions, in accordance with the timeframes set forth herein, in order to abate the Violations described in the above-referenced Notice of Violation on or before January 6, 2018:

1. Remove all cannabis plants and cease any and all cannabis operations located on the Subject Property no later than October 12, 2017.
2. Complete demolition of any and all unpermitted structures and soil containers supporting cannabis cultivation, including applying for and obtaining all proper permits from the Planning and Building Division and Division of Environmental Health in order to complete above-referenced demolition no later than November 6, 2017. All of the solid waste generated by this cleanup must be disposed of in the proper manner and care must be taken to ensure that nutrients in the waste soil do not leach into a watercourse.
3. Submit completed application for proper permits to the Planning and Building Division in order to permit an existing unpermitted single family residence located on Subject Property. Completed application must have plans drawn by or under the supervision of a licensed architect and/or structural engineer no later than November 6, 2017.
4. Submit completed application for proper permits to the Planning and Building Division in order to permit any accessory structures located on the Subject Property that conform to the requirements of the Subject Property's zoning designation and therefore may be allowed to exist with proper permits. Completed application must have plans drawn by or under the supervision of a licensed architect and/or structural engineer no later than November 6, 2017.
5. Submit completed application for proper permits to the Planning and Building Division in order to remove any accessory structures and unpermitted single family residence that cannot be permitted and/or that you do not wish to submit permit applications for no later than November 6, 2017.
6. Secure and implement winter weatherization and soil erosion control measures under the supervision of a licensed professional with credentials relevant to the work to be completed no later than November 21, 2017.
7. Remove all accessory structures and unpermitted single family residence after obtaining proper permits from the Planning and Building Division no later than December 6, 2017.

8. Submit a comprehensive site restoration plan drafted by a licensed professional with credentials relevant to the work to be completed no later than December 6, 2017.

- C. **Receipt of Applicable Permits.** RESPONSIBLE PARTY shall apply for and receive, at its own expense, any and all applicable local, state and/or federal permits prior to taking the corrective actions set forth herein. RESPONSIBLE PARTY shall respond to any and all requests for information necessary to process permit applications within **ten (10) business days** after receipt of such request. All permits issued pursuant to the terms and conditions of this Agreement shall be picked up from the COUNTY within **five (5) business days** after the issuance thereof.
- D. **Consent to Inspection.** RESPONSIBLE PARTY shall permit COUNTY and any other duly authorized local, state and or federal agencies to conduct any and all inspections of the Subject Property that may be required to determine whether RESPONSIBLE PARTY is complying with the terms and conditions of this Agreement.
- E. **Property Transfers.** RESPONSIBLE PARTY will not sell, transfer, mortgage, lease or otherwise dispose of the Subject Property until the corrective actions set forth herein are completed or until the Responsible Party first furnishes the grantee, transferee, mortgagee or lessee with a true and correct copies of the above-referenced Notice of Violation and this Agreement. RESPONSIBLE PARTY shall provide COUNTY with a signed and notarized statement from the grantee, transferee, mortgagee or lessee which acknowledges the receipt of true and correct copies of the above-referenced Notice of Violation and this Agreement, and full acceptance of the responsibility, without condition, for taking the corrective actions set forth herein.
- F. **Waiver of Appeal Rights.** RESPONSIBLE PARTY hereby waives its right to request a an Administrative Civil Penalty Appeal Hearing and/or Code Enforcement Appeal Hearing before a COUNTY appointed hearing officer in order to determine whether the Violations set forth in the above-referenced Notice of Violation and Notice to Abate Nuisance actually occurred and/or existed on the Subject Property and/or the reasonableness of the amount of the administrative civil penalty.
- G. **Effect of Noncompliance.** In the event that RESPONSIBLE PARTY fails to comply with the terms and conditions of this Agreement, the above-referenced administrative civil penalty in the amount of **nine hundred thousand dollars (\$900,000)**, as well as any unpaid portion of the Administrative Costs incurred by COUNTY during the investigation of the Violations set forth in the above-referenced Notice of Violation will become immediately due and payable. The execution of this Agreement is a one-time opportunity granted by COUNTY to RESPONSIBLE PARTY to voluntarily correct the Violations. COUNTY reserves its rights and discretion to enter into future compliance agreements for other Notice to Abate Nuisance and/or Notice of Violation.

### 3. **RIGHTS AND OBLIGATIONS OF COUNTY:**

By executing this Agreement, COUNTY, for itself, and its assignees and successors in interest, agrees as follows:

- A. **Stay of Enforcement and Collection Actions.** COUNTY shall not take any enforcement or collection actions regarding the administrative civil penalty imposed pursuant to the above-referenced Notice of Violation. However, in the event RESPONSIBLE PARTY fails to abide

by the terms of this Agreement, COUNTY shall be entitled to take any and all appropriate enforcement and/or collection actions pursuant to Chapters 1 and 2 of Division 5 of Title III of the Humboldt County Code.

- B. **Release of Violations.** Upon RESPONSIBLE PARTY's completion of all the corrective actions required hereunder and payment of all amounts listed in Section 2.A. and all applicable permit and/or inspection fees, COUNTY shall dismiss the above-referenced Notice of Violation and Notice to Abate Nuisance and issue a Release of Notice of Violation and Proposed Administrative Civil Penalty and Release of Notice to Abate Nuisance to RESPONSIBLE PARTY.

4. **TERM:**

This Agreement shall begin upon execution by both parties and shall remain in full force and effect until January 6, 2017, unless sooner terminated or extended as provided herein.

5. **TERMINATION:**

COUNTY may immediately terminate this Agreement, upon notice, if RESPONSIBLE PARTY fails to comply with the terms of this Agreement within the time limits specified herein, or violates any ordinance, regulation or other law applicable to its performance herein.

6. **NOTICES:**

Any and all notices required to be given pursuant to the terms and conditions of this Agreement shall be in writing and either served personally or sent by certified mail, return receipt requested, to the respective addresses set forth below. Notice shall be effective upon actual receipt or refusal as shown on the receipt obtained pursuant to the foregoing.

COUNTY: Humboldt County Code Enforcement Unit  
Attention: Bob Russell  
3015 H Street  
Eureka, California 95501

RESPONSIBLE PARTY: DLF Enterprise LLC  
Attention: Dean Holter  
315 P Street  
Eureka, California 95501

7. **CONFIDENTIAL INFORMATION:**

In the performance of this Agreement, each party hereto may receive information that is confidential under local, state or federal law. Each party hereby agrees to protect all confidential information in conformance with any and all applicable local, state and federal laws, regulations, policies, procedures and standards.

8. **NUCLEAR FREE HUMBOLDT COUNTY ORDINANCE COMPLIANCE:**

By executing this Agreement, RESPONSIBLE PARTY certifies that it is not a Nuclear Weapons Contractor, in that RESPONSIBLE PARTY is not knowingly or intentionally engaged in the research, development, production or testing of nuclear warheads, nuclear weapons systems or nuclear weapons

components, as defined by the Nuclear Free Humboldt County Ordinance. RESPONSIBLE PARTY agrees to notify COUNTY immediately if it becomes a Nuclear Weapons Contractor as defined above. COUNTY may immediately terminate this Agreement if it determines that the foregoing certification is false or if RESPONSIBLE PARTY subsequently becomes a Nuclear Weapons Contractor.

**9. INDEMNIFICATION:**

- A. **Hold Harmless, Defense and Indemnification.** RESPONSIBLE PARTY shall hold harmless, defend and indemnify COUNTY and its agents, officers, officials, employees and volunteers from and against, any all claims, demands, losses, damages, liabilities, expenses and costs of any kind or nature, including, without limitation, reasonable attorneys' fees and other costs of litigation, arising out of, or in connection with, RESPONSIBLE PARTY's negligent performance of, or failure to comply with, any of the duties and/or obligations contained herein, except such loss or damage which was caused by the sole negligence or willful misconduct of COUNTY.
- B. **Effect of Insurance.** Acceptance of the insurance required by this Agreement shall not relieve RESPONSIBLE PARTY from liability under this provision. This provision shall apply to all claims for damages related to the performance of RESPONSIBLE PARTY's performance of the duties and obligations set forth in this Agreement regardless of whether any insurance is applicable or not. The policy limits pertaining to the insurance required hereunder shall not act as a limitation upon the amount of indemnification or defense to be provided by RESPONSIBLE PARTY hereunder.

**10. INSURANCE REQUIREMENTS:**

Without limiting the indemnification obligations set forth herein, RESPONSIBLE PARTY will obtain or maintain in full force and effect, at its own expense, any and all insurance policies required by law. RESPONSIBLE PARTY will ensure that any and all hired subcontractors have the appropriate insurance for the services provided.

**11. RELATIONSHIP OF PARTIES:**

It is understood that this Agreement is by and between two (2) independent entities and is not intended to, and shall not be construed to, create the relationship of agent, servant, employee, partnership, joint venture or any other similar association. RESPONSIBLE PARTY shall be solely responsible for the acts or omissions of its agents, officers, employees, assignees and subcontractors.

**12. COMPLIANCE WITH APPLICABLE LAWS:**

RESPONSIBLE PARTY agrees to comply with any and all local, state and federal laws, regulations, policies and procedures applicable to the performance of the duties and/or obligations set forth herein.

**13. PROVISIONS REQUIRED BY LAW:**

This Agreement is subject to any additional local, state and federal restrictions, limitations, or conditions that may affect the provisions, terms or conditions of this Agreement. This Agreement shall be read and enforced as though all legally required provisions are included herein, and if for any reason any such provision is not included, or is not correctly stated, the parties agree to amend the pertinent section to make such insertion or correction.



**14. REFERENCE TO LAWS AND RULES:**

In the event any law, regulation, policy or procedure referred to in this Agreement is amended during the term hereof, the parties agree to comply with the amended provision as of the effective date of such amendment.

**15. SEVERABILITY:**

In the event any provision of this Agreement, or any portion thereof, is found by any court of competent jurisdiction to be unenforceable or invalid for any reason, such provision shall be severable and shall not in any way impair the enforceability of any other provision of this Agreement.

**16. ASSIGNMENT:**

RESPONSIBLE PARTY shall not delegate its duties nor assign its rights hereunder, either in whole or in part, without COUNTY's prior written consent. Any assignment by RESPONSIBLE PARTY in violation of this provision shall be void, and shall be cause for immediate termination of this Agreement.

**17. AGREEMENT SHALL BIND SUCCESSORS:**

All provisions of this Agreement shall be fully binding upon, and inure to the benefit of, the parties and to each of their heirs, executors, administrators, successors and permitted assigns.

**18. WAIVER OF DEFAULT:**

The waiver by either party of any breach or violation of any requirement of this Agreement shall not be deemed to be a waiver of any such breach in the future, or of the breach of any other requirement of this Agreement.

**19. NON-LIABILITY OF COUNTY OFFICIALS AND EMPLOYEES:**

No official or employee of COUNTY shall be personally liable for any default or liability under this Agreement.

**20. AMENDMENT:**

This Agreement may be extended and/or modified at any time during the term of this Agreement upon the mutual consent of both parties. No supplement, modification, waiver, extension or termination of this Agreement or any provision hereof shall be binding unless executed in writing by the parties in the same manner as this Agreement.

**21. JURISDICTION AND VENUE:**

This Agreement shall be construed in accordance with the laws of the State of California. Any dispute arising hereunder, or relating hereto, shall be litigated in the State of California and venue shall lie in the County of Humboldt unless transferred by court order pursuant to California Code of Civil Procedure Sections 394 or 395.

**22. SUBCONTRACTS:**

RESPONSIBLE PARTY shall remain legally responsible for the performance of all terms and conditions of this Agreement, including corrective actions performed by third parties under subcontracts.

**23. ATTORNEYS' FEES:**

COUNTY and RESPONSIBLE PARTY shall each bear their own costs and attorneys' fees. However, if either party commences any legal action or proceeding, including an action for declaratory relief, against the other by reason of the alleged failure of the other to perform or keep any provision of this Agreement, the prevailing party in said action or proceeding shall be entitled to recover, court costs and reasonable attorneys' fees, including the reasonable value of services rendered by the Humboldt County Counsel's Office, to be fixed by the court, collection costs, and such recovery shall include court costs and attorneys' fees on appeal, if applicable. As used herein, "prevailing party" means the party who dismisses an action or proceeding in exchange for payment of substantially all sums allegedly due, performance of provisions allegedly breached, or other considerations substantially equal to the relief sought by said party, as well as the party in whose favor final judgment is rendered.

**24. SURVIVAL:**

The duties and obligations of the parties set forth in Section 7 – Confidential Information and Section 9 – Indemnification shall survive the expiration or termination of this Agreement.

**25. CONFLICTING TERMS OR CONDITIONS:**

In the event of any conflict in the terms or conditions set forth in any other agreements in place between the parties hereto and the terms and conditions set forth in this Agreement, the terms and conditions set forth herein shall have priority.

**26. INFORMED CONSENT:**

RESPONSIBLE PARTY has had the opportunity to be represented by independent legal counsel of their own choice, and this Agreement was prepared with the joint input of all parties. RESPONSIBLE PARTY further acknowledges that this Agreement was executed freely and voluntarily and with the opportunity for RESPONSIBLE PARTY to receive the advice of independent legal counsel. RESPONSIBLE PARTY is fully aware of its contents and its legal effect.

**27. NO REPRESENTATION NOT CONTAINED HEREIN:**

Each party acknowledges that no other party, nor any agent or attorney of any party, has made any promise, representation or warranty whatsoever, express or implied, not expressly contained herein, concerning the subject matter hereto so as to induce it to execute this Agreement; and each party acknowledges that it has not executed this Agreement in reliance on any promise, representation or warranty not contained herein.

**28. INTERPRETATION:**

This Agreement, as well as its individual provisions, shall be deemed to have been prepared equally by both of the parties hereto, and shall not be construed or interpreted more favorably for one party on the basis that the other party prepared it.

**29. INDEPENDENT CONSTRUCTION:**

The titles of the sections, subsections and paragraphs set forth in this Agreement are inserted for convenience of reference only, and shall be disregarded in construing or interpreting any of the provisions of this Agreement.

**30. ENTIRE AGREEMENT:**

This Agreement constitutes the entire agreement between the parties pertaining to the subject matter hereof and supersedes all prior and contemporaneous agreements, understandings, negotiations and discussions, whether oral or written, of the parties. Any and all acts which may have already been consummated pursuant to the terms and conditions of this Agreement are hereby ratified.

**31. AUTHORITY TO EXECUTE:**

Each person executing this Agreement represents and warrants that he or she is duly authorized and has legal authority to execute and deliver this Agreement. Each party hereto represents and warrants to the other that the execution and delivery of this Agreement and the performance of such party's obligations hereunder have been duly authorized.

[Signatures on following page]

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the day, month and year below written:

TWO SIGNATURES ARE REQUIRED FOR CORPORATIONS:

- (1) CHAIRPERSON OF THE BOARD, PRESIDENT, OR VICE PRESIDENT; AND
- (2) SECRETARY, ASSISTANT SECRETARY, CHIEF FINANCIAL OFFICER OR TREASURER.

**DLF ENTERPRISE LLC:**

By: DLF LLC  
Name: T. S. Muel  
Title: Chair.

Date: 10/10/19

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Date: \_\_\_\_\_

**COUNTY OF HUMBOLDT:**

By: \_\_\_\_\_  
*Humboldt County Board of Supervisors on*  
*\_\_\_\_\_, 20[ ], Item [ - ]*

Date: \_\_\_\_\_

**NOTE TO NOTARY PUBLIC:** If you are notarizing the signatures of persons, signing on behalf of a corporation, partnership, trust, etc., please use the correct notary jurat (acknowledgment) as explained in your Notary Public Law Book.

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA

COUNTY OF HUMBOLDT)

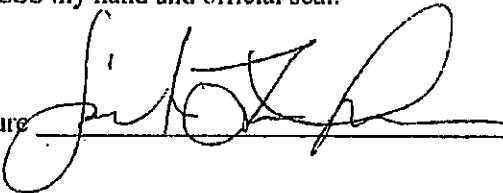
On 10/10/17 before me, Savannah Jean Lemster, a Francis Miller

Notary Public, personally appeared Francis Miller, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature



(Seal)

**CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**

**CIVIL CODE § 1189**

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

County of Humboldt

On 10/10/17 before me, Savannah Jean Lemster

Date

Here Insert Name and Title of the Officer

personally appeared FRANCIS MILLER

Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Signature

Signature of Notary Public

Place Notary Seal Above

**OPTIONAL**

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

**Description of Attached Document**

Title or Type of Document: Compliance Agreement

Document Date: \_\_\_\_\_ Number of Pages: \_\_\_\_\_

Signer(s) Other Than Named Above: \_\_\_\_\_

**Capacity(ies) Claimed by Signer(s)**

Signer's Name: \_\_\_\_\_

☐ Corporate Officer — Title(s): \_\_\_\_\_

☐ Partner — ☐ Limited ☐ General

☐ Individual ☐ Attorney in Fact

☐ Trustee ☐ Guardian or Conservator

☐ Other: \_\_\_\_\_

Signer Is Representing: \_\_\_\_\_

Signer's Name: \_\_\_\_\_

☐ Corporate Officer — Title(s): \_\_\_\_\_

☐ Partner — ☐ Limited ☐ General

☐ Individual ☐ Attorney in Fact

☐ Trustee ☐ Guardian or Conservator

☐ Other: \_\_\_\_\_

Signer Is Representing: \_\_\_\_\_

**COMPLIANCE AGREEMENT  
BY AND BETWEEN  
COUNTY OF HUMBOLDT  
AND  
ROSS & KRISTIN GARRETT**

This Compliance Agreement ("Agreement"), provisionally entered into this day of October 10, 2017 and awaiting approval by the Humboldt County Board of Supervisors on a future date ("Effective Date"), by and between the County of Humboldt, a political subdivision of the State of California, hereinafter referred to as "COUNTY," and Ross & Kristin Garrett, as owner who has allowed a violation to occur on the property described as Assessor's Parcel Number: 522-034-011 located on Brannan Mountain Road in Willow Creek, California ("Subject Property"), hereinafter referred to as "RESPONSIBLE PARTY," is made upon the following considerations:

**RECITALS:**

**WHEREAS**, on or about September 20, 2017, COUNTY, by and through the Humboldt County Planning and Building Department – Code Enforcement Unit ("Code Enforcement Unit") opened **Code Enforcement Case Number 17CEU-275** in response to complaints of alleged nuisances and/or other violations of local, state and/or federal law ("Violations") that had occurred and/or existed on the Subject Property; and

**WHEREAS**, after conducting an inspection of the Subject Property, the Code Enforcement Unit determined that the following Violations had occurred and/or existed on the Subject Property:

- Construction without permits; and
- Grading without permits; and
- A violation of the Commercial Medical Marijuana Ordinance; and
- An unapproved sewage disposal system

**WHEREAS**, on or about September 27, 2017, the Code Enforcement Unit served RESPONSIBLE PARTY with a Notice of Violation and Proposed Administrative Civil Penalty ("Notice of Violation") and a Notice to Abate Nuisance pertaining to the Violations that had occurred and/or existed on the Subject Property; and

**WHEREAS**, the above-referenced Notice of Violation notified RESPONSIBLE PARTY that a daily administrative civil penalty in the amount of ten thousand dollars per day (\$10,000 per day) would be imposed on the Subject Property for a period of up to ninety (90) calendar days, if the required corrective action or actions set forth therein were not completed within ten (10) calendar days after service thereof; and

**WHEREAS**, COUNTY has incurred Administrative Costs, as defined by Humboldt County Code Section 352-3(a), in the amount of **one thousand and two hundred dollars (\$1,200)** as of the Effective Date of this Agreement; and

**WHEREAS**, RESPONSIBLE PARTY hereby acknowledges that the Violations set forth in the above-referenced Notice of Violation have occurred and/or exist on the Subject Property; and

**WHEREAS**, RESPONSIBLE PARTY hereby accepts full responsibility, without condition, for making the required corrections and/or repairs set forth in the above-referenced Notice of Violation; and

**WHEREAS**, in exchange for RESPONSIBLE PARTY's promise to settle and resolve, as set forth herein, the Violations that occurred and/or existed on the Subject Property on or before October 8, 2017, COUNTY is willing to stay enforcement and collection of the above-referenced daily administrative civil penalty; and

**WHEREAS**, in the event RESPONSIBLE PARTY does not correct the Violations that have occurred and/or exist on the Subject Property within the timeframes set forth herein, and COUNTY does not extend the time allowed to resolve such Violations, the above-referenced daily administrative civil penalty will be enforced to the fullest extent allowed by law; and

**WHEREAS**, COUNTY and RESPONSIBLE PARTY desire to enter into an agreement which sets forth each party's rights and obligations regarding the settlement and resolution of the Violations that have occurred and/or exist on the Subject Property; and

**WHEREAS**, RESPONSIBLE PARTY acknowledges and agrees that this Agreement only applies to the daily administrative civil penalties imposed pursuant to the above-referenced Notice of Violation pertaining to the Violations that occurred and/or existed on the Subject Property on or before October 8, 2017; and

**WHEREAS**, RESPONSIBLE PARTY acknowledges and agrees that nothing set forth herein shall be deemed to waive or reduce any applicable permit fees, including, without limitation, double fees, or administrative civil penalties imposed after October 8, 2017; and

**WHEREAS**, RESPONSIBLE PARTY acknowledges and agrees that this Agreement only relates to Violations that occurred and/or existed on the Subject Property on or before October 8, 2017; and

**WHEREAS**, RESPONSIBLE PARTY acknowledges and agrees that nothing set forth herein shall preclude COUNTY from investigating and enforcing any and all new Violations that occur and/or exist on the Subject Property after October 8, 2017.

**NOW THEREFORE**, in consideration of the mutual covenants and promises contained herein and other good and valuable consideration, receipt of which is hereby acknowledged, the parties hereto mutually agree as follows:

**AGREEMENT:**

**1. INCORPORATION OF RECITALS:**

The foregoing recitals are hereby incorporated into this Agreement by reference as if fully set forth below.

**2. RIGHTS AND OBLIGATIONS OF RESPONSIBLE PARTY:**

By executing this Agreement, RESPONSIBLE PARTY, for itself, and its assignees and successors in interest, agrees as follows:



**A. Monetary Settlement of Penalties and Costs.**

1. RESPONSIBLE PARTY shall pay the sum of **forty thousand dollars (\$40,000)** prior to the Effective Date of this Agreement, in settlement of the above-referenced administrative civil penalty.
2. RESPONSIBLE PARTY shall pay the sum of **one thousand and two hundred dollars (\$1,200)** prior to the Effective Date of this Agreement, in settlement of the above-referenced Administrative Costs incurred prior to the Effective Date of the Agreement.
3. RESPONSIBLE PARTY acknowledges and agrees that COUNTY will incur Administrative Costs subsequent to the Effective Date of this Agreement to administer this Agreement including but not limited to inspection and verification for compliance. Accordingly, RESPONSIBLE PARTY agrees to pay a **Not To Exceed** amount of **four thousand and five hundred dollars (\$4,500)** within **twenty-one (21) calendar days** of receiving COUNTY's invoice for Administrative Costs COUNTY incurred subsequent to the Effective Date of this Agreement.
4. RESPONSIBLE PARTY shall be jointly and severally liable for all amounts listed in Section 2.A.

**B. Corrective Actions.** RESPONSIBLE PARTY shall take all of the following corrective actions, in accordance with the timeframes set forth herein, in order to abate the Violations described in the above-referenced Notice of Violation on or before January 6, 2018:

1. Remove all cannabis plants and cease any and all cannabis operations located on the Subject Property no later than October 10, 2017.
2. Complete demolition of any and all unpermitted structures and soil containers supporting cannabis cultivation, including applying for and obtaining all proper permits from the Planning and Building Division and Division of Environmental Health in order to complete above-referenced demolition no later than November 6, 2017. All of the solid waste generated by this cleanup must be disposed of in the proper manner and care must be taken to ensure that nutrients in the waste soil do not leach into a watercourse.
3. Submit completed application for proper permits to the Planning and Building Division in order to permit an existing unpermitted single family residence located on Subject Property. Completed application must have plans drawn by or under the supervision of a licensed architect and/or structural engineer no later than November 6, 2017.
4. Submit completed application for proper permits to the Planning and Building Division in order to permit any accessory structures located on the Subject Property that conform to the requirements of the Subject Property's zoning designation and therefore may be allowed to exist with proper permits. Completed application must have plans drawn by or under the supervision of a licensed architect and/or structural engineer no later than November 6, 2017.
5. Submit completed application for proper permits to the Planning and Building Division in order to remove any accessory structures and unpermitted single family residence that cannot be permitted and/or that you do not wish to submit permit applications for no later than November 6, 2017.
6. Secure and implement winter weatherization and soil erosion control measures under the supervision of a licensed professional with credentials relevant to the work to be completed

no later than November 21, 2017.

7. Remove all accessory structures and unpermitted single family residence after obtaining proper permits from the Planning and Building Division no later than December 6, 2017.
  8. Submit a comprehensive site restoration plan drafted by a licensed professional with credentials relevant to the work to be completed no later than December 6, 2017.
- C. **Receipt of Applicable Permits.** RESPONSIBLE PARTY shall apply for and receive, at its own expense, any and all applicable local, state and/or federal permits prior to taking the corrective actions set forth herein. RESPONSIBLE PARTY shall respond to any and all requests for information necessary to process permit applications within **ten (10) business days** after receipt of such request. All permits issued pursuant to the terms and conditions of this Agreement shall be picked up from the COUNTY within **five (5) business days** after the issuance thereof.
- D. **Consent to Inspection.** RESPONSIBLE PARTY shall permit COUNTY and any other duly authorized local, state and or federal agencies to conduct any and all inspections of the Subject Property that may be required to determine whether RESPONSIBLE PARTY is complying with the terms and conditions of this Agreement.
- E. **Property Transfers.** RESPONSIBLE PARTY will not sell, transfer, mortgage, lease or otherwise dispose of the Subject Property until the corrective actions set forth herein are completed or until the Responsible Party first furnishes the grantee, transferee, mortgagee or lessee with a true and correct copies of the above-referenced Notice of Violation and this Agreement. RESPONSIBLE PARTY shall provide COUNTY with a signed and notarized statement from the grantee, transferee, mortgagee or lessee which acknowledges the receipt of true and correct copies of the above-referenced Notice of Violation and this Agreement, and full acceptance of the responsibility, without condition, for taking the corrective actions set forth herein.
- F. **Waiver of Appeal Rights.** RESPONSIBLE PARTY hereby waives its right to request a an Administrative Civil Penalty Appeal Hearing and/or Code Enforcement Appeal Hearing before a COUNTY appointed hearing officer in order to determine whether the Violations set forth in the above-referenced Notice of Violation and Notice to Abate Nuisance actually occurred and/or existed on the Subject Property and/or the reasonableness of the amount of the administrative civil penalty.
- G. **Effect of Noncompliance.** In the event that RESPONSIBLE PARTY fails to comply with the terms and conditions of this Agreement, the above-referenced administrative civil penalty in the amount of **nine hundred thousand dollars (\$900,000)**, as well as any unpaid portion of the Administrative Costs incurred by COUNTY during the investigation of the Violations set forth in the above-referenced Notice of Violation will become immediately due and payable. The execution of this Agreement is a one-time opportunity granted by COUNTY to RESPONSIBLE PARTY to voluntarily correct the Violations. COUNTY reserves its rights and discretion to enter into future compliance agreements for other Notice to Abate Nuisance and/or Notice of Violation.

### 3. **RIGHTS AND OBLIGATIONS OF COUNTY:**

By executing this Agreement, COUNTY, for itself, and its assignees and successors in interest, agrees as follows:

A. **Stay of Enforcement and Collection Actions.** COUNTY shall not take any enforcement or collection actions regarding the administrative civil penalty imposed pursuant to the above-referenced Notice of Violation. However, in the event RESPONSIBLE PARTY fails to abide by the terms of this Agreement, COUNTY shall be entitled to take any and all appropriate enforcement and/or collection actions pursuant to Chapters 1 and 2 of Division 5 of Title III of the Humboldt County Code.

B. **Release of Violations.** Upon RESPONSIBLE PARTY's completion of all the corrective actions required hereunder and payment of all amounts listed in Section 2.A. and all applicable permit and/or inspection fees, COUNTY shall dismiss the above-referenced Notice of Violation and Notice to Abate Nuisance and issue a Release of Notice of Violation and Proposed Administrative Civil Penalty and Release of Notice to Abate Nuisance to RESPONSIBLE PARTY.

4. **TERM:**

This Agreement shall begin upon execution by both parties and shall remain in full force and effect until January 6, 2018, unless sooner terminated or extended as provided herein.

5. **TERMINATION:**

COUNTY may immediately terminate this Agreement, upon notice, if RESPONSIBLE PARTY fails to comply with the terms of this Agreement within the time limits specified herein, or violates any ordinance, regulation or other law applicable to its performance herein.

6. **NOTICES:**

Any and all notices required to be given pursuant to the terms and conditions of this Agreement shall be in writing and either served personally or sent by certified mail, return receipt requested, to the respective addresses set forth below. Notice shall be effective upon actual receipt or refusal as shown on the receipt obtained pursuant to the foregoing.

COUNTY: Humboldt County Code Enforcement Unit  
Attention: Bob Russell  
3015 H Street  
Eureka, California 95501

RESPONSIBLE PARTY: Ross & Kristin Garrett  
15329 Woodgrove Road  
Purcellville, Virginia 20132

7. **CONFIDENTIAL INFORMATION:**

In the performance of this Agreement, each party hereto may receive information that is confidential under local, state or federal law. Each party hereby agrees to protect all confidential information in conformance with any and all applicable local, state and federal laws, regulations, policies, procedures and standards.

**8. NUCLEAR FREE HUMBOLDT COUNTY ORDINANCE COMPLIANCE:**

By executing this Agreement, RESPONSIBLE PARTY certifies that it is not a Nuclear Weapons Contractor, in that RESPONSIBLE PARTY is not knowingly or intentionally engaged in the research, development, production or testing of nuclear warheads, nuclear weapons systems or nuclear weapons components, as defined by the Nuclear Free Humboldt County Ordinance. RESPONSIBLE PARTY agrees to notify COUNTY immediately if it becomes a Nuclear Weapons Contractor as defined above. COUNTY may immediately terminate this Agreement if it determines that the foregoing certification is false or if RESPONSIBLE PARTY subsequently becomes a Nuclear Weapons Contractor.

**9. INDEMNIFICATION:**

A. **Hold Harmless, Defense and Indemnification.** RESPONSIBLE PARTY shall hold harmless, defend and indemnify COUNTY and its agents, officers, officials, employees and volunteers from and against, any all claims, demands, losses, damages, liabilities, expenses and costs of any kind or nature, including, without limitation, reasonable attorneys' fees and other costs of litigation, arising out of, or in connection with, RESPONSIBLE PARTY's negligent performance of, or failure to comply with, any of the duties and/or obligations contained herein, except such loss or damage which was caused by the sole negligence or willful misconduct of COUNTY.

B. **Effect of Insurance.** Acceptance of the insurance required by this Agreement shall not relieve RESPONSIBLE PARTY from liability under this provision. This provision shall apply to all claims for damages related to the performance of RESPONSIBLE PARTY's performance of the duties and obligations set forth in this Agreement regardless of whether any insurance is applicable or not. The policy limits pertaining to the insurance required hereunder shall not act as a limitation upon the amount of indemnification or defense to be provided by RESPONSIBLE PARTY hereunder.

**10. INSURANCE REQUIREMENTS:**

Without limiting the indemnification obligations set forth herein, RESPONSIBLE PARTY will obtain or maintain in full force and effect, at its own expense, any and all insurance policies required by law. RESPONSIBLE PARTY will ensure that any and all hired subcontractors have the appropriate insurance for the services provided.

**11. RELATIONSHIP OF PARTIES:**

It is understood that this Agreement is by and between two (2) independent entities and is not intended to, and shall not be construed to, create the relationship of agent, servant, employee, partnership, joint venture or any other similar association. RESPONSIBLE PARTY shall be solely responsible for the acts or omissions of its agents, officers, employees, assignees and subcontractors.

**12. COMPLIANCE WITH APPLICABLE LAWS:**

RESPONSIBLE PARTY agrees to comply with any and all local, state and federal laws, regulations, policies and procedures applicable to the performance of the duties and/or obligations set forth herein.

**13. PROVISIONS REQUIRED BY LAW:**

This Agreement is subject to any additional local, state and federal restrictions, limitations, or conditions that may affect the provisions, terms or conditions of this Agreement. This Agreement shall be read and enforced as though all legally required provisions are included herein, and if for any reason any such provision is not included, or is not correctly stated, the parties agree to amend the pertinent section to make such insertion or correction.

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In the event any law, regulation, policy or procedure referred to in this Agreement is amended during the term hereof, the parties agree to comply with the amended provision as of the effective date of such amendment.

**15. SEVERABILITY:**

In the event any provision of this Agreement, or any portion thereof, is found by any court of competent jurisdiction to be unenforceable or invalid for any reason, such provision shall be severable and shall not in any way impair the enforceability of any other provision of this Agreement.

**16. ASSIGNMENT:**

RESPONSIBLE PARTY shall not delegate its duties nor assign its rights hereunder, either in whole or in part, without COUNTY's prior written consent. Any assignment by RESPONSIBLE PARTY in violation of this provision shall be void, and shall be cause for immediate termination of this Agreement.

**17. AGREEMENT SHALL BIND SUCCESSORS:**

All provisions of this Agreement shall be fully binding upon, and inure to the benefit of, the parties and to each of their heirs, executors, administrators, successors and permitted assigns.

**18. WAIVER OF DEFAULT:**

The waiver by either party of any breach or violation of any requirement of this Agreement shall not be deemed to be a waiver of any such breach in the future, or of the breach of any other requirement of this Agreement.

**19. NON-LIABILITY OF COUNTY OFFICIALS AND EMPLOYEES:**

No official or employee of COUNTY shall be personally liable for any default or liability under this Agreement.

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This Agreement may be extended and/or modified at any time during the term of this Agreement upon the mutual consent of both parties. No supplement, modification, waiver, extension or termination of this Agreement or any provision hereof shall be binding unless executed in writing by the parties in the same manner as this Agreement.

**21. JURISDICTION AND VENUE:**

This Agreement shall be construed in accordance with the laws of the State of California. Any dispute arising hereunder, or relating hereto, shall be litigated in the State of California and venue shall lie in the County of Humboldt unless transferred by court order pursuant to California Code of Civil Procedure Sections 394 or 395.

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RESPONSIBLE PARTY shall remain legally responsible for the performance of all terms and conditions of this Agreement, including corrective actions performed by third parties under subcontracts.

**23. ATTORNEYS' FEES:**

COUNTY and RESPONSIBLE PARTY shall each bear their own costs and attorneys' fees. However, if either party commences any legal action or proceeding, including an action for declaratory relief, against the other by reason of the alleged failure of the other to perform or keep any provision of this Agreement, the prevailing party in said action or proceeding shall be entitled to recover, court costs and reasonable attorneys' fees, including the reasonable value of services rendered by the Humboldt County Counsel's Office, to be fixed by the court, collection costs, and such recovery shall include court costs and attorneys' fees on appeal, if applicable. As used herein, "prevailing party" means the party who dismisses an action or proceeding in exchange for payment of substantially all sums allegedly due, performance of provisions allegedly breached, or other considerations substantially equal to the relief sought by said party, as well as the party in whose favor final judgment is rendered.

**24. SURVIVAL:**

The duties and obligations of the parties set forth in Section 7 – Confidential Information and Section 9 – Indemnification shall survive the expiration or termination of this Agreement.

**25. CONFLICTING TERMS OR CONDITIONS:**

In the event of any conflict in the terms or conditions set forth in any other agreements in place between the parties hereto and the terms and conditions set forth in this Agreement, the terms and conditions set forth herein shall have priority.

**26. INFORMED CONSENT:**

RESPONSIBLE PARTY has had the opportunity to be represented by independent legal counsel of their own choice, and this Agreement was prepared with the joint input of all parties. RESPONSIBLE PARTY further acknowledges that this Agreement was executed freely and voluntarily and with the opportunity for RESPONSIBLE PARTY to receive the advice of independent legal counsel. RESPONSIBLE PARTY is fully aware of its contents and its legal effect.

**27. NO REPRESENTATION NOT CONTAINED HEREIN:**

Each party acknowledges that no other party, nor any agent or attorney of any party, has made any promise, representation or warranty whatsoever, express or implied, not expressly contained herein, concerning the subject matter hereto so as to induce it to execute this Agreement; and each party acknowledges that it has not executed this Agreement in reliance on any promise, representation or

warranty not contained herein.

**28. INTERPRETATION:**

This Agreement, as well as its individual provisions, shall be deemed to have been prepared equally by both of the parties hereto, and shall not be construed or interpreted more favorably for one party on the basis that the other party prepared it.

**29. INDEPENDENT CONSTRUCTION:**

The titles of the sections, subsections and paragraphs set forth in this Agreement are inserted for convenience of reference only, and shall be disregarded in construing or interpreting any of the provisions of this Agreement.

**30. ENTIRE AGREEMENT:**

This Agreement constitutes the entire agreement between the parties pertaining to the subject matter hereof and supersedes all prior and contemporaneous agreements, understandings, negotiations and discussions, whether oral or written, of the parties. Any and all acts which may have already been consummated pursuant to the terms and conditions of this Agreement are hereby ratified.

**31. AUTHORITY TO EXECUTE:**

Each person executing this Agreement represents and warrants that he or she is duly authorized and has legal authority to execute and deliver this Agreement. Each party hereto represents and warrants to the other that the execution and delivery of this Agreement and the performance of such party's obligations hereunder have been duly authorized.

[Signatures on following page]

Addendum: I agree to pay all fees possible at the time of effective date, and pay balance in a timely manner.







**NOTE TO NOTARY PUBLIC:** If you are notarizing the signatures of persons, signing on behalf of a corporation, partnership, trust, etc., please use the correct notary jurat (acknowledgment) as explained in your Notary Public Law Book.

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA

COUNTY OF HUMBOLDT)

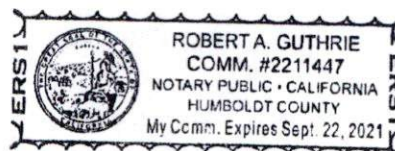
On OCTOBER 10, 2017 before me, ROBERT A. GUTHRIE, a

Notary Public, personally appeared MILES GARRETT, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/~~she~~/they executed the same in his/~~her~~/their authorized capacity(ies), and that by his/~~her~~/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature



(Seal)

**NOTE TO NOTARY PUBLIC:** If you are notarizing the signatures of persons, signing on behalf of a corporation, partnership, trust, etc., please use the correct notary jurat (acknowledgment) as explained in your Notary Public Law Book.

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA

COUNTY OF HUMBOLDT)

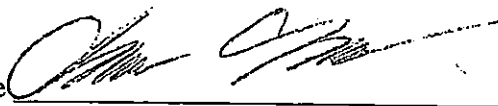
On October 9 2017 before me, Chelsea Elizabeth Smith, a

Notary Public, personally appeared Wyatt Whitlow, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

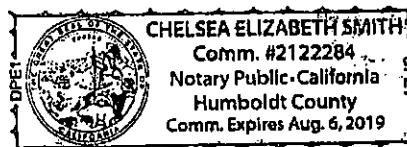
I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature



(Seal)



**COMPLIANCE AGREEMENT  
BY AND BETWEEN  
COUNTY OF HUMBOLDT  
AND  
THREE KS LLC**

This Compliance Agreement ("Agreement"), provisionally entered into this day of October 10, 2017 and awaiting approval by the Humboldt County Board of Supervisors on a future date ("Effective Date"), by and between the County of Humboldt, a political subdivision of the State of California, hereinafter referred to as "COUNTY," and Three Ks LLC, as owner who has allowed a violation to occur on the property described as Assessor's Parcel Number: 522-034-003 located on Brannan Mountain Road in Willow Creek, California ("Subject Property"), hereinafter referred to as "RESPONSIBLE PARTY," is made upon the following considerations:

**RECITALS:**

**WHEREAS**, on or about September 20, 2017, COUNTY, by and through the Humboldt County Planning and Building Department – Code Enforcement Unit ("Code Enforcement Unit") opened **Code Enforcement Case Number 17CEU-274** in response to complaints of alleged nuisances and/or other violations of local, state and/or federal law ("Violations") that had occurred and/or existed on the Subject Property; and

**WHEREAS**, after conducting an inspection of the Subject Property, the Code Enforcement Unit determined that the following Violations had occurred and/or existed on the Subject Property:

- Construction without permits; and
- Grading without permits; and
- A violation of the Commercial Medical Marijuana Ordinance

**WHEREAS**, on or about September 27, 2017, the Code Enforcement Unit served RESPONSIBLE PARTY with a Notice of Violation and Proposed Administrative Civil Penalty ("Notice of Violation") and a Notice to Abate Nuisance pertaining to the Violations that had occurred and/or existed on the Subject Property; and

**WHEREAS**, the above-referenced Notice of Violation notified RESPONSIBLE PARTY that a daily administrative civil penalty in the amount of ten thousand dollars per day (\$10,000 per day) would be imposed on the Subject Property for a period of up to ninety (90) calendar days, if the required corrective action or actions set forth therein were not completed within ten (10) calendar days after service thereof; and

**WHEREAS**, COUNTY has incurred Administrative Costs, as defined by Humboldt County Code Section 352-3(a), in the amount of **one thousand and two hundred dollars (\$1,200)** as of the Effective Date of this Agreement; and

**WHEREAS**, RESPONSIBLE PARTY hereby acknowledges that the Violations set forth in the above-referenced Notice of Violation have occurred and/or exist on the Subject Property; and

**WHEREAS**, RESPONSIBLE PARTY hereby accepts full responsibility, without condition, for making the required corrections and/or repairs set forth in the above-referenced Notice of Violation; and

WHEREAS, in exchange for RESPONSIBLE PARTY's promise to settle and resolve, as set forth herein, the Violations that occurred and/or existed on the Subject Property on or before October 8, 2017, COUNTY is willing to stay enforcement and collection of the above-referenced daily administrative civil penalty; and

WHEREAS, in the event RESPONSIBLE PARTY does not correct the Violations that have occurred and/or exist on the Subject Property within the timeframes set forth herein, and COUNTY does not extend the time allowed to resolve such Violations, the above-referenced daily administrative civil penalty will be enforced to the fullest extent allowed by law; and

WHEREAS, COUNTY and RESPONSIBLE PARTY desire to enter into an agreement which sets forth each party's rights and obligations regarding the settlement and resolution of the Violations that have occurred and/or exist on the Subject Property; and

WHEREAS, RESPONSIBLE PARTY acknowledges and agrees that this Agreement only applies to the daily administrative civil penalties imposed pursuant to the above-referenced Notice of Violation pertaining to the Violations that occurred and/or existed on the Subject Property on or before October 8, 2017; and

WHEREAS, RESPONSIBLE PARTY acknowledges and agrees that nothing set forth herein shall be deemed to waive or reduce any applicable permit fees, including, without limitation, double fees, or administrative civil penalties imposed after October 8, 2017; and

WHEREAS, RESPONSIBLE PARTY acknowledges and agrees that this Agreement only relates to Violations that occurred and/or existed on the Subject Property on or before October 8, 2017; and

WHEREAS, RESPONSIBLE PARTY acknowledges and agrees that nothing set forth herein shall preclude COUNTY from investigating and enforcing any and all new Violations that occur and/or exist on the Subject Property after October 8, 2017.

NOW THEREFORE, in consideration of the mutual covenants and promises contained herein and other good and valuable consideration, receipt of which is hereby acknowledged, the parties hereto mutually agree as follows:

#### **AGREEMENT:**

##### **1. INCORPORATION OF RECITALS:**

The foregoing recitals are hereby incorporated into this Agreement by reference as if fully set forth below.

##### **2. RIGHTS AND OBLIGATIONS OF RESPONSIBLE PARTY:**

By executing this Agreement, RESPONSIBLE PARTY, for itself, and its assignees and successors in interest, agrees as follows:

###### **A. Monetary Settlement of Penalties and Costs.**

1. RESPONSIBLE PARTY shall pay the sum of thirty thousand dollars (\$30,000) prior to the Effective Date of this Agreement, in settlement of the above-referenced administrative civil penalty.

2. RESPONSIBLE PARTY shall pay the sum of **one thousand and two hundred dollars (\$1,200)** prior to the Effective Date of this Agreement, in settlement of the above-referenced Administrative Costs incurred prior to the Effective Date of the Agreement.
  3. RESPONSIBLE PARTY acknowledges and agrees that COUNTY will incur Administrative Costs subsequent to the Effective Date of this Agreement to administer this Agreement including but not limited to inspection and verification for compliance. Accordingly, RESPONSIBLE PARTY agrees to pay a **Not To Exceed** amount of **four thousand and five hundred dollars (\$4,500)** within **twenty-one (21) calendar days** of receiving COUNTY's invoice for Administrative Costs COUNTY incurred subsequent to the Effective Date of this Agreement.
  4. RESPONSIBLE PARTY shall be jointly and severally liable for all amounts listed in Section 2.A.
- B. Corrective Actions.** RESPONSIBLE PARTY shall take all of the following corrective actions, in accordance with the timeframes set forth herein, in order to abate the Violations described in the above-referenced Notice of Violation on or before January 6, 2018:
1. Remove all cannabis plants and cease any and all cannabis operations located on the Subject Property no later than October 12, 2017.
  2. Complete demolition of any and all unpermitted structures and soil containers supporting cannabis cultivation, including applying for and obtaining all proper permits from the Planning and Building Division and Division of Environmental Health in order to complete above-referenced demolition no later than November 6, 2017. All of the solid waste generated by this cleanup must be disposed of in the proper manner and care must be taken to ensure that nutrients in the waste soil do not leach into a watercourse.
  3. Submit completed application for proper permits to the Planning and Building Division in order to permit an existing unpermitted single family residence located on Subject Property. Completed application must have plans drawn by or under the supervision of a licensed architect and/or structural engineer no later than November 6, 2017.
  4. Submit completed application for proper permits to the Planning and Building Division in order to permit any accessory structures located on the Subject Property that conform to the requirements of the Subject Property's zoning designation and therefore may be allowed to exist with proper permits. Completed application must have plans drawn by or under the supervision of a licensed architect and/or structural engineer no later than November 6, 2017.
  5. Submit completed application for proper permits to the Planning and Building Division in order to remove any accessory structures and unpermitted single family residence that cannot be permitted and/or that you do not wish to submit permit applications for no later than November 6, 2017.
  6. Secure and implement winter weatherization and soil erosion control measures under the supervision of a licensed professional with credentials relevant to the work to be completed no later than November 21, 2017.
  7. Remove all accessory structures and unpermitted single family residence after obtaining proper permits from the Planning and Building Division no later than December 6, 2017.

8. Submit a comprehensive site restoration plan drafted by a licensed professional with credentials relevant to the work to be completed no later than December 6, 2017.
- C. **Receipt of Applicable Permits.** RESPONSIBLE PARTY shall apply for and receive, at its own expense, any and all applicable local, state and/or federal permits prior to taking the corrective actions set forth herein. RESPONSIBLE PARTY shall respond to any and all requests for information necessary to process permit applications within **ten (10) business days** after receipt of such request. All permits issued pursuant to the terms and conditions of this Agreement shall be picked up from the COUNTY within **five (5) business days** after the issuance thereof.
- D. **Consent to Inspection.** RESPONSIBLE PARTY shall permit COUNTY and any other duly authorized local, state and or federal agencies to conduct any and all inspections of the Subject Property that may be required to determine whether RESPONSIBLE PARTY is complying with the terms and conditions of this Agreement.
- E. **Property Transfers.** RESPONSIBLE PARTY will not sell, transfer, mortgage, lease or otherwise dispose of the Subject Property until the corrective actions set forth herein are completed or until the Responsible Party first furnishes the grantee, transferee, mortgagee or lessee with a true and correct copies of the above-referenced Notice of Violation and this Agreement. RESPONSIBLE PARTY shall provide COUNTY with a signed and notarized statement from the grantee, transferee, mortgagee or lessee which acknowledges the receipt of true and correct copies of the above-referenced Notice of Violation and this Agreement, and full acceptance of the responsibility, without condition, for taking the corrective actions set forth herein.
- F. **Waiver of Appeal Rights.** RESPONSIBLE PARTY hereby waives its right to request a an Administrative Civil Penalty Appeal Hearing and/or Code Enforcement Appeal Hearing before a COUNTY appointed hearing officer in order to determine whether the Violations set forth in the above-referenced Notice of Violation and Notice to Abate Nuisance actually occurred and/or existed on the Subject Property and/or the reasonableness of the amount of the administrative civil penalty.
- G. **Effect of Noncompliance.** In the event that RESPONSIBLE PARTY fails to comply with the terms and conditions of this Agreement, the above-referenced administrative civil penalty in the amount of **nine hundred thousand dollars (\$900,000)**, as well as any unpaid portion of the Administrative Costs incurred by COUNTY during the investigation of the Violations set forth in the above-referenced Notice of Violation will become immediately due and payable. The execution of this Agreement is a one-time opportunity granted by COUNTY to RESPONSIBLE PARTY to voluntarily correct the Violations. COUNTY reserves its rights and discretion to enter into future compliance agreements for other Notice to Abate Nuisance and/or Notice of Violation.

3. **RIGHTS AND OBLIGATIONS OF COUNTY:**

By executing this Agreement, COUNTY, for itself, and its assignees and successors in interest, agrees as follows:

- A. **Stay of Enforcement and Collection Actions.** COUNTY shall not take any enforcement or collection actions regarding the administrative civil penalty imposed pursuant to the above-

referenced Notice of Violation. However, in the event RESPONSIBLE PARTY fails to abide by the terms of this Agreement, COUNTY shall be entitled to take any and all appropriate enforcement and/or collection actions pursuant to Chapters 1 and 2 of Division 5 of Title III of the Humboldt County Code.

- B. **Release of Violations.** Upon RESPONSIBLE PARTY's completion of all the corrective actions required hereunder and payment of all amounts listed in Section 2.A. and all applicable permit and/or inspection fees, COUNTY shall dismiss the above-referenced Notice of Violation and Notice to Abate Nuisance and issue a Release of Notice of Violation and Proposed Administrative Civil Penalty and Release of Notice to Abate Nuisance to RESPONSIBLE PARTY.

4. **TERM:**

This Agreement shall begin upon execution by both parties and shall remain in full force and effect until January 6, 2018, unless sooner terminated or extended as provided herein.

5. **TERMINATION:**

COUNTY may immediately terminate this Agreement, upon notice, if RESPONSIBLE PARTY fails to comply with the terms of this Agreement within the time limits specified herein, or violates any ordinance, regulation or other law applicable to its performance herein.

6. **NOTICES:**

Any and all notices required to be given pursuant to the terms and conditions of this Agreement shall be in writing and either served personally or sent by certified mail, return receipt requested, to the respective addresses set forth below. Notice shall be effective upon actual receipt or refusal as shown on the receipt obtained pursuant to the foregoing.

COUNTY: Humboldt County Code Enforcement Unit  
Attention: Bob Russell  
3015 H Street  
Eureka, California 95501

RESPONSIBLE PARTY: Three Ks LLC  
Attention: Dean Holter  
315 P Street  
Eureka, California 95501

7. **CONFIDENTIAL INFORMATION:**

In the performance of this Agreement, each party hereto may receive information that is confidential under local, state or federal law. Each party hereby agrees to protect all confidential information in conformance with any and all applicable local, state and federal laws, regulations, policies, procedures and standards.

8. **NUCLEAR FREE HUMBOLDT COUNTY ORDINANCE COMPLIANCE:**

By executing this Agreement, RESPONSIBLE PARTY certifies that it is not a Nuclear Weapons

Contractor, in that RESPONSIBLE PARTY is not knowingly or intentionally engaged in the research, development, production or testing of nuclear warheads, nuclear weapons systems or nuclear weapons components, as defined by the Nuclear Free Humboldt County Ordinance. RESPONSIBLE PARTY agrees to notify COUNTY immediately if it becomes a Nuclear Weapons Contractor as defined above. COUNTY may immediately terminate this Agreement if it determines that the foregoing certification is false or if RESPONSIBLE PARTY subsequently becomes a Nuclear Weapons Contractor.

**9. INDEMNIFICATION:**

- A. **Hold Harmless, Defense and Indemnification.** RESPONSIBLE PARTY shall hold harmless, defend and indemnify COUNTY and its agents, officers, officials; employees and volunteers from and against, any all claims, demands, losses, damages, liabilities, expenses and costs of any kind or nature, including, without limitation, reasonable attorneys' fees and other costs of litigation, arising out of, or in connection with, RESPONSIBLE PARTY's negligent performance of, or failure to comply with, any of the duties and/or obligations contained herein, except such loss or damage which was caused by the sole negligence or willful misconduct of COUNTY.
- B. **Effect of Insurance.** Acceptance of the insurance required by this Agreement shall not relieve RESPONSIBLE PARTY from liability under this provision. This provision shall apply to all claims for damages related to the performance of RESPONSIBLE PARTY's performance of the duties and obligations set forth in this Agreement regardless of whether any insurance is applicable or not. The policy limits pertaining to the insurance required hereunder shall not act as a limitation upon the amount of indemnification or defense to be provided by RESPONSIBLE PARTY hereunder.

**10. INSURANCE REQUIREMENTS:**

Without limiting the indemnification obligations set forth herein, RESPONSIBLE PARTY will obtain or maintain in full force and effect, at its own expense, any and all insurance policies required by law. RESPONSIBLE PARTY will ensure that any and all hired subcontractors have the appropriate insurance for the services provided.

**11. RELATIONSHIP OF PARTIES:**

It is understood that this Agreement is by and between two (2) independent entities and is not intended to, and shall not be construed to, create the relationship of agent, servant, employee, partnership, joint venture or any other similar association. RESPONSIBLE PARTY shall be solely responsible for the acts or omissions of its agents, officers, employees, assignees and subcontractors.

**12. COMPLIANCE WITH APPLICABLE LAWS:**

RESPONSIBLE PARTY agrees to comply with any and all local, state and federal laws, regulations, policies and procedures applicable to the performance of the duties and/or obligations set forth herein.

**13. PROVISIONS REQUIRED BY LAW:**

This Agreement is subject to any additional local, state and federal restrictions, limitations, or conditions that may affect the provisions, terms or conditions of this Agreement. This Agreement shall be read and enforced as though all legally required provisions are included herein, and if for any reason any such provision is not included, or is not correctly stated, the parties agree to amend the



pertinent section to make such insertion or correction.

**14. REFERENCE TO LAWS AND RULES:**

In the event any law, regulation, policy or procedure referred to in this Agreement is amended during the term hereof, the parties agree to comply with the amended provision as of the effective date of such amendment.

**15. SEVERABILITY:**

In the event any provision of this Agreement, or any portion thereof, is found by any court of competent jurisdiction to be unenforceable or invalid for any reason, such provision shall be severable and shall not in any way impair the enforceability of any other provision of this Agreement.

**16. ASSIGNMENT:**

RESPONSIBLE PARTY shall not delegate its duties nor assign its rights hereunder, either in whole or in part, without COUNTY's prior written consent. Any assignment by RESPONSIBLE PARTY in violation of this provision shall be void, and shall be cause for immediate termination of this Agreement.

**17. AGREEMENT SHALL BIND SUCCESSORS:**

All provisions of this Agreement shall be fully binding upon, and inure to the benefit of, the parties and to each of their heirs, executors, administrators, successors and permitted assigns.

**18. WAIVER OF DEFAULT:**

The waiver by either party of any breach or violation of any requirement of this Agreement shall not be deemed to be a waiver of any such breach in the future, or of the breach of any other requirement of this Agreement.

**19. NON-LIABILITY OF COUNTY OFFICIALS AND EMPLOYEES:**

No official or employee of COUNTY shall be personally liable for any default or liability under this Agreement.

**20. AMENDMENT:**

This Agreement may be extended and/or modified at any time during the term of this Agreement upon the mutual consent of both parties. No supplement, modification, waiver, extension or termination of this Agreement or any provision hereof shall be binding unless executed in writing by the parties in the same manner as this Agreement.

**21. JURISDICTION AND VENUE:**

This Agreement shall be construed in accordance with the laws of the State of California. Any dispute arising hereunder, or relating hereto, shall be litigated in the State of California and venue shall lie in the County of Humboldt unless transferred by court order pursuant to California Code of Civil Procedure Sections 394 or 395.

**22. SUBCONTRACTS:**

RESPONSIBLE PARTY shall remain legally responsible for the performance of all terms and conditions of this Agreement, including corrective actions performed by third parties under subcontracts.

**23. ATTORNEYS' FEES:**

COUNTY and RESPONSIBLE PARTY shall each bear their own costs and attorneys' fees. However, if either party commences any legal action or proceeding, including an action for declaratory relief, against the other by reason of the alleged failure of the other to perform or keep any provision of this Agreement, the prevailing party in said action or proceeding shall be entitled to recover, court costs and reasonable attorneys' fees, including the reasonable value of services rendered by the Humboldt County Counsel's Office, to be fixed by the court, collection costs, and such recovery shall include court costs and attorneys' fees on appeal, if applicable. As used herein, "prevailing party" means the party who dismisses an action or proceeding in exchange for payment of substantially all sums allegedly due, performance of provisions allegedly breached, or other considerations substantially equal to the relief sought by said party, as well as the party in whose favor final judgment is rendered.

**24. SURVIVAL:**

The duties and obligations of the parties set forth in Section 7 – Confidential Information and Section 9 – Indemnification shall survive the expiration or termination of this Agreement.

**25. CONFLICTING TERMS OR CONDITIONS:**

In the event of any conflict in the terms or conditions set forth in any other agreements in place between the parties hereto and the terms and conditions set forth in this Agreement, the terms and conditions set forth herein shall have priority.

**26. INFORMED CONSENT:**

RESPONSIBLE PARTY has had the opportunity to be represented by independent legal counsel of their own choice, and this Agreement was prepared with the joint input of all parties. RESPONSIBLE PARTY further acknowledges that this Agreement was executed freely and voluntarily and with the opportunity for RESPONSIBLE PARTY to receive the advice of independent legal counsel. RESPONSIBLE PARTY is fully aware of its contents and its legal effect.

**27. NO REPRESENTATION NOT CONTAINED HEREIN:**

Each party acknowledges that no other party, nor any agent or attorney of any party, has made any promise, representation or warranty whatsoever, express or implied, not expressly contained herein, concerning the subject matter hereto so as to induce it to execute this Agreement; and each party acknowledges that it has not executed this Agreement in reliance on any promise, representation or warranty not contained herein.

**28. INTERPRETATION:**

This Agreement, as well as its individual provisions, shall be deemed to have been prepared equally by both of the parties hereto, and shall not be construed or interpreted more favorably for one party on the basis that the other party prepared it.

**29. INDEPENDENT CONSTRUCTION:**

The titles of the sections, subsections and paragraphs set forth in this Agreement are inserted for convenience of reference only, and shall be disregarded in construing or interpreting any of the provisions of this Agreement.

**30. ENTIRE AGREEMENT:**

This Agreement constitutes the entire agreement between the parties pertaining to the subject matter hereof and supersedes all prior and contemporaneous agreements, understandings, negotiations and discussions, whether oral or written, of the parties. Any and all acts which may have already been consummated pursuant to the terms and conditions of this Agreement are hereby ratified.

**31. AUTHORITY TO EXECUTE:**

Each person executing this Agreement represents and warrants that he or she is duly authorized and has legal authority to execute and deliver this Agreement. Each party hereto represents and warrants to the other that the execution and delivery of this Agreement and the performance of such party's obligations hereunder have been duly authorized.

[Signatures on following page]

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the day, month and year below written:

TWO SIGNATURES ARE REQUIRED FOR CORPORATIONS:

- (1) CHAIRPERSON OF THE BOARD, PRESIDENT, OR VICE PRESIDENT; AND
- (2) SECRETARY, ASSISTANT SECRETARY, CHIEF FINANCIAL OFFICER OR TREASURER.

**THREE KS LLC:**

By: Wyatt Whitlow  
Name: Wyatt Whitlow  
Title: owner

Date: 10/9/17

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Date: \_\_\_\_\_

**COUNTY OF HUMBOLDT:**

By: \_\_\_\_\_  
*Humboldt County Board of Supervisors on*  
*\_\_\_\_\_, 20[ ], Item [ - ]*

Date: \_\_\_\_\_

**NOTE TO NOTARY PUBLIC:** If you are notarizing the signatures of persons, signing on behalf of a corporation, partnership, trust, etc., please use the correct notary jurat (acknowledgment) as explained in your Notary Public Law Book.

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA

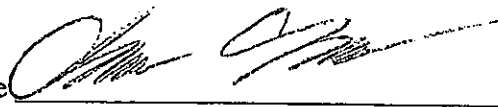
COUNTY OF HUMBOLDT)

On October 9 2017 before me, Chelsea Elizabeth Smith, a

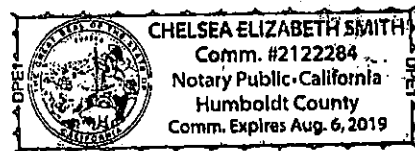
Notary Public, personally appeared Wyatt Whitlow, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature 

(Seal)



**COMPLIANCE AGREEMENT  
BY AND BETWEEN  
COUNTY OF HUMBOLDT  
AND  
THREE CREEKS RANCH LLC**

This Compliance Agreement ("Agreement"), provisionally entered into this day of October 10, 2017 and awaiting approval by the Humboldt County Board of Supervisors on a future date ("Effective Date"), by and between the County of Humboldt, a political subdivision of the State of California, hereinafter referred to as "COUNTY," and Three Creeks Ranch LLC, as owner who has allowed a violation to occur on the property described as Assessor's Parcel Number: 522-035-006 located on Brannan Mountain Road in Willow Creek, California ("Subject Property"), hereinafter referred to as "RESPONSIBLE PARTY," is made upon the following considerations:

**RECITALS:**

**WHEREAS**, on or about September 20, 2017, COUNTY, by and through the Humboldt County Planning and Building Department – Code Enforcement Unit ("Code Enforcement Unit") opened **Code Enforcement Case Number 17CEU-273** in response to complaints of alleged nuisances and/or other violations of local, state and/or federal law ("Violations") that had occurred and/or existed on the Subject Property; and

**WHEREAS**, after conducting an inspection of the Subject Property, the Code Enforcement Unit determined that the following Violations had occurred and/or existed on the Subject Property:

- Construction without permits; and
- Grading without permits; and
- A violation of the Commercial Medical Marijuana Ordinance

**WHEREAS**, on or about September 27, 2017, the Code Enforcement Unit served RESPONSIBLE PARTY with a Notice of Violation and Proposed Administrative Civil Penalty ("Notice of Violation") and a Notice to Abate Nuisance pertaining to the Violations that had occurred and/or existed on the Subject Property; and

**WHEREAS**, the above-referenced Notice of Violation notified RESPONSIBLE PARTY that a daily administrative civil penalty in the amount of ten thousand dollars per day (\$10,000 per day) would be imposed on the Subject Property for a period of up to ninety (90) calendar days, if the required corrective action or actions set forth therein were not completed within ten (10) calendar days after service thereof; and

**WHEREAS**, COUNTY has incurred Administrative Costs, as defined by Humboldt County Code Section 352-3(a), in the amount of **one thousand and two hundred dollars (\$1,200)** as of the Effective Date of this Agreement; and

**WHEREAS**, RESPONSIBLE PARTY hereby acknowledges that the Violations set forth in the above-referenced Notice of Violation have occurred and/or exist on the Subject Property; and

**WHEREAS**, RESPONSIBLE PARTY hereby accepts full responsibility, without condition, for making the required corrections and/or repairs set forth in the above-referenced Notice of Violation; and

**WHEREAS**, in exchange for RESPONSIBLE PARTY's promise to settle and resolve, as set forth herein, the Violations that occurred and/or existed on the Subject Property on or before October 8, 2017, COUNTY is willing to stay enforcement and collection of the above-referenced daily administrative civil penalty; and

**WHEREAS**, in the event RESPONSIBLE PARTY does not correct the Violations that have occurred and/or exist on the Subject Property within the timeframes set forth herein, and COUNTY does not extend the time allowed to resolve such Violations, the above-referenced daily administrative civil penalty will be enforced to the fullest extent allowed by law; and

**WHEREAS**, COUNTY and RESPONSIBLE PARTY desire to enter into an agreement which sets forth each party's rights and obligations regarding the settlement and resolution of the Violations that have occurred and/or exist on the Subject Property; and

**WHEREAS**, RESPONSIBLE PARTY acknowledges and agrees that this Agreement only applies to the daily administrative civil penalties imposed pursuant to the above-referenced Notice of Violation pertaining to the Violations that occurred and/or existed on the Subject Property on or before October 8, 2017; and

**WHEREAS**, RESPONSIBLE PARTY acknowledges and agrees that nothing set forth herein shall be deemed to waive or reduce any applicable permit fees, including, without limitation, double fees, or administrative civil penalties imposed after October 8, 2017; and

**WHEREAS**, RESPONSIBLE PARTY acknowledges and agrees that this Agreement only relates to Violations that occurred and/or existed on the Subject Property on or before October 8, 2017; and

**WHEREAS**, RESPONSIBLE PARTY acknowledges and agrees that nothing set forth herein shall preclude COUNTY from investigating and enforcing any and all new Violations that occur and/or exist on the Subject Property after October 8, 2017.

**NOW THEREFORE**, in consideration of the mutual covenants and promises contained herein and other good and valuable consideration, receipt of which is hereby acknowledged, the parties hereto mutually agree as follows:

**AGREEMENT:**

**1. INCORPORATION OF RECITALS:**

The foregoing recitals are hereby incorporated into this Agreement by reference as if fully set forth below.

**2. RIGHTS AND OBLIGATIONS OF RESPONSIBLE PARTY:**

By executing this Agreement, RESPONSIBLE PARTY, for itself, and its assignees and successors in interest, agrees as follows:

**A. Monetary Settlement of Penalties and Costs:**

1. RESPONSIBLE PARTY shall pay the sum of **thirty thousand dollars (\$30,000)** prior to the Effective Date of this Agreement, in settlement of the above-referenced administrative civil penalty.

2. RESPONSIBLE PARTY shall pay the sum of **one thousand and two hundred dollars (\$1,200)** prior to the Effective Date of this Agreement, in settlement of the above-referenced Administrative Costs incurred prior to the Effective Date of the Agreement.
3. RESPONSIBLE PARTY acknowledges and agrees that COUNTY will incur Administrative Costs subsequent to the Effective Date of this Agreement to administer this Agreement including but not limited to inspection and verification for compliance. Accordingly, RESPONSIBLE PARTY agrees to pay a **Not To Exceed** amount of **four thousand and five hundred dollars (\$4,500)** within **twenty-one (21) calendar days** of receiving COUNTY's invoice for Administrative Costs COUNTY incurred subsequent to the Effective Date of this Agreement.
4. RESPONSIBLE PARTY shall be jointly and severally liable for all amounts listed in Section 2.A.

**B. Corrective Actions.** RESPONSIBLE PARTY shall take all of the following corrective actions, in accordance with the timeframes set forth herein, in order to abate the Violations described in the above-referenced Notice of Violation on or before January 6, 2018:

1. Remove all cannabis plants and cease any and all cannabis operations located on the Subject Property no later than October 10, 2017.
2. Complete demolition of any and all unpermitted structures and soil containers supporting cannabis cultivation, including applying for and obtaining all proper permits from the Planning and Building Division and Division of Environmental Health in order to complete above-referenced demolition no later than November 6, 2017. All of the solid waste generated by this cleanup must be disposed of in the proper manner and care must be taken to ensure that nutrients in the waste soil do not leach into a watercourse.
3. Submit completed application for proper permits to the Planning and Building Division in order to permit an existing unpermitted single family residence located on Subject Property. Completed application must have plans drawn by or under the supervision of a licensed architect and/or structural engineer no later than November 6, 2017.
4. Submit completed application for proper permits to the Planning and Building Division in order to permit any accessory structures located on the Subject Property that conform to the requirements of the Subject Property's zoning designation and therefore may be allowed to exist with proper permits. Completed application must have plans drawn by or under the supervision of a licensed architect and/or structural engineer no later than November 6, 2017.
5. Submit completed application for proper permits to the Planning and Building Division in order to remove any accessory structures and unpermitted single family residence that cannot be permitted and/or that you do not wish to submit permit applications for no later than November 6, 2017.
6. Secure and implement winter weatherization and soil erosion control measures under the supervision of a licensed professional with credentials relevant to the work to be completed no later than November 21, 2017.
7. Remove all accessory structures and unpermitted single family residence after obtaining proper permits from the Planning and Building Division no later than December 6, 2017.



8. Submit a comprehensive site restoration plan drafted by a licensed professional with credentials relevant to the work to be completed no later than December 6, 2017.

- C. **Receipt of Applicable Permits.** RESPONSIBLE PARTY shall apply for and receive, at its own expense, any and all applicable local, state and/or federal permits prior to taking the corrective actions set forth herein. RESPONSIBLE PARTY shall respond to any and all requests for information necessary to process permit applications within **ten (10) business days** after receipt of such request. All permits issued pursuant to the terms and conditions of this Agreement shall be picked up from the COUNTY within **five (5) business days** after the issuance thereof.
- D. **Consent to Inspection.** RESPONSIBLE PARTY shall permit COUNTY and any other duly authorized local, state and or federal agencies to conduct any and all inspections of the Subject Property that may be required to determine whether RESPONSIBLE PARTY is complying with the terms and conditions of this Agreement.
- E. **Property Transfers.** RESPONSIBLE PARTY will not sell, transfer, mortgage, lease or otherwise dispose of the Subject Property until the corrective actions set forth herein are completed or until the Responsible Party first furnishes the grantee, transferee, mortgagee or lessee with a true and correct copies of the above-referenced Notice of Violation and this Agreement. RESPONSIBLE PARTY shall provide COUNTY with a signed and notarized statement from the grantee, transferee, mortgagee or lessee which acknowledges the receipt of true and correct copies of the above-referenced Notice of Violation and this Agreement, and full acceptance of the responsibility, without condition, for taking the corrective actions set forth herein.
- F. **Waiver of Appeal Rights.** RESPONSIBLE PARTY hereby waives its right to request a an Administrative Civil Penalty Appeal Hearing and/or Code Enforcement Appeal Hearing before a COUNTY appointed hearing officer in order to determine whether the Violations set forth in the above-referenced Notice of Violation and Notice to Abate Nuisance actually occurred and/or existed on the Subject Property and/or the reasonableness of the amount of the administrative civil penalty.
- G. **Effect of Noncompliance.** In the event that RESPONSIBLE PARTY fails to comply with the terms and conditions of this Agreement, the above-referenced administrative civil penalty in the amount of **nine hundred thousand dollars (\$900,000)**, as well as any unpaid portion of the Administrative Costs incurred by COUNTY during the investigation of the Violations set forth in the above-referenced Notice of Violation will become immediately due and payable. The execution of this Agreement is a one-time opportunity granted by COUNTY to RESPONSIBLE PARTY to voluntarily correct the Violations. COUNTY reserves its rights and discretion to enter into future compliance agreements for other Notice to Abate Nuisance and/or Notice of Violation.

3. **RIGHTS AND OBLIGATIONS OF COUNTY:**

By executing this Agreement, COUNTY, for itself, and its assignees and successors in interest, agrees as follows:

- A. **Stay of Enforcement and Collection Actions.** COUNTY shall not take any enforcement or collection actions regarding the administrative civil penalty imposed pursuant to the above-

referenced Notice of Violation. However, in the event RESPONSIBLE PARTY fails to abide by the terms of this Agreement, COUNTY shall be entitled to take any and all appropriate enforcement and/or collection actions pursuant to Chapters 1 and 2 of Division 5 of Title III of the Humboldt County Code.

- B. **Release of Violations.** Upon RESPONSIBLE PARTY's completion of all the corrective actions required hereunder and payment of all amounts listed in Section 2.A. and all applicable permit and/or inspection fees, COUNTY shall dismiss the above-referenced Notice of Violation and Notice to Abate Nuisance and issue a Release of Notice of Violation and Proposed Administrative Civil Penalty and Release of Notice to Abate Nuisance to RESPONSIBLE PARTY.

4. **TERM:**

This Agreement shall begin upon execution by both parties and shall remain in full force and effect until January 6, 2018, unless sooner terminated or extended as provided herein.

5. **TERMINATION:**

COUNTY may immediately terminate this Agreement, upon notice, if RESPONSIBLE PARTY fails to comply with the terms of this Agreement within the time limits specified herein, or violates any ordinance, regulation or other law applicable to its performance herein.

6. **NOTICES:**

Any and all notices required to be given pursuant to the terms and conditions of this Agreement shall be in writing and either served personally or sent by certified mail, return receipt requested, to the respective addresses set forth below. Notice shall be effective upon actual receipt or refusal as shown on the receipt obtained pursuant to the foregoing.

COUNTY: Humboldt County Code Enforcement Unit  
Attention: Bob Russell  
3015 H Street  
Eureka, California 95501

RESPONSIBLE PARTY: Three Creeks Ranch LLC  
Attention: Miles Garrett  
1667 H Street  
Arcata, CA 95521

7. **CONFIDENTIAL INFORMATION:**

In the performance of this Agreement, each party hereto may receive information that is confidential under local, state or federal law. Each party hereby agrees to protect all confidential information in conformance with any and all applicable local, state and federal laws, regulations, policies, procedures and standards.

8. **NUCLEAR FREE HUMBOLDT COUNTY ORDINANCE COMPLIANCE:**

By executing this Agreement, RESPONSIBLE PARTY certifies that it is not a Nuclear Weapons

Contractor, in that RESPONSIBLE PARTY is not knowingly or intentionally engaged in the research, development, production or testing of nuclear warheads, nuclear weapons systems or nuclear weapons components, as defined by the Nuclear Free Humboldt County Ordinance. RESPONSIBLE PARTY agrees to notify COUNTY immediately if it becomes a Nuclear Weapons Contractor as defined above. COUNTY may immediately terminate this Agreement if it determines that the foregoing certification is false or if RESPONSIBLE PARTY subsequently becomes a Nuclear Weapons Contractor.

9. **INDEMNIFICATION:**

- A. **Hold Harmless, Defense and Indemnification.** RESPONSIBLE PARTY shall hold harmless, defend and indemnify COUNTY and its agents, officers, officials, employees and volunteers from and against, any all claims, demands, losses, damages, liabilities, expenses and costs of any kind or nature, including, without limitation, reasonable attorneys' fees and other costs of litigation, arising out of, or in connection with, RESPONSIBLE PARTY's negligent performance of, or failure to comply with, any of the duties and/or obligations contained herein, except such loss or damage which was caused by the sole negligence or willful misconduct of COUNTY.
- B. **Effect of Insurance.** Acceptance of the insurance required by this Agreement shall not relieve RESPONSIBLE PARTY from liability under this provision. This provision shall apply to all claims for damages related to the performance of RESPONSIBLE PARTY's performance of the duties and obligations set forth in this Agreement regardless of whether any insurance is applicable or not. The policy limits pertaining to the insurance required hereunder shall not act as a limitation upon the amount of indemnification or defense to be provided by RESPONSIBLE PARTY hereunder.

10. **INSURANCE REQUIREMENTS:**

Without limiting the indemnification obligations set forth herein, RESPONSIBLE PARTY will obtain or maintain in full force and effect, at its own expense, any and all insurance policies required by law. RESPONSIBLE PARTY will ensure that any and all hired subcontractors have the appropriate insurance for the services provided.

11. **RELATIONSHIP OF PARTIES:**

It is understood that this Agreement is by and between two (2) independent entities and is not intended to, and shall not be construed to, create the relationship of agent, servant, employee, partnership, joint venture or any other similar association. RESPONSIBLE PARTY shall be solely responsible for the acts or omissions of its agents, officers, employees, assignees and subcontractors.

12. **COMPLIANCE WITH APPLICABLE LAWS:**

RESPONSIBLE PARTY agrees to comply with any and all local, state and federal laws, regulations, policies and procedures applicable to the performance of the duties and/or obligations set forth herein.

13. **PROVISIONS REQUIRED BY LAW:**

This Agreement is subject to any additional local, state and federal restrictions, limitations, or conditions that may affect the provisions, terms or conditions of this Agreement. This Agreement shall be read and enforced as though all legally required provisions are included herein, and if for any reason any such provision is not included, or is not correctly stated, the parties agree to amend the

pertinent section to make such insertion or correction.

**14. REFERENCE TO LAWS AND RULES:**

In the event any law, regulation, policy or procedure referred to in this Agreement is amended during the term hereof, the parties agree to comply with the amended provision as of the effective date of such amendment.

**15. SEVERABILITY:**

In the event any provision of this Agreement, or any portion thereof, is found by any court of competent jurisdiction to be unenforceable or invalid for any reason, such provision shall be severable and shall not in any way impair the enforceability of any other provision of this Agreement.

**16. ASSIGNMENT:**

RESPONSIBLE PARTY shall not delegate its duties nor assign its rights hereunder, either in whole or in part, without COUNTY's prior written consent. Any assignment by RESPONSIBLE PARTY in violation of this provision shall be void, and shall be cause for immediate termination of this Agreement.

**17. AGREEMENT SHALL BIND SUCCESSORS:**

All provisions of this Agreement shall be fully binding upon, and inure to the benefit of, the parties and to each of their heirs, executors, administrators, successors and permitted assigns.

**18. WAIVER OF DEFAULT:**

The waiver by either party of any breach or violation of any requirement of this Agreement shall not be deemed to be a waiver of any such breach in the future, or of the breach of any other requirement of this Agreement.

**19. NON-LIABILITY OF COUNTY OFFICIALS AND EMPLOYEES:**

No official or employee of COUNTY shall be personally liable for any default or liability under this Agreement.

**20. AMENDMENT:**

This Agreement may be extended and/or modified at any time during the term of this Agreement upon the mutual consent of both parties. No supplement, modification, waiver, extension or termination of this Agreement or any provision hereof shall be binding unless executed in writing by the parties in the same manner as this Agreement.

**21. JURISDICTION AND VENUE:**

This Agreement shall be construed in accordance with the laws of the State of California. Any dispute arising hereunder, or relating hereto, shall be litigated in the State of California and venue shall lie in the County of Humboldt unless transferred by court order pursuant to California Code of Civil Procedure Sections 394 or 395.

**22. SUBCONTRACTS:**

RESPONSIBLE PARTY shall remain legally responsible for the performance of all terms and conditions of this Agreement, including corrective actions performed by third parties under subcontracts.

**23. ATTORNEYS' FEES:**

COUNTY and RESPONSIBLE PARTY shall each bear their own costs and attorneys' fees. However, if either party commences any legal action or proceeding, including an action for declaratory relief, against the other by reason of the alleged failure of the other to perform or keep any provision of this Agreement, the prevailing party in said action or proceeding shall be entitled to recover, court costs and reasonable attorneys' fees, including the reasonable value of services rendered by the Humboldt County Counsel's Office, to be fixed by the court, collection costs, and such recovery shall include court costs and attorneys' fees on appeal, if applicable. As used herein, "prevailing party" means the party who dismisses an action or proceeding in exchange for payment of substantially all sums allegedly due, performance of provisions allegedly breached, or other considerations substantially equal to the relief sought by said party, as well as the party in whose favor final judgment is rendered.

**24. SURVIVAL:**

The duties and obligations of the parties set forth in Section 7 – Confidential Information and Section 9 – Indemnification shall survive the expiration or termination of this Agreement.

**25. CONFLICTING TERMS OR CONDITIONS:**

In the event of any conflict in the terms or conditions set forth in any other agreements in place between the parties hereto and the terms and conditions set forth in this Agreement, the terms and conditions set forth herein shall have priority.

**26. INFORMED CONSENT:**

RESPONSIBLE PARTY has had the opportunity to be represented by independent legal counsel of their own choice, and this Agreement was prepared with the joint input of all parties. RESPONSIBLE PARTY further acknowledges that this Agreement was executed freely and voluntarily and with the opportunity for RESPONSIBLE PARTY to receive the advice of independent legal counsel. RESPONSIBLE PARTY is fully aware of its contents and its legal effect.

**27. NO REPRESENTATION NOT CONTAINED HEREIN:**

Each party acknowledges that no other party, nor any agent or attorney of any party, has made any promise, representation or warranty whatsoever, express or implied, not expressly contained herein, concerning the subject matter hereto so as to induce it to execute this Agreement; and each party acknowledges that it has not executed this Agreement in reliance on any promise, representation or warranty not contained herein.

**28. INTERPRETATION:**

This Agreement, as well as its individual provisions, shall be deemed to have been prepared equally by both of the parties hereto, and shall not be construed or interpreted more favorably for one party on the basis that the other party prepared it.

**29. INDEPENDENT CONSTRUCTION:**

The titles of the sections, subsections and paragraphs set forth in this Agreement are inserted for convenience of reference only, and shall be disregarded in construing or interpreting any of the provisions of this Agreement.

**30. ENTIRE AGREEMENT:**

This Agreement constitutes the entire agreement between the parties pertaining to the subject matter hereof and supersedes all prior and contemporaneous agreements, understandings, negotiations and discussions, whether oral or written, of the parties. Any and all acts which may have already been consummated pursuant to the terms and conditions of this Agreement are hereby ratified.

**31. AUTHORITY TO EXECUTE:**

Each person executing this Agreement represents and warrants that he or she is duly authorized and has legal authority to execute and deliver this Agreement. Each party hereto represents and warrants to the other that the execution and delivery of this Agreement and the performance of such party's obligations hereunder have been duly authorized.

[Signatures on following page]

Addendum: I agree to pay all fees at "Effective Date," and pay balance in a timely manner.





**NOTE TO NOTARY PUBLIC:** If you are notarizing the signatures of persons, signing on behalf of a corporation, partnership, trust, etc., please use the correct notary jurat (acknowledgment) as explained in your Notary Public Law Book.

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA

COUNTY OF HUMBOLDT)

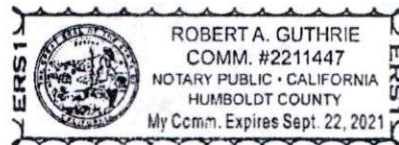
On OCTOBER 10, 2017 before me, ROBERT A. GUTHRIE, a

Notary Public, personally appeared MILES GARRETT, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/~~she~~/they executed the same in his/~~her~~/their authorized capacity(~~ies~~), and that by his/~~her~~/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature



(Seal)



**COMPLIANCE AGREEMENT  
BY AND BETWEEN  
COUNTY OF HUMBOLDT  
AND  
JUDITH RANTASUO**

This Compliance Agreement ("Agreement"), entered into this day of October 19<sup>th</sup>, 2017, ("Effective Date"), by and between the County of Humboldt, a political subdivision of the State of California, hereinafter referred to as "COUNTY," and JUDITH RANTASUO, as owner who has allowed a violation to occur on the property located at 6076 Nelson Lane, Eureka, California, Assessor's Parcel Number: 303-063-017 ("Subject Property"), hereinafter referred to as "RESPONSIBLE PARTY," is made upon the following considerations:

**RECITALS:**

**WHEREAS**, on or about June 13, 2013, COUNTY, by and through the Humboldt County Planning and Building Department – Code Enforcement Unit ("Code Enforcement Unit") opened **Code Enforcement Case Number 13CEU-49** in response to complaints of alleged nuisances and/or other violations of local, state and/or federal law ("Violations") that had occurred and/or existed on the Subject Property; and

**WHEREAS**, after conducting an inspection of the Subject Property, the Code Enforcement Unit determined that the following Violation had occurred and/or existed on the Subject Property:

- Maintaining a junkyard

**WHEREAS**, on or about September 18, 2017, the Code Enforcement Unit served RESPONSIBLE PARTY with a Notice of Violation and Proposed Administrative Civil Penalty ("Notice of Violation") and a Notice to Abate Nuisance pertaining to the Violation that had occurred and/or existed on the Subject Property; and

**WHEREAS**, the above-referenced Notice of Violation notified RESPONSIBLE PARTY that a daily administrative civil penalty in the amount of five-thousand dollars (\$5,000) would be imposed on the Subject Property for a period of up to ninety (90) calendar days, if the required corrective action or actions set forth therein were not completed within ten (10) calendar days after service thereof; and

**WHEREAS**, COUNTY has incurred Administrative Costs, as defined by Humboldt County Code Section 352-3(a), in the amount of four-hundred ninety-six dollars and nine cents (\$496.09) as of the Effective Date of this Agreement; and

**WHEREAS**, RESPONSIBLE PARTY hereby acknowledges that the Violations set forth in the above-referenced Notice of Violation have occurred and/or exist on the Subject Property; and

**WHEREAS**, RESPONSIBLE PARTY hereby accepts full responsibility, without condition, for making the required corrections and/or repairs set forth in the above-referenced Notice of Violation; and

**WHEREAS**, in exchange for RESPONSIBLE PARTY's promise to settle and resolve, as set forth herein, the Violations that occurred and/or existed on the Subject Property on or before September 28, 2017, COUNTY is willing to stay enforcement and collection of the above-referenced daily administrative civil penalty; and

**WHEREAS**, in the event RESPONSIBLE PARTY does not correct the Violations that have occurred and/or exist on the Subject Property within the timeframes set forth herein, and COUNTY does not extend the time allowed to resolve such Violations, the above-referenced daily administrative civil penalty will be enforced to the fullest extent allowed by law; and

**WHEREAS**, COUNTY and RESPONSIBLE PARTY desire to enter into an agreement which sets forth each party's rights and obligations regarding the settlement and resolution of the Violations that have occurred and/or exist on the Subject Property; and

**WHEREAS**, RESPONSIBLE PARTY acknowledges and agrees that this Agreement only applies to the daily administrative civil penalties imposed pursuant to the above-referenced Notice of Violation pertaining to the Violations that occurred and/or existed on the Subject Property on or before September 28, 2017; and

**WHEREAS**, RESPONSIBLE PARTY acknowledges and agrees that nothing set forth herein shall be deemed to waive or reduce any applicable permit fees, including, without limitation, double fees, or administrative civil penalties imposed after September 28, 2017; and

**WHEREAS**, RESPONSIBLE PARTY acknowledges and agrees that this Agreement only relates to Violations that occurred and/or existed on the Subject Property on or before September 28, 2017; and

**WHEREAS**, RESPONSIBLE PARTY acknowledges and agrees that nothing set forth herein shall preclude COUNTY from investigating and enforcing any and all new Violations that occur and/or exist on the Subject Property after September 28, 2017.

**NOW THEREFORE**, in consideration of the mutual covenants and promises contained herein and other good and valuable consideration, receipt of which is hereby acknowledged, the parties hereto mutually agree as follows:

**AGREEMENT:**

**1. INCORPORATION OF RECITALS:**

The foregoing recitals are hereby incorporated into this Agreement by reference as if fully set forth below.

**2. RIGHTS AND OBLIGATIONS OF RESPONSIBLE PARTY:**

By executing this Agreement, RESPONSIBLE PARTY, for itself, and its assignees and successors in interest, agrees as follows:

- A. **Monetary Settlement of Penalties and Costs.** RESPONSIBLE PARTY shall pay the sum of four-hundred, ninety-six dollars and nine cents (\$496.09), on or before October 19, 2017, in settlement of the above-referenced administrative costs associated therewith. RESPONSIBLE PARTY shall be jointly and severally liable for such amount.
- B. **Corrective Actions.** RESPONSIBLE PARTY shall take all of the following corrective actions, in accordance with the timeframes set forth herein, in order to abate the Violations described in the above-referenced Notice of Violation on or before November 18, 2017:

1. a) Contain all debris/solid waste including tools, scrap metal and spilt-wood products within a 200 foot area; or  
 b) Contain all debris/solid waste including tools, scrap metal and spilt-wood products in an enclosed, permitted structure; or  
 c) Remove all debris/solid waste including tools, scrap metal and spilt-wood products to an approved disposal site by November 3, 2017.
2. Obtain final inspection confirming compliance by the Code Enforcement Unit by November 18, 2017.

- C. **Receipt of Applicable Permits.** RESPONSIBLE PARTY shall apply for and receive, at its own expense, any and all applicable local, state and/or federal permits prior to taking the corrective actions set forth herein. RESPONSIBLE PARTY shall respond to any and all requests for information necessary to process permit applications within **ten (10) business days** after receipt of such request. All permits issued pursuant to the terms and conditions of this Agreement shall be picked up from the COUNTY within **five (5) business days** after the issuance thereof.
- D. **Consent to Inspection.** RESPONSIBLE PARTY shall permit COUNTY and any other duly authorized local, state and or federal agencies to conduct any and all inspections of the Subject Property that may be required to determine whether RESPONSIBLE PARTY is complying with the terms and conditions of this Agreement.
- E. **Property Transfers.** RESPONSIBLE PARTY will not sell, transfer, mortgage, lease or otherwise dispose of the Subject Property until the corrective actions set forth herein are completed or until the Responsible Party first furnishes the grantee, transferee, mortgagee or lessee with a true and correct copies of the above-referenced Notice to Abate Nuisance and this Agreement. RESPONSIBLE PARTY shall provide COUNTY with a signed and notarized statement from the grantee, transferee, mortgagee or lessee which acknowledges the receipt of true and correct copies of the above-referenced Notice to Abate Nuisance and this Agreement, and full acceptance of the responsibility, without condition, for taking the corrective actions set forth herein.
- F. **Waiver of Appeal Rights.** RESPONSIBLE PARTY hereby waives its right to request a Code Enforcement Appeal Hearing before a COUNTY appointed hearing officer in order to determine whether the Violations set forth in the above-referenced Notice of Violation and Notice to Abate Nuisance actually occurred and/or existed on the Subject Property.
- G. **Effect of Noncompliance.** In the event that RESPONSIBLE PARTY fails to comply with the terms and conditions of this Agreement, the above-referenced administrative civil penalty in the amount of four-hundred and fifty thousand dollars (\$450,000), as well as any unpaid portion of the Administrative Costs incurred by COUNTY during the investigation of the Violations set forth in the above-referenced Notice of Violation will become immediately due and payable.

### 3. **RIGHTS AND OBLIGATIONS OF COUNTY:**

By executing this Agreement, COUNTY, for itself, and its assignees and successors in interest, agrees as follows:

- A. **Stay of Enforcement and Collection Actions.** COUNTY shall not take any enforcement

action pursuant to the above-referenced Notice to Abate Nuisance. However, in the event RESPONSIBLE PARTY fails to abide by the terms of this Agreement, COUNTY shall be entitled to take any and all appropriate enforcement actions pursuant to Chapters 1 and 2 of Division 5 of Title III of the Humboldt County Code.

- B. Release of Violations.** Upon RESPONSIBLE PARTY's completion of all the corrective actions required hereunder, COUNTY shall dismiss the above-referenced Notice of Violation and Notice to Abate Nuisance and issue a Release of Notice of Violation and Proposed Administrative Civil Penalty and Release of Notice to Abate Nuisance to RESPONSIBLE PARTY.

**4. TERM:**

This Agreement shall begin upon execution by both parties and shall remain in full force and effect until November 18, 2017, unless sooner terminated or extended as provided herein.

**5. TERMINATION:**

COUNTY may immediately terminate this Agreement, upon notice, if RESPONSIBLE PARTY fails to comply with the terms of this Agreement within the time limits specified herein, or violates any ordinance, regulation or other law applicable to its performance herein.

**6. NOTICES:**

Any and all notices required to be given pursuant to the terms and conditions of this Agreement shall be in writing and either served personally or sent by certified mail, return receipt requested, to the respective addresses set forth below. Notice shall be effective upon actual receipt or refusal as shown on the receipt obtained pursuant to the foregoing.

COUNTY: Humboldt County Code Enforcement Unit  
Attention: Bernadette Arwood  
3015 H Street  
Eureka, California 95501

RESPONSIBLE PARTY: Judith Rantasuo  
6076 Nelson Lane  
Eureka, CA 95503

**7. CONFIDENTIAL INFORMATION:**

In the performance of this Agreement, each party hereto may receive information that is confidential under local, state or federal law. Each party hereby agrees to protect all confidential information in conformance with any and all applicable local, state and federal laws, regulations, policies, procedures and standards.

**8. NUCLEAR FREE HUMBOLDT COUNTY ORDINANCE COMPLIANCE:**

By executing this Agreement, RESPONSIBLE PARTY certifies that it is not a Nuclear Weapons Contractor, in that RESPONSIBLE PARTY is not knowingly or intentionally engaged in the research, development, production or testing of nuclear warheads, nuclear weapons systems or nuclear weapons components, as defined by the Nuclear Free Humboldt County Ordinance.

RESPONSIBLE PARTY agrees to notify COUNTY immediately if it becomes a Nuclear Weapons Contractor as defined above. COUNTY may immediately terminate this Agreement if it determines that the foregoing certification is false or if RESPONSIBLE PARTY subsequently becomes a Nuclear Weapons Contractor.

9. **INDEMNIFICATION:**

- A. **Hold Harmless, Defense and Indemnification.** RESPONSIBLE PARTY shall hold harmless, defend and indemnify COUNTY and its agents, officers, officials, employees and volunteers from and against, any all claims, demands, losses, damages, liabilities, expenses and costs of any kind or nature, including, without limitation, reasonable attorneys' fees and other costs of litigation, arising out of, or in connection with, RESPONSIBLE PARTY's negligent performance of, or failure to comply with, any of the duties and/or obligations contained herein, except such loss or damage which was caused by the sole negligence or willful misconduct of COUNTY.
- B. **Effect of Insurance.** Acceptance of the insurance required by this Agreement shall not relieve RESPONSIBLE PARTY from liability under this provision. This provision shall apply to all claims for damages related to the performance of RESPONSIBLE PARTY's performance of the duties and obligations set forth in this Agreement regardless of whether any insurance is applicable or not. The policy limits pertaining to the insurance required hereunder shall not act as a limitation upon the amount of indemnification or defense to be provided by RESPONSIBLE PARTY hereunder.

10. **INSURANCE REQUIREMENTS:**

Without limiting the indemnification obligations set forth herein, RESPONSIBLE PARTY will obtain or maintain in full force and effect, at its own expense, any and all insurance policies required by law. RESPONSIBLE PARTY will ensure that any and all hired subcontractors have the appropriate insurance for the services provided.

11. **RELATIONSHIP OF PARTIES:**

It is understood that this Agreement is by and between two (2) independent entities and is not intended to, and shall not be construed to, create the relationship of agent, servant, employee, partnership, joint venture or any other similar association. RESPONSIBLE PARTY shall be solely responsible for the acts or omissions of its agents, officers, employees, assignees and subcontractors.

12. **COMPLIANCE WITH APPLICABLE LAWS:**

RESPONSIBLE PARTY agrees to comply with any and all local, state and federal laws, regulations, policies and procedures applicable to the performance of the duties and/or obligations set forth herein.

13. **PROVISIONS REQUIRED BY LAW:**

This Agreement is subject to any additional local, state and federal restrictions, limitations, or conditions that may affect the provisions, terms or conditions of this Agreement. This Agreement shall be read and enforced as though all legally required provisions are included herein, and if for any reason any such provision is not included, or is not correctly stated, the parties agree to amend the pertinent section to make such insertion or correction.

**14. REFERENCE TO LAWS AND RULES:**

In the event any law, regulation, policy or procedure referred to in this Agreement is amended during the term hereof, the parties agree to comply with the amended provision as of the effective date of such amendment.

**15. SEVERABILITY:**

In the event any provision of this Agreement, or any portion thereof, is found by any court of competent jurisdiction to be unenforceable or invalid for any reason, such provision shall be severable and shall not in any way impair the enforceability of any other provision of this Agreement.

**16. ASSIGNMENT:**

RESPONSIBLE PARTY shall not delegate its duties nor assign its rights hereunder, either in whole or in part, without COUNTY's prior written consent. Any assignment by RESPONSIBLE PARTY in violation of this provision shall be void, and shall be cause for immediate termination of this Agreement.

**17. AGREEMENT SHALL BIND SUCCESSORS:**

All provisions of this Agreement shall be fully binding upon, and inure to the benefit of, the parties and to each of their heirs, executors, administrators, successors and permitted assigns.

**18. WAIVER OF DEFAULT:**

The waiver by either party of any breach or violation of any requirement of this Agreement shall not be deemed to be a waiver of any such breach in the future, or of the breach of any other requirement of this Agreement.

**19. NON-LIABILITY OF COUNTY OFFICIALS AND EMPLOYEES:**

No official or employee of COUNTY shall be personally liable for any default or liability under this Agreement.

**20. AMENDMENT:**

This Agreement may be extended and/or modified at any time during the term of this Agreement upon the mutual consent of both parties. No supplement, modification, waiver, extension or termination of this Agreement or any provision hereof shall be binding unless executed in writing by the parties in the same manner as this Agreement.

**21. JURISDICTION AND VENUE:**

This Agreement shall be construed in accordance with the laws of the State of California. Any dispute arising hereunder, or relating hereto, shall be litigated in the State of California and venue shall lie in the County of Humboldt unless transferred by court order pursuant to California Code of Civil Procedure Sections 394 or 395.

**22. SUBCONTRACTS:**

RESPONSIBLE PARTY shall remain legally responsible for the performance of all terms and conditions of this Agreement, including corrective actions performed by third parties under subcontracts.

**23. ATTORNEYS' FEES:**

COUNTY and RESPONSIBLE PARTY shall each bear their own costs and attorneys' fees. However, if either party commences any legal action or proceeding, including an action for declaratory relief, against the other by reason of the alleged failure of the other to perform or keep any provision of this Agreement, the prevailing party in said action or proceeding shall be entitled to recover, court costs and reasonable attorneys' fees, including the reasonable value of services rendered by the Humboldt County Counsel's Office, to be fixed by the court, collection costs, and such recovery shall include court costs and attorneys' fees on appeal, if applicable. As used herein, "prevailing party" means the party who dismisses an action or proceeding in exchange for payment of substantially all sums allegedly due, performance of provisions allegedly breached, or other considerations substantially equal to the relief sought by said party, as well as the party in whose favor final judgment is rendered.

**24. SURVIVAL:**

The duties and obligations of the parties set forth in Section 7 – Confidential Information and Section 9 – Indemnification shall survive the expiration or termination of this Agreement.

**25. CONFLICTING TERMS OR CONDITIONS:**

In the event of any conflict in the terms or conditions set forth in any other agreements in place between the parties hereto and the terms and conditions set forth in this Agreement, the terms and conditions set forth herein shall have priority.

**26. INFORMED CONSENT:**

RESPONSIBLE PARTY has had the opportunity to be represented by independent legal counsel of their own choice, and this Agreement was prepared with the joint input of all parties. RESPONSIBLE PARTY further acknowledges that this Agreement was executed freely and voluntarily and with the opportunity for RESPONSIBLE PARTY to receive the advice of independent legal counsel. RESPONSIBLE PARTY is fully aware of its contents and its legal effect.

**27. NO REPRESENTATION NOT CONTAINED HEREIN:**

Each party acknowledges that no other party, nor any agent or attorney of any party, has made any promise, representation or warranty whatsoever, express or implied, not expressly contained herein, concerning the subject matter hereto so as to induce it to execute this Agreement; and each party acknowledges that it has not executed this Agreement in reliance on any promise, representation or warranty not contained herein.



**28. INTERPRETATION:**

This Agreement, as well as its individual provisions, shall be deemed to have been prepared equally by both of the parties hereto, and shall not be construed or interpreted more favorably for one party on the basis that the other party prepared it.

**29. INDEPENDENT CONSTRUCTION:**

The titles of the sections, subsections and paragraphs set forth in this Agreement are inserted for convenience of reference only, and shall be disregarded in construing or interpreting any of the provisions of this Agreement.

**30. ENTIRE AGREEMENT:**

This Agreement constitutes the entire agreement between the parties pertaining to the subject matter hereof and supersedes all prior and contemporaneous agreements, understandings, negotiations and discussions, whether oral or written, of the parties. Any and all acts which may have already been consummated pursuant to the terms and conditions of this Agreement are hereby ratified.

**31. AUTHORITY TO EXECUTE:**

Each person executing this Agreement represents and warrants that he or she is duly authorized and has legal authority to execute and deliver this Agreement. Each party hereto represents and warrants to the other that the execution and delivery of this Agreement and the performance of such party's obligations hereunder have been duly authorized.

[Signatures on following page]



IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the day, month and year below written:

**JUDITH RANTASUO:**

By: Judith Rantasuo  
Name: Judith Rantasuo  
Title: owner

Date: 10-19-17

**COUNTY OF HUMBOLDT:**

By: \_\_\_\_\_  
Robert Russell, Planning and Building Deputy Director  
Humboldt County Code Enforcement Unit  
(Pursuant to the authority delegated by the  
Humboldt County Board of Supervisors on  
\_\_\_\_\_, 20[ ], Item [ - ])

Date: \_\_\_\_\_

**NOTE TO NOTARY PUBLIC:** If you are notarizing the signatures of persons, signing on behalf of a corporation, partnership, trust, etc., please use the correct notary jurat (acknowledgment) as explained in your Notary Public Law Book.

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document, to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA

COUNTY OF HUMBOLDT)

On October 19<sup>th</sup>, 2017 before me, Suzanne M. Lippre, a

Notary Public, personally appeared Judith Ann Rantasuo, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature Suzanne M. Lippre



(Seal)