

June 5, 2024

VIOLATION SETTLEMENT AGREEMENT

This Notice of Violation Settlement Agreement (hereinafter “Agreement”) is made and entered into by and between the SANTA BARBARA COUNTY AIR POLLUTION CONTROL OFFICER (hereinafter “CONTROL OFFICER” or “DISTRICT”) and Central Coast Agriculture, Inc. (hereinafter “CCA”). The CONTROL OFFICER and CCA are collectively referred to herein as the “Parties”.

I. FACTUAL RECITALS

The CONTROL OFFICER pursuant to Health and Safety Code section 40752 enforces the provisions of parts 3 and 4 of Division 26 of the Health and Safety Code; all orders, regulations and rules adopted by the Santa Barbara County Air Pollution Control District Board; all variances and standards prescribed by the Santa Barbara County Air Pollution Control District Hearing Board (Hearing Board); and all permit conditions imposed pursuant to Health and Safety Code sections 42301 and 42301.10.

The DISTRICT issued CCA Notice of Violation Nos. 12587, 12987, 12988, 12989, 12990, 13462, 13463, and 13464, which are the subject of this settlement (“NOVs”) and diligently prosecuted the issues related thereto. The Parties wish to resolve all claims, liability, and disputes with respect to the alleged conduct, violation, and incidents at issue in connection with the NOVs.

II. AGREEMENT BY THE PARTIES

IN CONSIDERATION of the mutual promises described in this agreement, the Parties agree as follows:

1. CCA agrees to and shall pay the DISTRICT a civil penalty of \$1,300,000. Of that amount, \$200,000 shall be earmarked for the District’s Clean Air Fund.
2. CCA shall submit payment in full of the civil penalty to the Santa Barbara County Air Pollution Control District at 260 N San Antonio Rd, Ste A, Santa Barbara, CA 93110 no later than June 7, 2024. CCA shall submit this Agreement signed by CCA to the DISTRICT no later than June 5, 2024.
3. Upon full execution of this Agreement by the Parties and payment of civil penalties, pursuant to Health and Safety Code section 42400.7(a) and other applicable law enforceable by the DISTRICT, such recovery precludes further prosecution or administrative action including under Health and Safety Code Section 42400 et seq for the conduct and offenses alleged in the NOV. However, that release does not relieve CCA from complying with the regulations of other government agencies and it does not address or resolve violations of other regulations which may be enforced by any other agency, except as may be otherwise provided at law or in equity.
4. The DISTRICT reserves the right to rely on the alleged violations in connection with the determination of the appropriate penalty in the event similar Notices of Violation are issued in the future, consistent with applicable law and policy. Similarly, at any such time CCA may raise any defenses or contrary proof concerning the facts of the alleged violations.

III. ADDITIONAL TERMS OR CONDITIONS

1. Time Is Of The Essence. Time is of the essence for each term and condition of this Agreement.
2. Authorization to Enter Into Agreement. Each Party executing this Agreement represents and warrants that it has been duly authorized to enter into this Agreement, and has full and complete authority to do so. Each Party expressly waives any defense to this Agreement based on any lack of authority to enter into and be bound by the terms of this Agreement.
3. Release. This Agreement settles, concludes, and resolves all claims that have been or could have been asserted by the District arising out of or relating to the NOV's. The District releases CCA and its officers, directors, shareholders, subsidiaries, affiliates, agents, principals, employees, attorneys, successors, and assigns from any and all claims, actions, causes of action, demands, rights, debts, agreements, promises, liabilities, damages, accountings, costs and expenses that the District has claimed, now claims, or may be able to claim in the future pertaining to the alleged violations, conduct, or incidents associated with the NOV's. Notwithstanding this Release, the DISTRICT retains regulatory, compliance, and permitting authority, all of which are subject to cost reimbursement by CCA as specified in District Rule 210 and the Reimbursement of Costs condition of CCA's permit. The District further agrees that it will not refer CCA to other agencies or government bodies for any additional enforcement related to the NOV's.
4. No Admission of Liability. No aspect of this Agreement is intended to be nor at any time shall be construed, deemed, or treated in any respect as an admission by CCA of any fact or liability for any purpose. This Agreement shall not constitute or be construed, considered, offered or admitted, in whole or in part, as evidence of an admission or evidence of fault, wrongdoing, liability, or violative conduct by CCA or its respective present or former officers, directors, agents, employees, servants, affiliates, contractor, attorneys, shareholders, successors-in-interest, predecessors-in-interest, subsidiaries, parents, and assigns, in any administrative or judicial proceeding or litigation in any court, agency, or forum whatsoever.
5. Governing Law. This Agreement shall be interpreted, construed, governed and enforced under and pursuant to the laws of the State of California. Any action to enforce or interpret this Agreement shall be filed and/or maintained within the County of Santa Barbara, California.
6. Advice of Counsel. Each of the Parties, by the execution of this Agreement, represents that it has reviewed each term of this Agreement with its legal counsel, or has had the opportunity to do so, and further agrees that it shall not deny the validity of the Agreement on the grounds that it did not have advice of counsel.
7. Entire Agreement. This Agreement constitutes the entire Agreement between the Parties pertaining to resolution of the NOV's. No supplement, modification, or amendment to this Agreement shall be binding unless executed in writing and signed by both Parties.
8. No Waiver of Default. Any waiver of default under this Agreement must be in writing and shall not be a waiver of any other default concerning the same or any other provision of this Agreement. No delay or omission in the exercise of any right or remedy shall impair that right or remedy or be construed as a waiver. A consent to or approval of any act shall not be deemed to waive or render unnecessary consent to or approval of any other or subsequent act.

- 9. Effective Date. The Effective Date of this Agreement shall be when fully executed by the Parties.
- 10. Attorneys' Fees. Each party shall bear its own costs, including attorneys' fees, in connection with the settlement of the Notice(s) of Violation and this Agreement.

CONTROL OFFICER OF SANTA BARBARA COUNTY AIR POLLUTION CONTROL DISTRICT

Signature:  Date: 5 June 2024

By: Aeron Arlin Genet

Title: Executive Director and Air Pollution Control Officer

Central Coast Agriculture, Inc.

Signature:  Date: 6/5/2024 | 6:32:22 PM PDT

By: Thomas Martin

Title: CEO