

AGREEMENT

THIS AGREEMENT made and entered into on **[Date]**, by and between the COUNTY OF SONOMA, a political subdivision of the State of California (hereinafter COUNTY) and **[Grantee]**, (hereinafter GRANTEE).

WITNESSETH:

WHEREAS, COUNTY was awarded Cannabis Equity Grant funds (Cannabis Equity Grant Funds) from the California Governor’s Office of Business and Economic Development (“GO-Biz”) pursuant to the Cannabis Equity Grants Program for Local Jurisdictions Grant Agreement (“Cannabis Equity Agreement”), and

WHEREAS, pursuant to the Cannabis Equity Agreement, COUNTY created the Cannabis Local Equity Program to award the Cannabis Equity Grant Funds to eligible applicants, and

WHEREAS, GRANTEE has applied for funding under the **Cannabis Local Equity Program for assistance with start-up and/or ongoing costs related to Grantee’s cannabis business (“Grant Use”)**, and

WHEREAS, GRANTEE has represented that it is aware of and understands the provisions and requirements of COUNTY’S Cannabis Local Equity Program for the expenditure of funds, and that any expenditure made by GRANTEE will be in compliance with the Cannabis Local Equity Program and this Agreement, and

WHEREAS, COUNTY’S Board of Supervisors has relied on those representations in authorizing the execution of this Agreement and approving the Grant, and

NOW, THEREFORE, IT IS AGREED by and between the parties hereto as follows:

AGREEMENT

1. Recitals. The foregoing recitals are true and are incorporated herein by reference.
2. Grant Funding. COUNTY shall provide to GRANTEE the total sum of **[\$XXXX]** (hereinafter "Cannabis Equity Funds"). Cannabis Equity Funds will be disbursed in four (4) equal payments, the first of which will be payable upon execution of this Agreement, either directly to Grantee or to third-parties on behalf of Grantee as determined by the COUNTY, for the Grant Use, stated in the recitals in accordance with the Cannabis Local Equity Program and as set forth in Exhibit A to this Agreement, which is incorporated by reference. The next three payments of Cannabis Equity Funds shall be made to GRANTEE within 45 days of the County’s receipt of Cannabis Equity Grant Funds pursuant to the Cannabis Equity Agreement or at such time as COUNTY determines in its sole discretion. COUNTY’S obligation to pay Cannabis Equity Funds pursuant to this herein agreement is contingent on COUNTY receiving Cannabis Equity Grant Funds. In the event COUNTY does not receive

Cannabis Equity Grant Funds, County shall have the option, in its sole discretion to either: 1) terminate this Agreement, or 2) negotiate an Agreement amendment with GRANTEE to reduce the Cannabis Equity Funds provided under this Agreement. GRANTEE agrees that any unused Cannabis Equity Funds shall be returned to COUNTY.

3. Grant Use. The Cannabis Equity Funds may only be used for the “Grant Use” stated in the recitals, in accordance with the Cannabis Local Equity Program, and as set forth in Exhibit A to this Agreement. GRANTEE must submit to the COUNTY all receipts of activities performed utilizing the Cannabis Equity Funds. Any Funds used for any purpose other than expressly allowed by the Grant Use shall be subject to immediate reimbursement by GRANTEE to COUNTY.
4. Term. Activities using the Cannabis Equity Funds must take place between July 1, 2025 and June 30, 2028. Receipts must be remitted to the COUNTY no later than August 31, 2028. If receipts are not submitted by August 31, 2028, repayment will be required of the Cannabis Equity Funds by September 30, 2028. Notwithstanding the foregoing, COUNTY, in its sole discretion, may allow for an extension of time to provide receipts for good cause shown or other proper circumstance as determined by COUNTY. Failure to submit required receipts may jeopardize ability to receive future grant awards.
5. In consideration whereof, GRANTEE promises and agrees to the following:

As set forth in the attached Exhibit A (Approved Budget), GRANTEE will not transfer funds between approved uses without prior written approval from COUNTY’s cannabis equity program coordinator.
6. Records. GRANTEE agrees to keep complete books and records, and to make available and submit to audit by COUNTY all of GRANTEE’S books, records, and financial statements upon COUNTY’S request and without prior notice. GRANTEE shall maintain such records for a period of three (3) years following the term of this Agreement.
7. Authorized and Lawful Use. GRANTEE warrants to COUNTY that any Cannabis Equity Funds paid to GRANTEE by COUNTY pursuant to this agreement shall be expended for only those purposes authorized by the COUNTY’s Cannabis Local Equity Program Manual.
8. Indemnification:
  - a. GRANTEE agrees to accept all responsibility for loss or damage to any person or entity, including COUNTY, and to indemnify, hold harmless, and release COUNTY, its officers, agents, and employees, from and against any actions, claims, damages, liabilities, disabilities, or expenses, that may be asserted by any person or entity, including GRANTEE, that arise out of, pertain to, or related to GRANTEE’s or its agents’, employees’, contractors’, subcontractors’, or invitees’ performance or obligations under this Agreement. Consultant’s obligations under this Section apply whether or not there is concurrent negligence on County’s part, but to the extent required by law, excluding liability due to County’s conduct. County shall have the right to select its legal counsel at Consultant’s expense, subject to Consultant’s approval, which shall not be unreasonably withheld. This indemnification obligation is not limited in any way by any limitation on the amount or type of damages or compensation payable to or for Consultant or its agents under workers’ compensation acts, disability benefits acts, or other employee benefit acts.

- b. GRANTEE shall be liable to COUNTY for any loss or damage to COUNTY property arising from or in connection with GRANTEE's performance hereunder.
9. Non-Discrimination: GRANTEE shall comply with all applicable federal, state and local laws, rules and regulations in regard to non-discrimination in employment because of race, ancestry, color, sex, age, national origin, religion, marital status, medical condition, or handicap, including the provisions of Article II of Chapter 19 of the Sonoma County Code, prohibiting discrimination in housing, employment, and services because of AIDS or HIV infection.
10. Assignment/Delegation: GRANTEE shall not assign, sublet, transfer or delegate any interest in or duty under this agreement without written consent of COUNTY, and no assignment shall be of any force or effect whatsoever unless and until so consented.
11. Merger: This writing is intended both as the final expression of the agreement between the parties hereto with respect to the included terms and as a complete and exclusive statement of the terms of the Agreement, pursuant to C.C.P. Section 1856. No modification of this agreement shall be effective unless and until such modification is evidenced by a writing signed by both parties.
12. Termination: At any time, with or without cause, COUNTY shall have the right in its sole discretion, to terminate this Agreement by giving written notice to GRANTEE. In the event of such termination, GRANTEE shall repay to County all grant funds either paid to or expended on behalf of GRANTEE within sixty (60) days of termination.
13. Repayment: If GRANTEE fails to comply with the rules and requirements of the Cannabis Local Equity Program, as specified, then GRANTEE shall, within sixty (60) days of receipt of notice of such failure by COUNTY, return all grant funds provided by COUNTY under this agreement; provided, however, that COUNTY may, in its sole discretion, allow GRANTEE to retain some or all grant funds if COUNTY determines that the failure was inadvertent or immaterial, or that GRANTEE has taken action to ensure that the failure will not reoccur.
14. Conflict of Interest: GRANTEE covenants that it presently has no interest and shall not acquire any interest, direct, or indirect, which would conflict in any manner or degree with the performance of its services hereunder. GRANTEE further covenants that in the performance of this contract no person having any such interest shall be employed.
15. Statutory Compliance: GRANTEE agrees to comply with all applicable federal, state and local laws, regulations, statutes and policies applicable to the services provided under this Agreement as they exist now and as they are changed, amended or modified during the term of this Agreement. Without limiting the generality of the foregoing, GRANTEE expressly acknowledges that this Agreement may be subject to the provisions of Article XXVI of Chapter 2 of the Sonoma County Code, requiring payment of a living wage to covered employees. Noncompliance during the term of the Agreement will be considered a material breach and may result in termination of the Agreement or pursuit of other legal or administrative remedies.
16. Prevailing Wage. With respect to any portion of the Grant Project that constitutes the performance of a "public work" within the meaning of Labor Code section 1720, GRANTEE shall comply with all applicable wage and hour laws, including without limitation Labor

Code Sections 1775, 1776, 1777.5 1813 and 1815 and California Code of Regulations, Title 8, Section 16000, et seq. GRANTEE shall properly document such compliance, including registration of all covered contracts with the Department of Industrial Regulations. COUNTY shall have the right to inspect all documentation to confirm compliance with this section at any time up to 5 years from project completion.

17. AIDS Discrimination: GRANTEE agrees to comply with the provisions of Chapter 19, Article II, of the Sonoma County Code prohibiting discrimination in housing, employment, and services because of AIDS or HIV infection during the term of this Agreement and any extensions of the term.
18. No Third Party Beneficiaries: Nothing contained in this Agreement shall be construed to create and the parties do not intend to create any rights in third parties.
19. Extra or Changed Work: Extra or changed work or other changes to the Agreement may be authorized only by written amendment to this Agreement, signed by both parties. GRANTEE expressly recognizes that, pursuant to Sonoma County Code Section 1-11, COUNTY personnel are without authorization to order extra or changed work or waive Agreement requirements. Failure of GRANTEE to secure such written authorization for extra or changed work shall constitute a waiver of any and all right to adjustment in the Agreement price or Agreement time due to such unauthorized work and thereafter GRANTEE shall be entitled to no compensation whatsoever for the performance of such work. GRANTEE further expressly waives any and all right or remedy by way of restitution and quantum meruit for any and all extra work performed without such express and prior written authorization of the COUNTY.
20. Counterpart; Electronic Signatures. The parties agree that this Agreement may be executed in two or more counterparts, each of which shall be deemed an original, and together which when executed by the requisite parties shall be deemed to be a complete original agreement. Counterparts may be delivered via facsimile, electronic mail (including PDF) or other transmission method, and any counterpart so delivered shall be deemed to have been duly and validly delivered, be valid and effective for all purposes, and shall have the same legal force and effect as an original document. This Agreement, and any counterpart, may be electronically signed by each or any of the parties through the use of any commercially-available digital and/or electronic signature software or other electronic signature method in compliance with the U.S. federal E-SIGN Act of 2000, California's Uniform Electronic Transactions Act (Cal. Civil Code § 1633.1 et seq.), or other applicable law. By its use of any electronic signature below, the signing party agrees to have conducted this transaction and to execution of this Agreement by electronic means.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands the day and year first above written.

COUNTY OF SONOMA

[DATE]

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County Executive, or designee,  
authorized by the Chair, Board of Supervisors

[DATE]

**[Grantee's Legal and Common Name]**

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**[Signer Name]**

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**[Title]**