

#7



Robert A. Curtis
Admitted to:
California



When responding to this letter, please
respond to our Santa Barbara office.

April 30, 2020

Via e-mail and USPS
Chairman Gregg Hart
ghart@countyofsb.org
Santa Barbara County Board of Supervisors
105 E. Anapamu Street, Fourth Floor
Santa Barbara, California 93101

Director Lisa Plowman
lpowman@co.santa-barbara.ca.us
Santa Barbara County
Planning and Development Department
sbcob@co.santa-barbara.ca.us
123 E. Anapamu Street
Santa Barbara, California 93101

RE: Santa Rita Valley Ag., Inc. Cannabis Cultivation, 18LUP-00000-00351

Chairman Hart and Director Plowman:

This office represents Blair Pence and the Pence Winery, appellant of the Planning Commission's approval of the Santa Rita Valley Ag., Inc. Cannabis cultivation project ("Proposed Project").

On April 17, 2020, Santa Rita Valley Ag., Inc. provided a letter signed by John H. Harris withdrawing the application for 18LUP-00000-00351. Exhibit 1. John H. Harris is identified as the Chief Financial Officer for Santa Rita Valley Ag., Inc. on Santa Rita Valley Ag., Inc.'s 2018 Statement of Information filed with the California Secretary of State on June 19, 2018. Exhibit 2. Santa Rita Valley Ag., Inc.'s latest Statement of Information filed on October 4, 2019 indicates no changes from the 2018 filing. Exhibit 3. Robert Harvey is identified as a Secretary of the Corporation in the 2018 and 2019 Statements of Information, although the 2018 Statement of Information was submitted by John H. Harris who listed his title as Secretary.

John H. Harris also executed the County's Agent Authorization on behalf of the Landowner, Sebastiano Sterpa, the County's Indemnification Agreement, and the approved application 18LUP-00000-00351. Exhibit 4.

On Saturday April 18, 2020, a letter was transmitted on Santa Rita Valley Ag., Inc. letterhead to the County purporting to rescind the Friday withdrawal. Exhibit 5. This letter was signed by Robert Harvey, not John H. Harris. This rescission letter is highly unusual, and its validity has central significance to the County's action on the Proposed Project.

FOLEY BEZEK BEHLE & CURTIS LLP
15 W. Carrillo Street
Santa Barbara, CA 93101
T: (805) 962-9495

We question whether Mr. Harvey is acting under the color of the corporation or as an individual, and if under the corporation, whether his acts were duly authorized. An action by a rogue director of a corporation, taken without compliance with the corporate bylaws, is incapable of binding the corporation since California Corporations Code specifically requires that any written instrument intended to bind a corporation must be signed by no less than two corporate officers. (See Corp. Code, § 313; see also *Snukal v. Flightways Manufacturing, Inc.* (1998) 64 Cal.App.4th 816, 823–824 [holding that section 313’s “requirement of two signatures serves to protect a corporation from the mischief of a single rogue officer.”].) LUDC § 35.80.030 authorizes the Planning and Development Department to increase submittal requirements for applications “as determined necessary or appropriate by the Director.” Santa Rita Valley Ag., Inc. must demonstrate that Mr. Harvey is duly authorized to execute the Agent Authorization form (which curiously has no place for the Landowner to consent to the authorization) and the indemnification agreement.

On August 8, 2019, the Applicant’s lawyer implored the Planning Commission to “know the people” behind the Santa Rita Valley Ag., Inc. Proposed Project, and five individuals were named and described. We understand that today, four of those five individuals have no part in the Proposed Project, and it remains questionable whether the fifth has assumed sole control and liability for the Proposed Project. This is of critical import to Mr. Pence and other neighbors and is an important element of the County’s application process.

In the Busy Bee project, a majority of the members of the Board of Supervisors made note of the character of the applicant Sara Rotman and her partner in working to purge the site of heavily contaminated soils using Regenerative Agricultural practices and communicating with neighbors. While a Land Use Permit runs with the land, it is issued to a person or corporation. Through the application process, the community and decisionmakers rely on the statements and actions of the applicant, and this is doubly true in cannabis cultivation projects, where Project proponents seek to provide assurances they will be good neighbors. This is particularly true in this case, where nearby incompatible agricultural uses will require close coordination if they are to coexist.

We respectfully request that the County require the applicant to verify through their bylaws, the specific corporate resolution(s), revised County authorization submittals signed by the Landowner and the filing of documents with the California Secretary of State that the rescission is a lawful act of the Santa Rita Valley Ag., Inc., that the application submittal has been authorized by the Landowner, that the County’s indemnification is valid and that this application is not being pursued by a shell corporation that cannot be held accountable for its acts.

Very truly yours,

FOLEY BEZEK BEHLE & CURTIS, LLP



Robert A. Curtis

Santa Rita Valley Ag. Inc

996 South Seaward Ave, Suite 102

Ventura, CA 93001

April 17, 2020

Santa Barbara County Board of Supervisors
123 East Anapamu Street
Santa Barbara, California 93101

Re: Withdrawal of application for LUP 18-00351 granted to Santa Rita Valley Ag., Inc for Cultivation of Outdoor Cannabis.

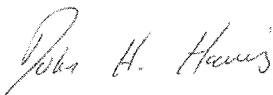
Dear Chair Hart and Members of the Board of Supervisors:

The Santa Rita Valley Ag (SRVAG) team has decided to forego pursuing their cannabis-related Land Use Permit (LUP) 18-00351 application on their ~40-acre parcel on Highway 246 in Buellton. SRVAG has decided that given the emerging market conditions and existing project economic constraints, this project would not deliver the required return to its stakeholders.

SRVAG would like to sincerely apologize for the lateness of this application withdrawal letter. We would also like to thank the Board of Supervisors, the Planning and Development Department and the Planning Commission for their efforts, professionalism and continued support of this project and wish these entities the best of luck as they continue to navigate the challenges and opportunities related to this new and exciting industry.

Please feel free to reach out to me if you have any questions.

Sincerely,



John H. Harris
Santa Rita Valley Ag., Inc.

cc: Rey Harmon, Planning and Development Department
Clerk of the Board



State of California
Secretary of State

S

Statement of Information

(Domestic Stock and Agricultural Cooperative Corporations)

FEEs (Filing and Disclosure): \$25.00.

If this is an amendment, see instructions.

IMPORTANT – READ INSTRUCTIONS BEFORE COMPLETING THIS FORM

FX53493

FILED

In the office of the Secretary of State
of the State of California

JUN-19 2018

This Space for Filing Use Only

1. CORPORATE NAME

SANTA RITA VALLEY AG, INC

2. CALIFORNIA CORPORATE NUMBER

C4091935

No Change Statement (Not applicable if agent address of record is a P.O. Box address. See instructions.)

3. If there have been any changes to the information contained in the last Statement of Information filed with the California Secretary of State, or no statement of information has been previously filed, this form must be completed in its entirety.

If there has been no change in any of the information contained in the last Statement of Information filed with the California Secretary of State, check the box and proceed to Item 17.

Complete Addresses for the Following (Do not abbreviate the name of the city. Items 4 and 5 cannot be P.O. Boxes.)

4. STREET ADDRESS OF PRINCIPAL EXECUTIVE OFFICE	CITY	STATE	ZIP CODE
1536 EASTMAN AVENUE SUITE D, VENTURA, CA 93003			
5. STREET ADDRESS OF PRINCIPAL BUSINESS OFFICE IN CALIFORNIA, IF ANY	CITY	STATE	ZIP CODE
1536 EASTMAN AVENUE SUITE D, VENTURA, CA 93003			
6. MAILING ADDRESS OF CORPORATION, IF DIFFERENT THAN ITEM 4	CITY	STATE	ZIP CODE

Names and Complete Addresses of the Following Officers (The corporation must list these three officers. A comparable title for the specific officer may be added; however, the preprinted titles on this form must not be altered.)

7. CHIEF EXECUTIVE OFFICER/	ADDRESS	CITY	STATE	ZIP CODE
RICHARD BANKS	1536 EASTMAN AVENUE SUITE D, VENTURA, CA 93003			
8. SECRETARY	ADDRESS	CITY	STATE	ZIP CODE
ROBERT HARVEY	1536 EASTMAN AVENUE SUITE D, VENTURA, CA 93003			
9. CHIEF FINANCIAL OFFICER/	ADDRESS	CITY	STATE	ZIP CODE
JOHN HARRIS	1536 EASTMAN AVENUE SUITE D, VENTURA, CA 93003			

Names and Complete Addresses of All Directors, Including Directors Who are Also Officers (The corporation must have at least one director. Attach additional pages, if necessary.)

10. NAME	ADDRESS	CITY	STATE	ZIP CODE
ROBERT HARVEY	1536 EASTMAN AVENUE, VENTURA, CA 93003			
11. NAME	ADDRESS	CITY	STATE	ZIP CODE
RICHARD BANKS	1536 EASTMAN AVENUE, VENTURA, CA 93003			
12. NAME	ADDRESS	CITY	STATE	ZIP CODE
JOHN HARRIS	1536 EASTMAN AVENUE, VENTURA, CA 93003			

13. NUMBER OF VACANCIES ON THE BOARD OF DIRECTORS, IF ANY:

Agent for Service of Process If the agent is an individual, the agent must reside in California and Item 15 must be completed with a California street address, a P.O. Box address is not acceptable. If the agent is another corporation, the agent must have on file with the California Secretary of State a certificate pursuant to California Corporations Code section 1505 and Item 15 must be left blank.

14. NAME OF AGENT FOR SERVICE OF PROCESS			
RICHARD BANKS			
15. STREET ADDRESS OF AGENT FOR SERVICE OF PROCESS IN CALIFORNIA, IF AN INDIVIDUAL	CITY	STATE	ZIP CODE
1536 EASTMAN AVENUE, VENTURA, CA 93003			

Type of Business

16. DESCRIBE THE TYPE OF BUSINESS OF THE CORPORATION
AGRICULTURE

17. BY SUBMITTING THIS STATEMENT OF INFORMATION TO THE CALIFORNIA SECRETARY OF STATE, THE CORPORATION CERTIFIES THE INFORMATION CONTAINED HEREIN, INCLUDING ANY ATTACHMENTS, IS TRUE AND CORRECT.

06/19/2018 JOHN HARRIS SECRETARY Exhibit 2, Page 1 of 1
DATE TYPE/PRINT NAME OF PERSON COMPLETING FORM TITLE SIGNATURE



State of California
Secretary of State

S

Statement of Information

(Domestic Stock and Agricultural Cooperative Corporations)

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06/19/2018 JOHN HARRIS SECRETARY Exhibit 3, Page 1 of 1
DATE TYPE/PRINT NAME OF PERSON COMPLETING FORM TITLE SIGNATURE



COUNTY OF SANTA BARBARA

Planning and Development

www.sbcountyplanning.org

AUTHORIZATION OF AGENT

Please fill in the following form including signatures. All signatures must be completed. If one or more of these signatures are the same, simply re-sign.
Thank you.

I hereby authorize the following person to act as my agent for the property located at:

STREET ADDRESS 7680 WEST HIGHWAY 246
CITY, STATE, ZIP CODE: BUELTON CA 93427
ASSESSOR'S PARCEL NUMBER: 099-230-012

OWNER:

NAME SEBASTIANO STERPA
STREET ADDRESS 200 WEST GLENDALE BLVD
CITY, STATE, ZIP CODE: GLENDALE, CA 92108
DAYTIME PHONE 760-285-7770

PRINT NAME JOHN HARRIS
SIGNATURE [Signature]
TITLE SANTA RITA VALLEY AG. INC - CHIEF FINANCIAL OFFICER
(Property Owner, Partner, Corporation Officer, Specify Other)
DATE 2/19/19

AGENT:

NAME VAHAQ NABASDIAN
FIRM NAME (IF ANY) CONSULTANT FOR SANTA RITA VALLEY AG. INC
STREET ADDRESS 1536 EASTMAN AVE. SUITE D
CITY, STATE, ZIP CODE VENTURA, CA 93003
DAYTIME PHONE 805 795 2624
PRINT NAME VAHAQ NABASDIAN
SIGNATURE-AGENT [Signature]
DATE 2/19/19

Santa Rita Valley Ag. Inc

*996 South Seaward Ave, Suite 102
Ventura, CA 93001*

April 18, 2020

Santa Barbara County Board of Supervisors
123 East Anapamu Street
Santa Barbara, California 93101

Re: Application for LUP 18-00351 granted to Santa Rita Valley Ag., Inc for Cultivation of
Outdoor Cannabis

Dear Chair Hart and Members of the Board of Supervisors:

I would like to follow up on the letter sent to you on Friday April 17, 2020 by Santa Rita Valley Ag (Company) withdrawing its Land Use Permit (LUP) 18-00351 application on the ~40-acre parcel on Highway 246 in Buellton.

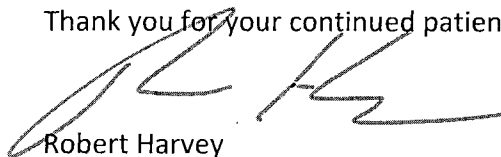
Though management agreed that this was the correct course of action on Friday morning, over the past 24 hours there was a change in equity of the Company and secured financing. The current view of the Company is that the Cannabis operation on the property would be viable for both for the Company and the County of Santa Barbara. For this reason, our goal would be to continue with the hearing that was planned for Tuesday April 21, 2020.

I know that this is a very late request for the Board, the Planning and Development Department, Clerk of the Board and other County staff and creates unnecessary work and confusion. We sincerely apologize for that and hope your Board understands our situation.

We are requesting the Board to rescind the withdrawal of Land Use Permit (LUP) 18-00351 and hear our application as scheduled on April 21, 2020.

Please feel free to reach out to me if you have any questions.

Thank you for your continued patience,



Robert Harvey
Santa Rita Valley Ag., Inc.

cc: Rey Harmon, Planning and Development Department
Clerk of the Board