

**SETTLEMENT AGREEMENT, GENERAL RELEASE OF ALL CLAIMS, AND
ESCROW INSTRUCTIONS**

This Settlement Agreement, General Release of All Claims, and Escrow Instructions (“Agreement”) is entered into by and between Plaintiff and Cross-Defendant the City of Carson (the “City”), and Defendants and Cross-Complainants CarCom Center, LLC (“CarCom”) and California Processing Company, LLC (“California Processing”) (collectively, “Defendants”) (collectively the “Parties” or singularly “Party”).

RECITALS

WHEREAS, the City is the owner in fee of real property located on the northwest corner of Alameda and 223rd Street in the City of Carson, California, with the address of 2403 E. 223rd Street (Assessor Parcel Nos. 7315-012-900 and 7315-012-804) (the “Property”).

WHEREAS, on August 27, 2018, the City and CarCom entered into an Agreement for Purchase and Sale of Real Property and Joint Escrow Instructions dated August 27, 2018 (“PSA”) for the acquisition of the Property by CarCom. Pursuant to the PSA, CarCom deposited One Hundred Thousand Dollars (\$100,000) in escrow, which is currently being held by Peninsula Escrow in Escrow No. 10-016665KK (“Escrow”).

WHEREAS, on September 4, 2018, in connection with the purchase of the Property by CarCom, the City approved the issuance of one (1) cannabis operation permit to California Processing. On or about December 3, 2018, the City and California Processing entered into a Development Agreement with respect to the construction development of a commercial cannabis operations building on the Property (the “DA”). Pursuant to statute, the DA was recorded on January 29, 2019 as Instrument No. 20190086179 in the Official Records of the Recorder’s Office of Los Angeles County, State of California.

WHEREAS, on October 10, 2018, the City and California Processing entered into a Reimbursement Agreement, pursuant to which California Processing deposited One Hundred Twenty-Five Thousand dollars (\$125,000) with the City for costs related to the DA.

WHEREAS, the sale of the Property under the PSA was never effectuated, so that the DA never became effective. On June 13, 2019, the City initiated an action against Defendants, titled *City of Carson v. CarCom Center, LLC, et al*, in the Superior Court of Los Angeles County, case number 19STCV20812, alleging breach of contract, declaratory relief, and cancellation of instrument related to a parcel of property within the City (the “Complaint”).

WHEREAS, on August 9, 2019, Defendants filed a Cross-Complaint against the City, alleging breach of contract, fraud, specific performance, and unjust enrichment. The original Cross-Complaint and all amendments thereto are referred to herein as the “Cross-Complaint.”

WHEREAS, Defendants caused a Notice of Pendency of Action (Lis Pendens) (the “Lis Pendens”) to be recorded against the Property on or about September 17, 2019 as Instrument No. _____ in the Official Records of the Recorder’s Office of Los Angeles County, State of California.

WHEREAS, the Complaint and the Cross-Complaint are collectively referred to herein as the “Action.”

WHEREAS, the Parties hereto wish to terminate the PSA, the DA, and Action, to avoid the uncertainty and costs of trial, and any potential appeals therefrom, and to resolve fully and finally all disputes asserted in the Action, which could have been raised in the Action, and which may exist by and between the Parties concerning the allegations set forth in the Action, on the terms set forth in this Agreement.

NOW, THEREFORE, based upon the foregoing recitals and the terms, conditions, covenants, and agreements contained herein, the Parties agree as follows:

AGREEMENT

In consideration of the facts, acknowledgements, agreements, general release, and promises contained in this Agreement, and for other good and valuable consideration, the receipt of which is acknowledged by each Party hereto, the Parties promise and agree as follows:

1. **Effective Date.** The effective Date of this Agreement will be the date the last signature of a Party is affixed to the Agreement.

2. **Purpose of Agreement.** The purpose of this Agreement is to resolve all claims and issues asserted in the Action, all claims and issues that could have been raised in the Action, and all claims or potential claims arising from any transactions or occurrences between the City and Defendants to date. The Parties agree it is their mutual intention that neither this Agreement nor any terms hereof shall be admissible in any other or future proceedings against the City, Defendants, or any Released Party, except a proceeding to enforce this Agreement.

3. **Settlement of Dispute.** The Parties agree to settle the Action as follows:

a. **Termination of Agreements.** This Agreement supersedes and replaces the PSA and the DA and all terms and provisions contained therein. Each Party hereby waives any and all ongoing rights under the terms of the PSA and the DA, and all further obligations of any Party under the PSA and DA shall be terminated as of the Effective Date.

b. **Settlement Payment.** Within thirty (30) days of execution of this Agreement by the City Council of the City, the City shall pay to Defendants the total sum of TWO HUNDRED THOUSAND DOLLARS (\$200,000.00) (the “Settlement Sum”). Payment shall be made in one lump sum amount to the Sklar Kirsh, LLP Trust Account, with the form of payment at the option of the City (check, wire, etc.). Said Settlement Sum constitutes a full and complete settlement and compromise of any and all disputed claims Plaintiff has or may have arising out of or related to the allegations set forth in the Complaints.

c. **Termination of Escrow.** Termination of Escrow with the Deposit released to CarCom and all original documents to be returned to the depositor of same. Each Party shall execute and acknowledge any additional documents reasonably required to effect the intent of this Agreement including, but not limited, any documents required by the Escrow or a title insurance company.

d. **Release of Lis Pendens.** Within thirty (30) days of execution of this Agreement by the City Council of the City, Defendants shall cause to be recorded a fully executed and notarized original Release of the Lis Pendens in the form attached hereto as **Exhibit “A.”**

e. **Cancellation of DA.** Also within thirty (30) days of execution of this Agreement by the City Council of the City, Defendants shall cause to be recorded a fully executed and notarized original Cancellation of Development Agreement in the form attached hereto as **Exhibit “B.”**

f. **Dismissal of the Action with Prejudice.** Within thirty (30) days of execution of this Agreement by the City Council, counsel for the Parties shall execute and cause to be filed a Request for Dismissal of the Complaint, in its entirety, and the Cross-Complaint, in its entirety, with prejudice as to all parties named in either pleading.

4. **Mutual General Release (“Release”).** For good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Parties do hereby fully and irrevocably release and forever discharge each other, and their current and former employees, officials, agents, or representatives, or any of them (“Releasees”), of and from any and all manner of action or actions, cause or causes of action, in law or in equity, suits, debts, liens, contracts, agreements, promises, liability, claims, demands, damages, loss, costs or expenses, of any nature whatsoever, known or unknown, fixed or contingent (“Claims”), which the Parties now have or may hereafter have by reason of any matter, cause, or thing whatsoever occurring prior to the date of execution of this Agreement including, without limiting the generality of the foregoing, any Claims constituting, arising out of, based upon, or relating to the allegations set forth in the Complaint and Cross-Complaint, as well as any matters, causes, or things whatsoever that were, or have been, or could in any way have been, alleged in the pleadings filed in the Action.

5. **Release of Unknown Claims.** The Release set forth above in Paragraph 4 of this Agreement is a release of ALL claims, demands, causes of action, obligations, damages, and liabilities of any nature whatsoever that are described in the Release and is intended to encompass all known and unknown, foreseen and unforeseen claims that the Parties may have as a result of the Action, except for any claims that may arise from the terms of this Agreement.

6. **Discovery of Different or Additional Facts.** The Parties acknowledge that they may hereafter discover facts different from or in addition to those that each now knows or believes to be true with respect to the claims, demands, causes of action, obligations, damages, and liabilities of any nature whatsoever that are the subject of the Release set forth in Paragraph 4 of this Agreement, and expressly agree to assume the risk of the possible discovery of additional or different facts, and the Parties agree that this Agreement shall be and remain effective in all respects regardless of such additional or different facts.

7. **Waiver of Civil Code Section 1542.** Further, the Parties acknowledge that each has been informed of the provisions of California Civil Code section 1542, and expressly agree to waive and relinquish all rights and benefits each may have under California Civil Code section 1542. That section reads as follows:

A general release does not extend to claims that the creditor or

releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.

8. **Attorneys' Fees and Costs.** Each Party hereto agrees to bear their own attorneys' fees and costs in connection with the Action and the negotiation and execution of this Agreement.

9. **Non-Admission of Liability.** The Parties acknowledge and agree that this Agreement is a settlement of disputed claims. Neither the fact that the Parties have settled nor the terms of this Agreement shall be construed in any manner as an admission of any liability by the City and/or the City's Releasees, including the City's attorneys, all of whom have consistently taken the position that they have no liability whatsoever.

10. **Representation of Authority.** The individuals executing this Agreement on behalf the entity Parties represent and warrant that they have the standing, power, and authority to grant releases and settle the Claims as contained in this Agreement, and do so on behalf of the entity Parties, and that the entity Parties shall therefore be bound by the terms of this Agreement.

11. **No Assignment of Claims.** Plaintiff warrants that it has made no assignment or transfer, and will make no assignment or transfer, of any claim, cause of action, right of action or any right of any kind whatsoever, embodied in any of the Claims and allegations referred to herein, and that no other person or entity of any kind had or has any interest in any of the Claims referred to herein.

12. **Successors and Assigns.** This Agreement, and all the terms and provisions hereof, shall be binding upon and shall inure to the benefit of the Parties and their respective legal representatives, successors and assigns.

13. **Knowing and Voluntary.** This Agreement is an important legal document and in all respects has been voluntarily and knowingly executed by the Parties hereto. The Parties specifically represent that prior to signing this Agreement they have been provided a reasonable period of time within which to consider whether to accept this Agreement. The Parties further represent that they have each carefully read and fully understand all of the provisions of this Agreement, and that they are voluntarily, knowingly, and without coercion entering into this Agreement based upon their own judgment.

14. **Assistance of Counsel.** The Parties each specifically represent that they have, prior to executing this Agreement, consulted to their satisfaction with and received independent advice from their respective counsel concerning the terms and conditions of this Agreement.

15. **Counterparts.** This Agreement may be executed in multiple counterparts, each of which shall be considered an original but all of which shall constitute one agreement.

16. **Severability.** Should any portion, word, clause, phrase, sentence or paragraph of this Agreement be declared void or unenforceable, such portion shall be considered independent and severable from the remainder, the validity of which shall remain unaffected.

17. **Ambiguity.** The Parties acknowledge that this Agreement was jointly prepared by them, by and through their respective legal counsel. This Agreement shall be construed according to its fair meaning as prepared by both of the Parties, and any uncertainty or ambiguity existing herein shall not be interpreted against either of the Parties.

18. **Waiver.** Failure to insist on compliance with any term, covenant, or condition contained in this Agreement shall not be deemed a waiver of that term, covenant, or condition, nor shall any waiver or relinquishment of any right or power contained in this Agreement at any one time or more times be deemed a waiver or relinquishment of any right or power at any other time.

19. **Retention of Jurisdiction.** Pursuant to California Code of Civil Procedure section 664.6, the Parties stipulate and agree that the Superior Court of Los Angeles County shall retain jurisdiction over the Parties and the Action, as to any action to enforce, invalidate, or interpret any provision of this Agreement. The Parties agree to file a Stipulation to this effect before dismissal of the Action.

20. **Enforcement Costs.** Should any legal action be required to enforce the terms of this Agreement, the prevailing party shall be entitled to recover their actual attorneys' fees, costs, and expenses, which are reasonably incurred, from the non-prevailing party, in addition to any other relief to which that party may be entitled. Such fees and costs shall not be limited by any statutory guidelines.

21. **Governing Law; Venue.** This Agreement is made and entered into in the State of California, and shall in all respects be interpreted, enforced and governed under the laws of said State without giving effect to conflicts of laws principles. Any action to enforce, invalidate, or interpret any provision of this Agreement shall be brought in Superior Court of Los Angeles County or the United States District Court for the Central District of California.

22. **Entire Agreement.** This Agreement (incorporating and accounting for attached Exhibits "A" and "B") constitutes the entire agreement between the Parties who have executed it and supersedes any and all other agreements, understandings, negotiations, or discussions, either oral or in writing, express or implied between the Parties to this Agreement. The Parties to this Agreement each acknowledge that no representations, inducements, promises, agreements, or warranties, oral or otherwise, have been made by them, or anyone acting on their behalf, which are not embodied in this Agreement (incorporating and accounting for attached Exhibits "A" and "B"), and that they have not executed this Agreement in reliance on any such representation, inducement, promise, agreement or warranty. No representation, inducement, promise, agreement or warranty not contained in this Agreement (incorporating and accounting for Exhibits "A" and "B"), including, but not limited to, any purported supplements, modifications, waivers, or terminations of this Agreement shall be valid or binding, unless executed in writing by all of the Parties to this Agreement.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the undersigned execute this Settlement Agreement and Release of All Claims, consisting of a total of five (5) pages (not including exhibits or signature page), on the dates set forth below.

Dated: _____

CARCOM CENTER, LLC,
a California Limited Liability Company

By: _____
Todd Parkin
Managing Member

Dated: _____

CALIFORNIA PROCESSING COMPANY, LLC,
a California Limited Liability Company

By: _____
Todd Parkin
Managing Member

Dated: _____

CITY OF CARSON, a California Charter City as of
January 1, 2019

By: _____
Sharon Landers
City Manager

APPROVED AS TO FORM:

Dated: _____

SKLAR KIRSH

By: _____
Ian S. Landsberg
Attorneys for CARCOM CENTER, LLC and
CALIFORNIA PROCESSING COMPANY,
LLC

Dated: _____

ALESHIRE & WYNDER, LLP

By: _____

Sunny K. Soltani

City Attorney

Attorneys for CITY OF CARSON

EXHIBIT “A”

SKLAR KIRSH, LLP
Ian S. Landsberg (SBN 137431)
ilandsberg@sklarkirsh.com
Molly K. Madden (SBN 281483)
mmadden@sklarkirsh.com
1880 Century Park East, Suite 300
Los Angeles, California 90067
Telephone: (310) 845-6416
Facsimile: (310) 929-4469

Attorneys for Defendants and Cross-
Complainants CarCom Center, LLC, and
California Processing Company, LLC

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF LOS ANGELES, CENTRAL DISTRICT**

CITY OF CARSON, a California charter city
as of January 1, 2019,

Plaintiff,

v.

CARCOM CENTER, LLC, aka the Carson
Commercial Center, a Nevada Limited
Liability Company; CALIFORNIA
PROCESSING COMPANY, LLC, a
California Limited Liability Company; and
DOES 1 through 100,

Defendants.

Case No. 19STCV20812

**RELEASE OF NOTICE OF PENDENCY
OF ACTION (LIS PENDENS)**

TO AL PARTIES AND THEIR COUNSEL OF RECORD:

PLEASE TAKE NOTICE that Defendants and Cross-Complainants CarCom Center, LLC and California Processing Company, LLC hereby release and withdraw the Notice of Pendency of Action (Lis Pendens) regarding the cross-action filed on August 9, 2019 in the Superior Court of California, County of Los Angeles, Case No. 19STCV20812 against Plaintiff and Cross-Defendant City of Carson, a California charter city as of January 1, 2019 that was recorded with the County Recorder of the County of Los Angeles on _____ as Instrument

No. _____.

The above-mentioned lawsuit involved a claim to the following real property located in the City of Carson, County of Los Angeles, State of California and described as follows:

The real property commonly known as and located on the northwest corner of Alameda and 223rd Street in the City of Carson (APNs: 7315-012-900, 7315-012-804) and legally described as:

That portion of Lot 6 in Block "C" of the Subdivision of a part of the Rancho San Pedro, (also known as Dominguez Colony), in the County of Los Angeles, State of California, as shown on Maps recorded in Book 1, Pages 601 and 602, and Book 32, Pages 97 and 98 of Miscellaneous Records, in the Office of the County Recorder of said County, bounded as follows:

On the North by the Southerly line of that certain parcel of land described in deed to the State of California, as recorded in Book D748, Page 676, Official Records, in the Office of the County Recorder of said County, (now known as the San Diego Freeway); on the South bounded Southerly by Northerly line of 100' strip of land described per (Parcel 12-13:) in Decree of Condemnation, recorded October 5, 1973, Instrument No. 4331, Official Records; on the West by a line which is at right angles to said last mentioned centerline and which passes through a point in said centerline, distant Easterly hereon, 1607.85 feet from the Southerly prolongation of the Westerly line of Lot 5 of said Block "C," and on East by the Westerly line of that certain 250 foot strip of land described first in deed to the Pacific Electric Land Company recorded as Instrument No. 1314 on January 24, 1924, in Book 2683, Page 358, Official Records.

DATED: September __, 2020

SKLAR KIRSH, LLP

By: _____

Ian S. Landsberg

Molly K. Madden

Attorneys for Defendants and Cross-Complainants
CarCom Center, LLC, and California Processing
Company, LLC

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)
) ss.
DEVELOPER OF _____)

On _____, 2020 before me, _____, a notary public,
personally appeared _____ 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.

Notary Public

SEAL:

EXHIBIT “B”

FREE RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

City of Carson
701 E. Carson Street
Carson, CA 90745
Attn: City Clerk

APN 7315-012-900 & 7315-012-804

Space Above this Line for Recorder's Use Only
Exempt from recording fees Gov. Code 6133

CANCELLATION OF DEVELOPMENT AGREEMENT

This CANCELLATION OF DEVELOPMENT AGREEMENT ("**Cancellation**") is executed by the CITY OF CARSON, a charter city as of January 1, 2019 ("**City**") and CALIFORNIA PROCESSING COMPANY, LLC, a California limited liability company ("**Developer**").

RECITALS

- A. City and Developer entered into that certain DEVELOPMENT AGREEMENT executed by the City as of December 3, 2018 and recorded on January 29, 2019 as Instrument No. 20190086179 in the Official Records of Los Angeles County, State of California ("**Development Agreement**").
- B. The Development Agreement affected that certain real property legally described on Exhibit A attached hereto and incorporated herein by reference ("**Property**").
- C. Pursuant to Sections 1.35 and 3.3, the Development Agreement is not effective unless and until Developer acquires either a legal or equitable interest in the Property.
- D. Developer does not own and will not be acquiring a legal or equitable interest in the Property.
- E. Since the Development Agreement will never be effective, the parties are executing this Cancellation to formally confirm cancellation of the Development Agreement and to remove the Development Agreement from record title of the Property.

ACKNOWLEDGEMENT OF CANCELLATION

City and Developer hereby each acknowledge and confirm that the Development Agreement is cancelled and of no force or effect and Developer has no further duties or obligations thereunder.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties have executed this Cancellation as of the dates indicated below.

DEVELOPER:

CALIFORNIA PROCESSING COMPANY,
LLC, a California limited liability company

By: _____
Its: _____

SELLER:

CITY OF CARSON, a charter city as of
January 1, 2019

By: _____
Albert Robles, Mayor
_____, 2020

ATTEST:

Donesia L. Gause, City Clerk

APPROVED AS TO FORM:

By: _____
Ian S. Landsberg, Esq.
Attorney for California Processing
Company, LLC

APPROVED AS TO FORM:

Aleshire & Wynder, LLP

By: _____
Sunny K. Soltani, City Attorney

EXHIBIT A
LEGAL DESCRIPTION OF SITE

The real property located in the City of Carson, County of Los Angeles, State of California described as follows: (APNs: 7315-012-900, 7315-012-804)

That portion of Lot 6 in Block "C" of the Subdivision of a part of the Rancho San Pedro, (also known as Dominguez Colony), in the County of Los Angeles, State of California, as shown on Maps recorded in Book 1, Pages 601 and 602, and Book 32, Pages 97 and 98 of Miscellaneous Records, in the Office of the County Recorder of said County, bounded as follows:

On the North by the Southerly line of that certain parcel of land described in deed to the State of California, as recorded in Book D748, Page 676, Official Records, in the Office of the County Recorder of said County, (now known as the San Diego Freeway); on the South bounded Southerly by Northerly line of 100' strip of land described per (Parcel 12-13:) in Decree of Condemnation, recorded October 5, 1973, Instrument No. 4331, Official Records; on the West by a line which is at right angles to said last mentioned centerline and which passes through a point in said centerline, distant Easterly hereon, 1607.85 feet from the Southerly prolongation of the Westerly line of Lot 5 of said Block "C," and on East by the Westerly line of that certain 250 foot strip of land described first in deed to the Pacific Electric Land Company recorded as Instrument No. 1314 on January 24, 1924, in Book 2683, Page 358, Official Records.

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)
) ss.
DEVELOPER OF _____)

On _____, 2020 before me, _____, a notary public, personally appeared _____ 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.

Notary Public

SEAL:

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)
) ss.
DEVELOPER OF _____)

On _____, 2020 before me, _____, a notary public, personally appeared _____ 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.

Notary Public

SEAL: