

SETTLEMENT AGREEMENT

This Settlement Agreement (“**Agreement**”), dated as of May ___, 2016 (“**Effective Date**”), is made by and between Mohammad Tat, an individual (“**Tat**”), Jack Pomakian, an individual (“**Pomakian**”), Dawn Stead, an individual (“**Stead**”), Donna Schuele, an individual (“**Schuele**”), and Walnut Acres Neighborhood Association, a California corporation (“**WANA**”) (collectively, the “**Petitioners**”), on the one side, and Community Multi-Housing, Inc., a California corporation (or its successor or assign, “**CMI**”), John C. Simmers, an individual (“**JC Simmers**”), and Thomas E. Simmers, an individual (“**TE Simmers**”), (collectively, the “**Real Parties**”), on the other side. (The Petitioners and Real Parties shall collectively be referred to as the “**Parties**”).

I. RECITALS

A. On September 14, 2012, Petitioners filed a Petition for Peremptory Writ of Mandate (“**Petition**”) in the action entitled *Walnut Acres Neighborhood Association, et al. v. City of Los Angeles, et al.*, Los Angeles Superior Court, Case No. BS139318 (the “**Action**”). The Petition names the City of Los Angeles (“**City**”) and the Department of Planning of the City of Los Angeles (collectively, the “**Respondents**”) as the respondents, and JC Simmers, TC Simmers and CMI as the Real Parties. The Petition alleged three causes of action: one cause under the California Environmental Quality Act (Cal. Public Resources Code Section 21000 *et. seq.*) (“**CEQA**”), a second cause for vacation of a grant made by the City under Section 14.3.1 of the Los Angeles Municipal Code (the “**Eldercare Facilities Ordinance**”), and a third cause of action for denial of due process.

B. JC Simmers and TE Simmers are the fee owners of the Property, and, as such, have executed an agreement to sell the Property to CMI for the purpose of developing the Project (as defined below).

C. The Petition challenged the City’s approval of a project to be developed by the Real Parties on property located at 6221 Fallbrook Avenue, Woodland Hills, California (the “**Property**”). The originally conceived project was an assisted living facility for seniors proposed to consist of 60 guest rooms and house a maximum of 76 residents, two-story building(s) with total floor area of approximately 50,289 square feet, and 29 surface parking spaces (and two additional spaces available for trucks to turn around in the parking lot) (the “**Project**”).

D. In approving the Project, the City granted an Eldercare Facility Unified Permit and Site Plan Review (collectively, the “**Entitlements**”) and adopted a Mitigated Negative Declaration (“**MND**”) under CEQA on August 15, 2013.

E. On December 16, 2013, the Los Angeles Superior Court (“**Trial Court**”) entered a Judgment that granted in part and denied in part the Petition (“**Judgment**”). Specifically, the Trial Court denied relief under the first cause of action (which challenged the adequacy of the MND) and the third cause of action. The Trial Court

granted the Petition as to the second cause of action on the ground that there was a lack of substantial evidence supporting some of the City's findings made under the Eldercare Ordinance. Based on that ruling, the Trial Court issued a Writ of Mandate ("**Writ**") directing the City to rescind its approval of the Entitlements. On appeal filed by the Real Parties, the Court of Appeal, Second Appellate District ("**Appellate Court**"), issued a decision on March 18, 2015, ("**Appellate Decision**") that affirmed the Judgment, although the Appellate Court reversed the Trial Court as to portions of its ruling. Pursuant to the Writ, the City has rescinded its approval of the Entitlements.

F. Notwithstanding the foregoing resolution of the Action, the Parties consider it to be in their respective best interest to settle their disputes relating to the Action and all underlying and related claims on the terms and conditions set forth in this Agreement and to modify the Project, and the Entitlements for the Project, as set forth below.

II. **TERMS OF THE AGREEMENT**

A. Concurrently with the execution and delivery of this Agreement, Real Parties shall deliver to Petitioners a check in the amount of Seventeen Thousand Five Hundred Dollars (\$17,500.00) made payable to Mark S. Shipow Client Trust Account, and Petitioners and Real Parties shall execute and deliver (via email) to Escrow Holder (as defined below in this Section A), a copy of the escrow instructions in the form attached hereto as **Exhibit A** ("**Escrow Instructions**"). Within two (2) business days after the submission of the Escrow Instructions, Real Parties shall deliver to Chicago Title Company ("**Escrow Holder**") immediately available funds in the amount of Four Hundred Twenty-Seven Thousand Five Hundred Dollars (\$427,500.00) (together with any accrued interest thereon, the "**Additional Funds**").

B. With respect to the Additional Funds, the following terms shall apply:

1. The Additional Funds shall be held in accordance with the Escrow Instructions.

2. The Additional Funds shall be placed by Escrow Holder in an insured interest-bearing account, at the expense of Real Parties.

3. The Additional Funds shall be released as follows:

(a) Upon the City of L.A. giving final approval for all entitlements for the Project and the expiration of any challenge or appeal period without the filing of any appeal or challenge, or upon a final determination of any challenge or appeal that permits the Project to proceed (hereafter the "**Final Approval of the Project Entitlements**"), Real Parties shall promptly notify Escrow Holder in writing that Real Parties release any interest in the Additional Funds. Escrow Holder thereafter shall continue to hold the Additional Funds (at the expense of Petitioners) pending instructions in writing from Petitioners, jointly, as to how the Additional Funds are to be released, and

once released Escrow Holder shall report such payments to tax and other required authorities consistent with how payments are made;

(b) If CMI fails to obtain Final Approval of the Project Entitlements within one (1) year after the Effective Date, then any time thereafter and before the Final Approval of the Project Entitlements, CMI shall have the right to terminate this Agreement by delivering written notice thereof to Mark Shipow, Donna C. Schuele and Escrow Holder, whereupon the Additional Funds (including accrued interest) shall be released to CMI and any applications for the Project shall be terminated.

(c) If the failure to obtain Final Approval of the Project Entitlements results from Petitioner's breach of this Agreement, as determined by a Court in connection with proceedings pursuant to Section K of this Agreement, the Additional Funds shall be released to CMI.

(d) At any time prior to the Final Approval of the Project Entitlements, if CMI's agreement to purchase the Property is terminated for any reason whatsoever, then CMI shall have the right to deliver written notice thereof to Mark Shipow, Donna C. Schuele and Escrow Holder, whereupon this Agreement shall terminate and the Additional Funds (including accrued interest) shall be released to CMI and any applications for the Project shall be terminated.

C. Release By Petitioners. As of the Effective Date, the Petitioners, and each of them, for and on behalf of themselves and any and all of their respective past, present and future predecessors, successors, agents, representatives, attorneys, heirs, spouses, partners, employees, contractors, consultants, and assigns (collectively, the "**Petitioners' Releasing Parties**"), hereby release, remise and forever discharge the Respondents, the Real Parties, and each of them, and each of their respective past, present and future commissions, councils, agencies, departments, parent companies, subsidiaries, affiliates, joint ventures, partnerships, directors, officers, shareholders, members, partners, investors, lenders, insurers, predecessors, successors, agents, representatives, attorneys, heirs, spouses, employees, contractors, consultants, and assigns (collectively, the "**Real Parties' Released Entities**"), from any and all claims, debts, demands, claims for relief, causes of action, writ proceedings, loss and liability of every type and nature whatsoever arising under law, including but not limited to CEQA, the Eldercare Facility Ordinance or any other federal, State or local law or regulation, whether direct, indirect, fixed, contingent or consequential, known or unknown, suspected or unsuspected, relating to the Project, the Entitlements, the MND, the use of the Property for the Project, the Action or the Petition, as well as any right to recover attorneys' fees or costs in connection therewith (the "**Petitioners' Released Claims**") except as the result of the breach of this Agreement.

D. Release By Real Parties. As of the Effective Date, Real Parties, for and on behalf of themselves and their past, present and future parent companies, subsidiaries, affiliates, joint ventures, partnerships, directors, officers, shareholders, members, partners, investors, lenders, insurers, predecessors, successors, affiliates, agents, representatives, attorneys, employees, contractors, consultants, heirs, spouses and assigns

(the “**Real Parties Releasing Parties**”) hereby fully and forever release and discharge each of the Petitioners and any and all of their respective past, present and future predecessors, successors, agents, representatives, attorneys, heirs, spouses, partners, employees, contractors, consultants and assigns (the “**Petitioners’ Released Entities**”), from any and all claims, debts, demands, claims for relief, causes of action, writ proceedings, loss, and liability of every type and nature whatsoever arising under law, including, but not limited to CEQA, the Eldercare Facility Ordinance or any other federal, State or local law or regulation, whether direct, indirect, fixed, contingent or consequential, known or unknown, suspected or unsuspected, relating to the Action or the Petition (“**Real Parties’ Released Claims**”) except as the result of the breach of this Agreement.

E. Waiver Of Civil Code Section 1542. Each of the Petitioners’ Releasing Parties hereby warrants and represents that he, she and it is familiar with the provisions of California Civil Code Section 1542 and expressly waives and relinquishes any rights or benefits relating to the subject matter of the Petitioners’ Released Claims that he, she or it has or may have pursuant to Civil Code Section 1542. Each of the Real Parties’ Releasing Parties hereby warrants and represents that he, she and it is familiar with the provisions of California Civil Code Section 1542 and expressly waives and relinquishes any rights or benefits relating to the subject matter of the Real Parties’ Released Claims that he, she or it has or may have pursuant to Civil Code Section 1542. Section 1542 reads as follows:

SECTION 1542: A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

Nothing in this Settlement Agreement shall be construed as a waiver or release of, or in any way limit or prohibit any Party from enforcing, this Settlement Agreement.

F. Revised Entitlements for the Project. During the term of this Agreement, with respect to the development of an eldercare project on the Property, Real Parties shall only seek approval for a Project in accordance with the terms and conditions of this Agreement unless Petitioners consent in writing to the contrary, which consent Petitioners may withhold in their sole discretion. If an eldercare project is developed on the Property, then it shall comply with the provisions of this Agreement unless Petitioners consent in writing to the contrary (which consent Petitioners may withhold in their sole discretion), regardless of any determinations made by a City Zoning Administrator or any other City authority to the contrary. For the avoidance of doubt, this Agreement shall not limit or restrict the development of any other non-eldercare project upon the Property or restrict the rights of Petitioners to interpose objections thereto. Notwithstanding any provision of this Agreement to the contrary, the restrictions upon the Project shall not apply to any other type of project on the Property, *i.e.*, any project that is not an eldercare facility shall not be limited by this Agreement, and nothing in this Agreement shall be

deemed acceptance or approval by Petitioners of any project other than an eldercare facility that complies with the provisions of this Agreement. If an eldercare facility is constructed on the Property pursuant to this Agreement, then a land use restriction shall be recorded in the official records of Los Angeles County, California (“**Official Records**”) in the form attached hereto as **Exhibit B** (“**Covenant**”) to ensure that such facility is used only as an eldercare facility (*i.e.*, it may not be used for any other purpose), in perpetuity, absent the written approval of Petitioners; provided, however, that the foregoing (and all other) restrictions shall terminate if the structure is demolished, which the owner of the Property shall retain the right to do in its sole discretion. Upon request by CMI from time to time, WANA shall select members and/or its counsel to provide reasonable support for CMI’s efforts to obtain the most expeditious approval of the entitlements and other permits for the development of an eldercare facility on the Property that complies with the terms of this Agreement (“**Entitlements**”). In addition, each of the Petitioners, and WANA, shall, within five (5) business days after CMI’s request, execute a letter in support of the Project in the form attached hereto as **Exhibit C**. To the extent such support by their counsel requires more than telephone calls or two (2) in person meetings, CMI shall pay the fees incurred by WANA’s counsel at the rate of \$300 per hour for the duration of any such meeting(s). Provided that the Project complies with the terms of this Agreement, Petitioners shall not directly or indirectly oppose (whether by appeal, lawsuit or otherwise), fund, support or encourage any opposition to the Project, and Petitioners shall cooperate with, and evidence their support for, CMI’s efforts to revise the entitlements, approvals and authorizations for the Project upon the following terms and conditions in the most expeditious manner designated by CMI so that the Project consists of:

- (1) A single, one (1) story building (“**Building**”);
- (2) The Building shall contain not more than 33,500 square feet in floor area, as determined by the project architect, and provide on-site parking for not less than twenty five (25) passenger vehicles;
- (3) The Building shall contain not more than fifty (50) guest rooms for patients/residents and not more than sixty (60) beds for patients/residents;
- (4) A Building height of not more than nineteen (19) feet at the center ridgeline and not more than fourteen (14) feet at the eaves, but with a maximum of twenty-four (24) feet for the architectural element at the entrance to the facility fronting on Fallbrook Avenue;
- (5) Building setbacks from the applicable property lines (before taking into consideration any dedications) as follows: (a) ten (10) feet along the northerly and southerly boundaries; and (b) twenty-five (25) feet along the easterly and westerly boundaries;
- (6) A meeting room within the Building (“**Meeting Room**”), which, from and after the issuance of a certificate of occupancy for the Project and until the

earlier of (a) the demolition of the Project, or (b) the date upon which the Project is no longer used for any purpose, WANA and similar, local non-profit public benefit organizations that are reasonably acceptable to the Project owner shall have the right to use, from time to time (but not more often than four times per year) without charge for meetings at times that are mutually convenient to such users and the owner of the Project;

(7) An Eight (8) foot block wall along westerly side of Property (using the existing wall if deemed appropriate by CMI), and a 6'5" block wall along northerly side of the Property (using the existing wall if deemed appropriate by CMI); and

(8) Mature plantings and foliage in a commercially reasonable effort to buffer the Project from neighbors and streets.

G. Additional Restrictions Upon the Project. The Project shall be subject to the following additional conditions and restrictions:

(1) At least 60 days prior to the commencement of construction of the Project, CMI shall deliver to Mr. Shipow and to Ms. Schuele (for delivery to Petitioners) a schematic copy of the floor plans and elevations for the Project and notice with the following legend: **"YOUR FAILURE TO PROVIDE SPECIFIC WRITTEN NOTICE TO [INSERT APPROPRIATE NAME] OF ANY ALLEGED FAILURE OF THE PROJECT TO COMPLY WITH SECTIONS F(1-8) OF THE SETTLEMENT AGREEMENT WITHIN TEN (10) BUSINESS DAYS AFTER MR. SHIPOW'S AND MS. SCHUELE'S RECEIPT OF THIS LETTER SHALL BE DEEMED TO CONSTITUTE THE IRREVOCABLE WAIVER OF ANY SUCH OBJECTION BY PETITIONERS"** for the limited purposes of allowing Petitioners to confirm compliance with such provisions. Any allegation that the Project fails to comply with any such provision must be made, in writing, with specificity and delivered to CMI (or its designee within such notice) within ten (10) business days after delivery of such notice to Mr. Shipow and Ms. Schuele, or any such objections shall be irrevocably deemed waived. The Parties shall work together in good faith to resolve any claimed non-compliance. If the Parties cannot resolve the issues, any Party may initiate the enforcement provisions of Section K of this Agreement.

(3) There shall be no limitation on the percentage of residents being treated for dementia care within the Project.

H. Additional Restrictions Upon Project Operations. Subject to compliance with any federal, state or local law, regulation or permit, Real Parties shall operate the Project in accordance with the following limitations:

(1) Visitation Hours. The posted hours for Visitors to the Project shall be from 7:00 a.m. to 9:00 p.m. For purposes of this Agreement, the term "**Visitors**" does not include any of CMI's employees or contractors, residents of the Project, medical personnel and any "**Caregiver**" that a resident of the Project hires. For purposes of this

Agreement, the term "**Caregiver**" means a person (i) who is not an employee of CMI or a family member of a resident of the Project, and (ii) who is on the Project Site for the purpose of attending to the needs of a Project resident on a regular recurring basis and is properly licensed and insured to provide that type of assistance and care to elderly individuals under the law known as the Residential Care Facilities for the Elderly (as administered by the California Department of Social Services/Community Care Licensing Division) and any other applicable State or federal licensing statutes, standards and codes. These visitation hours shall not apply in an emergency. These visitation hours shall be posted on a placard affixed to a wall in the reception area of the Project.

(2) Replacement of Trees. If any of the trees shown on the Landscape Plan filed with the City in connection with the approval of the Project dies, Developer shall promptly replace that tree with the same type and size tree as was originally planted to the extent permitted to do so by applicable law.

(3) Delivery Trucks. Except in cases of an emergency, trucks and vans making bulk deliveries of goods and supplies to the Project ("**Delivery Trucks**") shall make such deliveries during the hours of 9:00 a.m. to 5:00 p.m., Monday through Friday. The foregoing restrictions shall not apply to other deliveries, such as medicine, mail, UPS, Fedex, and the like, beverages or prepared or take-out food (*e.g.*, pizza deliveries). Contracts with suppliers shall require, to the extent reasonably feasible (a) all deliveries, loading and unloading to be conducted on-site from the parking area, and (b) not to use 18-wheel trucks for deliveries.

(4) Dementia/Memory Care Residents. If an immediate neighbor (*i.e.*, a neighbor whose property abuts the Project) provides reasonable evidence (which may include a recording on a cell phone or other similar device) that a resident of the Project who has dementia or requires memory care has acted in an unduly noisy manner that has caused a disruption to such person, then that immediate neighbor shall deliver written notice to CMI. CMI and that immediate neighbor shall reasonably cooperate with each other in trying to resolve the disturbance. If three such disturbances by the same resident occur within three (3) months and the immediate neighbor has provided written notices to the CMI for each disturbance, then CMI shall relocate the resident in question to a different unit within the Project that does not face the complaining neighbor.

(5) Bus Passes. CMI shall make weekly bus passes available to six of its employees working at the Project.

(6) Off-Site Parking Spaces. CMI shall use its reasonable efforts to lease five (5) parking spaces on property that is not zoned residential or does not include any residences on it. Said spaces shall be made available for use by CMI's employees. CMI shall make reasonable efforts to determine in advance whether there will be more than eight (8) Caregivers at the Project at the same time, and if so then CMI shall use its reasonable efforts to lease one additional off-site parking space for every such additional Caregiver.

(7) Valet Parking. To the extent that the on-site parking for the Project is not adequate during visiting hours on any holiday or special event, CMI shall hire a valet parking company that holds all the required licenses to perform a valet parking service. CMI shall make reasonable efforts to determine in advance whether on-site parking will be adequate for each such holiday or special event, and CMI shall instruct the valet service not to park any cars on a street adjacent to a residential house. Special events (*i.e.*, in addition to holidays) shall be limited to a maximum of twelve (12) per year and shall not be conducted after 9:00 p.m.

(8) Miscellaneous. The outdoor trash and recycling area shall be fully enclosed and shall be located at the southern portion of the parking lot furthest from adjacent residential uses. All exterior lighting shall be directed onto the lot and shielded from adjoining residential uses, and all flood lighting shall be designed to eliminate glare to adjoining properties. This shall not preclude the installation of low-level security lighting nor outdoor, under canopy work lights. CMI shall be responsible for maintaining the exterior of the Property, including any parking area, free of litter. This maintenance shall occur daily.

I. Intentionally Omitted.

J. Sale of the Property. If TE Simmers and JC Simmers sells their interest in the Property to CMI or its successor or assign, then each of them shall be relieved of their obligations under this Agreement, and CMI or its successor or assign shall assume all of the obligations of the Real Parties hereunder. Within five (5) business days after the close of escrow of such a sale, CMI shall deliver written notice of the completion of the sale to Mr. Shipow on behalf of all Petitioners.

K. Enforcement

(1) Any Petitioner may seek to enforce this Agreement.

(2) If any Party claims that another Party breached the Agreement, the claiming Party shall deliver written notice to the breaching Party (the “**Breach Notice**”). The Breach Notice shall specify the nature of the claimed breach and all relevant facts. The breaching Party shall have fifteen (15) calendar days after receipt of the Breach Notice to cure the alleged breach or enter into an agreement with the claiming Party for resolving the alleged breach. If the alleged breach is not cured or an agreement is not reached within those fifteen (15) calendar days, then the Party claiming a breach may enforce this Agreement through proceedings under Code of Civil Procedure section 664.6, instituted in the Action. It is the intent of the parties, pursuant to Evidence Code Sections 1122(a)(1) and 1123(b) and Code of Civil Procedure section 664.6, that all of the terms of this Agreement may be disclosed to a court of law and shall be enforceable and binding upon them in a court of law. Upon execution of this Agreement by all Parties, the Parties agree that the Court presiding over the Action shall retain jurisdiction such that this Agreement may be enforced in accordance with the provisions of Code of Civil Procedure Section 664.6 or such other procedures as may be appropriate. In the

event such enforcement proceedings are necessary, the prevailing Party shall be entitled to recover its attorneys' fees and costs incurred in connection with such proceedings.

L. Additional Provisions.

(1) Execution Of Additional Documents. Each of the Parties agrees to promptly do such acts and execute such additional documents as might be reasonably necessary to carry out the provisions and effectuate the purposes of this Agreement

(2) Authority. Each person executing this Agreement on behalf of a corporation or other legal entity represents that he or she has the full legal right, power and authority to execute and deliver this Agreement and to bind the Party for whom such individual is signing, and to cause such Party to perform its obligations hereunder without the need for any approval or consent of any other party, and that it has not assigned any rights or claims that are being settled by this Agreement.

(3) Exclusive Remedy. By executing this Agreement, each of the Parties acknowledges and agrees that the rights and remedies provided in this Agreement shall be the sole and exclusive rights and remedies surviving as between and among the Parties hereto relating to the subject matter of this Agreement.

(4) No Reliance On Others. No representations, oral or otherwise, express or implied, other than those contained herein have been made by any Party, or any officer, director, shareholder, partner, associate, agent, affiliate, insurer, attorney or employee thereof. By executing this Agreement, each of the Parties warrants and represents that this Agreement is made and entered into without reliance upon any statements or representations of any other Party, or in reliance upon any statements or representations made by any officers, directors, shareholders, partners, associates, agents, affiliates, insurer, attorneys or employees, of any other Party.

(5) Independent Investigation. Each of the Parties warrants and represents that he, she or it has made its own independent investigation, in the manner deemed necessary and appropriate by them, of the facts and circumstances surrounding this Agreement and the settlement contained herein, and that through such independent investigation, each Party has satisfied itself that the execution of this Agreement and entry into the settlement contained herein is in his, her or its best interest. Also, each of the Parties warrants and represents that his, her or its independent investigation has included, but not been limited to, receipt of independent advice by legal counsel on the advisability of entering into this Agreement and making the settlement contained herein.

(6) Compromise Of All Disputed Claims. Each of the Parties acknowledges and agrees that this Agreement is the compromise of a disputed claim, and that nothing contained in this Agreement shall be construed as an admission of liability on the part of any Party. Each Real Party specifically denies any and all liability for any alleged acts or omissions of every kind whatsoever relating to, arising out of or based upon any of the Petitioners' Released Claims, as applicable. Neither this Agreement nor

any of its terms shall be offered or received as evidence in any proceeding in any forum as an admission of any liability or wrongdoing on the part of any of the Parties. Each Petitioner represents and warrants that (a) she or he has not assigned or transfer any part or aspect of the Petitioners' Released Claim to any other person or entity, including but not limited to WANA and (b) their respective spouses do not own or possess any independent claim that is not being released under this Agreement.

(7) Litigation Expenses. Each of the Parties hereby agrees that he, she or it shall be responsible for their respective own costs of suit and attorneys' fees incurred and/or accrued in connection with the Action and Petition.

(8) Construction of Agreement. Each of the Parties has cooperated in the drafting and preparation of this Agreement and, therefore, any construction of the intent of the Parties or language hereof to be made by a court or arbitrator shall not be construed against any of the Parties.

(9) Comprehension of Terms. Each of the Parties warrants and represents that he, she and it has read this Agreement in full, fully understands each and every provision hereof, and agrees to be bound by all of the terms and provisions set forth herein.

(10) Successors and Assigns. Each of the Parties agrees that the terms and conditions contained in this Agreement shall be binding on and inure to the benefit of their respective successors, assigns and heirs, including but not limited to persons or entities which purchase the Property or Project or purchase the property currently owned by any individual Petitioner. The rights of the individual Petitioners, other than WANA, shall only be exercised by the one (1) fee owner of the real property owned by each Petitioner at the time such rights are exercised. The real property owned by each Petitioner is set forth on **Exhibit D** attached hereto.

(11) Governing Law. This Agreement shall be deemed to have been executed and delivered within the State of California, and the rights and obligations of the Parties hereunder shall be governed by, construed and enforced in accordance with the laws of the State of California.

(12) Severability. Any portion of this Agreement found to be invalid, void or unenforceable shall be deemed severable from the remainder of this Agreement and shall not invalidate the remainder of the Section in which it is located or the remainder of this Agreement.

(13) Merger and Integration. This Agreement, including all of the exhibits hereto, contains the full and entire agreement between and among the Parties with respect to the entire subject matter hereof, and supersedes any and all prior or contemporaneous agreements and discussions, whether written or oral. Any and all prior or contemporaneous discussions, negotiations, writings, commitments and/or

undertakings related hereto are merged herein. Any conflict or inconsistency between this Agreement and the Proposed Settlement shall be resolved in favor of this Agreement.

(14) Amendment. This Agreement may be amended only by a written agreement signed by all Parties.

(15) Headings. The titles and headings of the various sections of this Agreement are intended solely for convenience of reference and shall not be construed as an explanation, modification or intended construction of any terms or provisions of this Agreement.

(16) Counterparts. This Agreement may be executed and delivered by facsimile or emailed .pdf and in any number of counterparts, each of which shall be deemed an original; however, all such counterparts shall constitute but one and the same instrument signed as of the Effective Date. Copies of this Agreement bearing signatures shall be binding as an original.

(17) Attorneys' Fees. In the event of any proceedings relating to this Agreement, the prevailing Party or Parties shall be entitled to recover reasonable attorneys' fees and costs from the losing Party or Parties in connection with such litigation or arbitration.

(18) Notice. Any notice required or permitted to be given under the terms of this Agreement shall be in writing and delivered by (1) an overnight mail service and (2) facsimile or electronic transmission. Notices shall be sent to the following persons:

To Petitioners:

Mark Shipow, Esq.
6520 Platt Ave #442
West Hills, CA 91307
Facsimile: (818) 348-2297
Email: mshipow@socal.rr.com

And to:
Donna C. Schuele
23058 Califa St.
Woodland Hills, CA 91367
Facsimile:
Email: dcscly@pacbell.net

To Real Parties In Interest/CMI/JC Simmers/TE Simmers:

Mr. Todd Pratt
Chandler Pratt & Partners

4116 West Magnolia Boulevard, Suite 203
Burbank, CA 91505
Facsimile: (818) 566-1437
Email: todd@chandlerpratt.com

Notice shall be deemed given as of the date of transmission of the notice. Any Party may change its addressee(s) for notice by providing written notice of such change in accordance with the requirements of this Section of the Agreement.

[Balance of page intentionally left blank. Signatures appear on next page.]

IN WITNESS WHEREOF, the parties hereto have entered into this Agreement as of the Effective Date.

“PETITIONERS”

“TAT”

Mohammad Tat, an individual

“STEAD”

Dawn Stead, an individual

“WANA”

Walnut Acres Neighborhood Association,
Inc., a California corporation

By: _____
Name: _____
Its: _____

By: _____
Name: _____
Its: _____

“POMAKIAN”

Jack Pomakian, an individual

“SCHUELE”

Donna Schuele, an individual

“REAL PARTIES IN INTEREST”

“CMI”

COMMUNITY MULTI-HOUSING, INC.,
a California corporation

By: _____
Dan Chandler, President

“JC SIMMERS”

John C. Simmers, an individual

“TE SIMMERS”

Thomas E. Simmers, an individual

EXHIBIT A

ESCROW INSTRUCTIONS

EXHIBIT B

COVENANT

EXHIBIT C

SUPPORT LETTER

EXHIBIT D

LEGAL DESCRIPTION FOR PETITIONERS' PROPERTY

EXHIBIT D-1

TAT PROPERTY LEGAL DESCRIPTION

LOT 17 IN TRACT NO. 21526, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 723, PAGES 96 AND 97 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF LOS ANGELES COUNTY, CALIFORNIA.

EXHIBIT D-2

POMAKIAN PROPERTY LEGAL DESCRIPTION

LOT 64 IN TRACT NO. 21526, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 723, PAGES 96 AND 97 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF LOS ANGELES COUNTY, CALIFORNIA.

EXHIBIT D-3

STEAD PROPERTY LEGAL DESCRIPTION

LOT 64 OF TRACT NO. 9588, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 136, PAGE(S) 1 TO 4, INCLUSIVE, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF LOS ANGELES COUNTY, CALIFORNIA.

EXHIBIT D-4

SCHUELE PROPERTY LEGAL DESCRIPTION

THE WEST 120 FEET OF LOT 54 OF TRACT NO. 9529, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 133, PAGE(S) 81 TO 84, INCLUSIVE, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF LOS ANGELES COUNTY, CALIFORNIA