

SETTLEMENT AGREEMENT AND RELEASE

1. PARTIES

This Settlement Agreement and Release (the “Agreement”) is made between plaintiff and petitioner Chollas Valley Community Planning Group (“Plaintiff”), defendant and respondent City of San Diego (“Defendant”), and real party in interest Klauber Development Corp. (“RPI”), arising from a lawsuit entitled *Chollas Valley Community Planning Group v. City of San Diego*, San Diego Superior Court, Case No. 25CU043491C (the “Litigation”). Plaintiff, Defendant, and RPI are collectively referred to herein as the “Parties” and individually as a “Party.”

2. RECITALS

2.1 Certain disputes and controversies have arisen among the Parties, which resulted in the filing of the Litigation.

2.2 Without any admission of liability by any of the Parties and without conceding the respective positions of any of the Parties, the Parties desire to settle and dispose of, fully and completely, the Litigation.

2.3 Therefore, in consideration of the mutual covenants set forth herein, and for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereby agree to the settlement of the Litigation on the terms and conditions below, all of which shall be considered material to this Agreement.

3. EFFECTIVE DATE

3.1 This Agreement is not binding on any Party until signed by all Parties. The “Effective Date” of this Agreement is the date on which the last Party signs this Agreement.

4. SETTLEMENT AMOUNT AND TERMS

4.1 In consideration for the promises made in this Agreement and in full payment of any and all monies due, RPI shall cause payment to be made to Plaintiff in the amount of \$5,000 in United States currency within seven (7) days of the Effective Date. Payment shall be made via check made payable to Craig A. Sherman, APLC Client Trust Account and sent via overnight carrier to 1901 First Avenue, Suite 219, San Diego, CA 92101.

4.2 In consideration for the promises made in this Agreement, Plaintiff shall dismiss the litigation with prejudice as set forth in Section 5 of this Agreement.

4.3 In consideration for the promises made in this Agreement, Defendant shall waive its right to seek attorney fees and costs from Plaintiff.

4.4 For sake of clarity and avoidance of doubt, other than as expressly provided herein, each of the Parties shall bear their respective attorney fees and costs.

5. DISMISSAL

5.1 Within seven (7) days of receipt of payment in full pursuant to Section 4 of this Agreement, Plaintiff shall file Notices of Dismissal on Judicial Council Form CIV-110, which dismisses the Litigation in its entirety **and** (a) with prejudice against RPI and which dismisses the Litigation in its entirety **and** (b) without prejudice against Defendant. However, despite any dismissal without prejudice against Defendant, all Parties expressly agree all claims with respect to the Klauber Project (as described in the complaint on file in this Litigation) are dismissed with prejudice and forever hereby released by Plaintiff against RPI and Defendant. Moreover the Parties agree that Defendant does not release any of its affirmative defenses against Plaintiff related to this Litigation or any potential future litigation and expressly reserves all of affirmative defenses including but not limited to those related to the statute of limitations and doctrine of laches.

5.2 The Parties agree to sign any required documents and/or appear in Court to the extent necessary to effectuate Section 5 of this Agreement.

6. RELEASES

6.1 Releases By Plaintiff and RPI - in consideration of the Agreement contained herein, and excluding the obligations created by the Agreement and conditioned upon satisfaction thereof, Plaintiff and RPI release and forever discharge each other , as well as each of RPI's parent, subsidiary or affiliated companies and each of their officers, directors, agents, shareholders, insurers, heirs, relatives, representatives, affiliates, employees, successors, assigns, and attorneys (collectively, the "Released Parties") from any and all acts, occurrences, costs, proceedings, obligations, claims, debts, demands, and liabilities, and any and all other claims arising out of or related to the facts, transactions, or occurrences alleged in the Litigation of every kind, nature, and description whatsoever, both in LAW and EQUITY, whether known or unknown, whether suspected or unsuspected, whether accrued or un-accrued, whether now or heretofore existing, whether premised on contract, statute, tort or other theory of recovery, for any compensatory, punitive, penalty, statutory, contract or tort damages, including without limitation, claims that were or could have been asserted in, the Litigation.

6.2 Except as expressly provided herein, all rights under Section 1542 of the California Civil Code are expressly waived by Plaintiff, who has read Section 1542 of the California Civil Code, and understands that it provides 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.

Plaintiff and RPI expressly waive and relinquish every right or benefit they may have under Section 1542 of the California Civil Code arising out of or related to the facts, transactions, or occurrences alleged in the Litigation to the fullest extent possible. In connection with this

waiver, Plaintiff and RPI acknowledge that they are aware that facts may hereafter be discovered in addition to or different from those now known or believed to be true with respect to this release, but that it is the intention of Plaintiff and RPI to hereby fully, finally and forever release and discharge the Released Parties, and thus this release shall remain in effect as a full and complete release notwithstanding the later discovery or existence of any such additional or different facts.

7. MUTUAL REPRESENTATIONS AND WARRANTIES

Each of the Parties to this Agreement represents, warrants, and agrees as follows:

7.1 Each party has had the opportunity to receive independent legal advice with respect to the rights, obligations, and advisability of entering into the settlement pursuant to this Agreement and with respect to the rights, obligations, and advisability of executing this Agreement. Each party hereto declares that it has fully reviewed this Agreement prior to signing it, knows and understands its contents, and that it has executed this Agreement voluntarily.

7.2 Each party to this Agreement has made such investigation of the facts pertaining to this settlement and this Agreement and of all the matters pertaining thereto as it deems necessary.

7.3 Each person executing this Agreement on behalf of the respective Parties warrants that he, she, or it is empowered to do so and thereby binds his, her, or its respective party.

7.4 Each person executing this Agreement on behalf of the respective Parties warrants that he, she, or it has not heretofore assigned, transferred, or granted, or purported to assign, transfer, or grant, any of the claims, demands, and cause or causes of action disposed of herein.

7.5 Each party acknowledges that no other person, nor any attorney of any other person, has made any promise, representation or warranty whatsoever, expressed or implied, not contained herein, concerning the subject matter hereof, to induce the Parties to execute or authorize the execution of this Agreement, and acknowledges that it has not executed or authorized the execution of this Agreement in reliance upon any such promise, representation or warranty not contained herein. No party relies upon any statement of any other party in executing this Agreement, except as expressly stated herein.

7.6 This Agreement effects the settlement of claims asserted in the Litigation which are denied and contested, and nothing contained herein shall be construed as an admission by any party hereto of any liability of any kind to any other party. Each of the Parties hereto denies any liability in connection with any claim asserted in the Litigation and intends merely to avoid litigation and buy its peace. This Agreement shall not be admissible as evidence in any proceeding other than a proceeding to enforce an obligation of a party hereto.

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8. MISCELLANEOUS

8.1 This Agreement shall be deemed to have been executed and delivered within the State of California, and the rights and obligations of the Parties hereto shall be construed and enforced in accordance with and governed by the laws of the State of California.

8.2 This Agreement is the complete and entire agreement by and among the Parties with respect to the subject matter hereof and supersedes all prior and contemporaneous oral and written agreement(s), representation(s), negotiation(s), and/or discussion(s). This Agreement shall not be modified by any party by any oral representation(s) made before or after the effective date of this Agreement. This Agreement may be amended or modified only by an agreement in writing signed by the affected Parties. Any amendment(s) or modification(s) must be in writing and signed by the party or a duly authorized representative of the party against whom such amendment(s) or modification(s) is/are sought to be enforced.

8.3 This Agreement is binding upon and shall inure to the benefit of the Parties hereto, their respective officers, directors, agents, parents, subsidiaries, shareholders, insurers, heirs, relatives, representatives, affiliates, employees, successors, assigns, and attorneys.

8.4 Each party has cooperated in the drafting and preparation of this Agreement. Hence, in any construction to be made of the Agreement, the same shall not be construed against any party.

8.5 The Parties agree, for their respective selves, principals, agents, representatives, employees, attorneys, successors and assigns, that they will abide by the terms of this Agreement, which terms are meant to be contractual, and further agree that they will do such acts and prepare, execute, file, and/or deliver such documents as may be required in order to carry out the purposes and intent of this Agreement. The Parties to this Agreement shall use their best efforts, including all efforts that may become necessary by order of the Court or otherwise, to effectuate this Agreement and its terms.

8.6 Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall (to the full extent permitted by law) not invalidate or render unenforceable such provision in any other jurisdiction.

8.7 This Agreement may be executed in counterparts, and when each party has signed and delivered at least one such counterpart, each counterpart shall be deemed an original, and, when taken together with other signed counterparts, shall constitute one Agreement, which shall be binding upon and effective as to all Parties. Signatures may be transmitted by facsimile and will have the same force and effect as an original.

signatures on next page

READ CAREFULLY BEFORE SIGNING

**CHOLLAS VALLEY COMMUNITY
PLANNING GROUP**

Dated: _____ 2026

By: _____
_____, its _____

CITY OF SAN DIEGO

Dated: _____ 2026

By: _____
_____, its _____

KLAUBER DEVELOPMENT CORP.

Dated: June 29, _____ 2026

By: *Cindy Phan*
Cindy Phan, its CEO