

SETTLEMENT AGREEMENT

This settlement agreement is made and entered into by and between Yakima County, a municipal corporation pursuant to Title 36 of the Revised Code of Washington (the "County"), and Washington Retail Partners, LLC, a Washington limited liability company, Jason Herndon and Jane Doe Herndon, husband and wife, Dustin Guse and Jane Doe Guse, husband and wife, and Joseph Emminger and Jane Doe Emminger, husband and wife (collectively "WRP").

WHEREAS, the County adopted certain legislative acts related to retail marijuana in September 2013, October 2013, and June 2014, respectively and;

WHEREAS, WRP has a retail marijuana business located at 3120 Mapleway Road in unincorporated Yakima County, Washington, for which a license has been issued by the Washington State Liquor and Cannabis Board under license number 424647, and;

WHEREAS, the County commenced a superior court action, identified as Yakima County Superior Court cause number 18-2-00375-39, to enforce its legislative acts and zoning regulations applicable to WRP's retail marijuana business; and

WHEREAS, WRP asserted counterclaims against the County; and

WHEREAS, the County has filed a motion for declaration of public nuisance, zoning violations, and warrant of abatement that is scheduled to be heard on May 11, 2018; and

WHEREAS, settlement of the parties' disputes without additional litigation will conserve resources and provide certainty and finality that benefits the parties; and

WHEREAS, the parties have negotiated a solution agreeable to both parties and wish to resolve their disputes without the need for further litigation.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the County and WRP agree as follows:

1. That WRP, for and in consideration of the County's promises set forth below, and on the terms and conditions set forth herein, does release the County from any and all actions and causes of action, rights, suits, covenants and demands whatsoever in law or in equity, including attorneys' fees, which have been and may be sustained by WRP or by any and all other persons, associations, and corporations, whether named or not, arising out of WRP's retail marijuana business operation located at 3120 Mapleway Road in unincorporated Yakima County, Washington.

2. That the County, for and in consideration of WRP's irrevocable and final closure of its retail marijuana business operation at 3120 Mapleway Road in unincorporated Yakima County, Washington, occurring on or before May 31, 2018, on the terms and conditions set forth

herein, does release WRP from any and all actions and causes of action, rights, suits, covenants and demands whatsoever in law or in equity, including attorneys' fees, which have been and may be sustained by the County or by any and all other persons, associations, and corporations, whether named or not, arising out of WRP's retail marijuana business operation located at 3120 Mapleway Road in unincorporated Yakima County, Washington.

3. That WRP will, on or before May 31, 2018, cease business operations at the 3120 Mapleway Road location and deliver to the County express written confirmation that WRP has irrevocably and finally abandoned its retail marijuana business operation for the 3120 Mapleway Road location.

4. That the parties shall jointly stipulate to the dismissal of Yakima County Superior Court cause number 18-2-00375-39 with prejudice and without costs to either party not later than ten (10) days following delivery by WRP to the County of the written confirmation of abandonment as set forth in paragraph 3 above.

5. That each party shall bear its own costs and attorneys' fees relating to Yakima County Superior Court cause number 18-2-00375-39.

6. That this agreement covers any and all actions, causes of action, rights, suits, covenants, contracts, agreements, judgments, claims and demands, including attorneys' fees, that either party may possess, in any combination and with any other person, association, or corporation, and/or his, her, or their heirs, assigns, and executors and administrators, whether named or not, arising out of WRP's retail marijuana business operation located at 3120 Mapleway Road in unincorporated Yakima County, Washington.

7. That the parties acknowledge full and final settlement for any claims arising out of WRP's retail marijuana business operation located at 3120 Mapleway Road in unincorporated Yakima County, Washington, and that such settlement shall not be treated as evidence of liability or an admission of liability or responsibility at any time or in any matter

8. That WRP, on behalf of itself and all of its affiliates, predecessors, representatives or agents, and all successors and assigns, past and present, and each of them, hereby covenants not to sue and fully releases and discharges the County, as well as all the County's elected officials, officers, agents, attorneys, insurers, employees, representatives, successors and assigns, past and present, and each of them, hereinafter together and collectively referred to as the "Releasees" with respect to and from any and all claims, wages, demands, rights, liens, agreements, contracts, covenants, actions, suits, causes of action, obligations, debts, costs, expenses, attorneys' fees, damages, judgments, orders and liabilities of whatever kind or nature in law, equity or otherwise, whether now known or unknown, suspected or unsuspected, and whether or not concealed or hidden, which WRP now owns or holds or has at any time heretofore owned or held as against said Releasees, arising out of or in any way connected with this agreement, or any other transactions, occurrences, acts or omissions or any loss, damages or injuries whatever, known or unknown, suspected or unsuspected, resulting from any act or omission by or on the part of said Releasees, or any of them, committed or omitted prior to the date of this agreement. This is a full and general release, with no claims reserved.

9. That, as an ongoing covenant of this agreement, WRP or any of its governors and/or members shall not seek, attempt, or in fact resume any retail marijuana business operation located at or near 3120 Mapleway Road, or at any other location in unincorporated Yakima County, Washington, unless the County modifies its development regulations and other code provisions such that said location is rendered legally permissible for such use.

10. That WRP warrants and represents that WRP has not heretofore assigned or transferred to any person not a party to this agreement any released matter or any part or portion thereof and WRP shall defend, indemnify and hold harmless the Releasees against any claim including the payment of attorneys' fees and costs actually incurred whether or not litigation is commenced based on or in connection with or arising out of any such assignment or transfer made, purported or claimed.

11. Without limiting the generality of the foregoing, WRP also warrants and represents that it will defend, indemnify and hold harmless the Releasees against any third party claim arising from any action, choice, conduct, or other election of WRP to terminate its lease or other business relations related in any way to any of its actual or proposed businesses located or to be located at 3120 Mapleway Road in unincorporated Yakima County, Washington. WRP agrees and acknowledges that this settlement arises out of WRP's own sole decision to cease all of its actual or proposed businesses from 3120 Mapleway Road.

12. That this agreement will be governed by the laws of the State of Washington.

13. That this agreement constitutes and contains the entire agreement and understanding concerning WRP's retail marijuana business operation located at 3120 Mapleway Road in unincorporated Yakima County, Washington, and any other subject matters addressed herein between the parties, and supersedes and replaces all prior negotiations and all agreements proposed or otherwise, whether written or oral, concerning the subject matters hereof: this is an integrated document.

14. That if any provision of this agreement or the application thereof is held invalid, the invalidity shall not affect other provisions or applications of this agreement which can be given effect without the invalid provisions or applications and to this end the provisions of this agreement are declared to be severable.

15. That in the event either party violates the terms of this agreement, the prevailing party shall be entitled to recover all costs and expenses incurred by such party in connection therewith, including reasonable attorneys' fees.

16. That any waiver of any breach of any term or provision to this agreement shall not be construed to be, nor shall be, a waiver of any other breach of this agreement.

17. That the parties represent that they have relied upon the advice of their attorneys, who are attorneys of their own choice, and that the terms of this agreement have been completely

read and explained to them by their attorneys, and that those terms are fully understood and voluntarily accepted by them.

18. That the parties agree to cooperate fully and to execute any and all supplementary documents and to take all additional actions that may be necessary or appropriate to give full force to the basic terms and intent of this agreement and which are not inconsistent with its terms.

19. That this agreement is neither expressly nor impliedly intended for the benefit of any third party and is neither expressly nor impliedly enforceable by any third party.

20. That the parties acknowledge and agree that this agreement is a compromise of disputed claims, and the covenants contained herein are not to be construed as an admission of liability on the part of either party. No concession or release made by either party in this agreement shall be construed or asserted as an admission of liability, wrongdoing, or fault by any party.

21. That the parties hereby warrant to each other that each has full power and authority to enter into this agreement and to undertake the actions contemplated herein, and that this agreement is enforceable in accordance with its terms.

22. That the parties have each participated and had an equal opportunity to participate in the drafting of this agreement. No ambiguity shall be construed against any party based on a claim that such party drafted the ambiguous language.

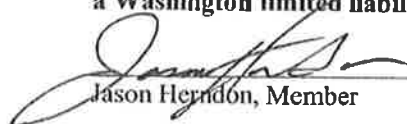
23. That the obligations in this agreement may be modified only by written agreement of the parties and signed by duly authorized representatives of each.

24. That this agreement shall become effective immediately following execution by the last of each of the parties hereto.

ACCEPTANCE OF SETTLEMENT AGREEMENT

The parties have read and fully understand the nature and terms of this settlement agreement, and accept such terms as full and final resolution of their respective claims arising out of the subject matters described herein.

**WASHINGTON RETAIL
PARTNERS, LLC,**
a Washington limited liability company


Jason Herndon, Member

Date: 5/9/18

**WASHINGTON RETAIL
PARTNERS, LLC,
a Washington limited liability company**

Dustin Guse, Member

Date: _____

**WASHINGTON RETAIL
PARTNERS, LLC,
a Washington limited liability company**

Joseph Emminger, Member
Date: 5/4/2018

Jason Herndon, on behalf of himself
and any marital community
Date: 5/9/18

Dustin Guse, on behalf of himself
and any marital community

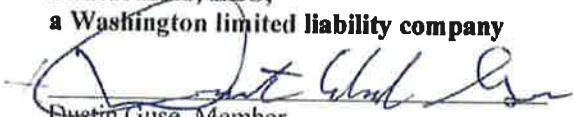
Date: _____

Joseph Emminger, on behalf of himself
and any marital community
Date: 5/4/2018

STATE OF WASHINGTON)

Date: 5-7-18

**WASHINGTON RETAIL
PARTNERS, LLC,
a Washington limited liability company**


Dustin Guse, Member

Date: _____

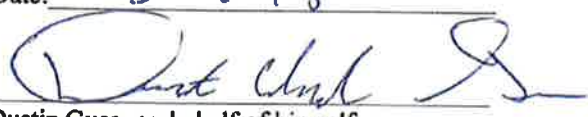
**WASHINGTON RETAIL
PARTNERS, LLC,
a Washington limited liability company**

Joseph Emminger, Member

Date: _____

Jason Herndon, on behalf of himself
and any marital community

Date: 5-7-18


X Dustin Guse, on behalf of himself
and any marital community

Date: _____

Joseph Emminger, on behalf of himself
and any marital community

Date: _____

STATE OF WASHINGTON)

County of _____)
SS.

On this _____ day of _____, 2018, before me personally appeared Jason Herndon, to me known to be a member of Washington Retail Partners, LLC, a Washington limited liability company, and he executed the within and foregoing instrument and acknowledged said instrument to be the free and voluntary act and deed of said entity for the uses and purposes therein mentioned.

Dated this _____ day of _____, 2018.

← print name
Notary Public in and for the State of Washington.
My appointment expires:
Residing at:

STATE OF WASHINGTON)
County of King)
SS.

On this 7 day of May, 2018, before me personally appeared Dustin Guse, to me known to be a member of Washington Retail Partners, LLC, a Washington limited liability company, and he executed the within and foregoing instrument and acknowledged said instrument to be the free and voluntary act and deed of said entity for the uses and purposes therein mentioned.

Dated this 7 day of May, 2018.

Angelina Carrillo ← print name
Notary Public in and for the State of Washington.
My appointment expires:
Residing at:

STATE OF WASHINGTON)
County of _____)
SS.

On this _____ day of _____, 2018, before me personally appeared Joseph Emminger, to me known to be a member of Washington Retail Partners, LLC, a Washington limited liability company, and he executed the within and foregoing instrument and

County of Yakima)
ss.

On this 9th day of May, 2018, before me personally appeared Jason Herndon, to me known to be a member of Washington Retail Partners, LLC, a Washington limited liability company, and he executed the within and foregoing instrument and acknowledged said instrument to be the free and voluntary act and deed of said entity for the uses and purposes therein mentioned.

Dated this _____, 2018.



James S. Berg ← print name
Notary Public in and for the State of Washington.
My appointment expires: 9/15/18
Residing at: Yakima

STATE OF WASHINGTON)
County of _____)
ss.

On this ____ day of _____, 2018, before me personally appeared Dustin Guse, to me known to be a member of Washington Retail Partners, LLC, a Washington limited liability company, and he executed the within and foregoing instrument and acknowledged said instrument to be the free and voluntary act and deed of said entity for the uses and purposes therein mentioned.

Dated this ____ day of _____, 2018.

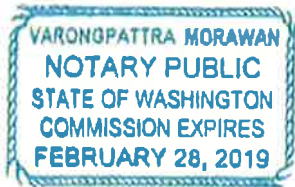
← print name
Notary Public in and for the State of Washington.
My appointment expires:
Residing at:

STATE OF WASHINGTON)
County of KING)
ss.

On this 4th day of MAY, 2018, before me personally appeared Joseph Emminger, to me known to be a member of Washington Retail Partners, LLC, a Washington limited liability company, and he executed the within and foregoing instrument and

acknowledged said instrument to be the free and voluntary act and deed of said entity for the uses and purposes therein mentioned.

Dated this 4TH day of MAY, 2018.



Varongpattra Morawan
VARONGPATTRA MORAWAN ← print name
Notary Public in and for the State of Washington.
My appointment expires: 02/28/2019
Residing at: SEATTLE WA

Yakima County

Yakima County Board of County Commissioners:

Ron Anderson, Chairman

Michael D. Leita, Commissioner

J. Rand Elliot, Commissioner

ATTEST:

County Clerk

APPROVED AS TO FORM:

County Prosecuting Attorney