

SETTLEMENT AGREEMENT AND GENERAL RELEASE

This Settlement Agreement and General Release (hereinafter “AGREEMENT”) is made and entered into by and among the parties named in Section I below.

I. PARTIES

The PARTIES to this AGREEMENT are as follows:

- (a) **9000 ARLINGTON AVE LLC**, as well as all its predecessors, successor entities, subsidiaries, principals, owners, officers, directors, servants, agents, employees, assigns, independent contractors, affiliates, attorneys, insurers, executors, administrators, heirs, successors, successors-in-interest, partners, representatives, lenders, creditors, mortgagors, sureties, related entities, and any other person or entity acting or purporting to act on its behalf;
- (b) **ULTIMATE FLOORS & REMODEL, LLC**, as well as all its predecessors, successor entities, subsidiaries, principals, owners, officers, directors, servants, agents, employees, assigns, independent contractors, affiliates, attorneys, insurers (including Next Insurance), executors, administrators, heirs, successors, partners, representatives, lenders, creditors, mortgagors, sureties, related entities, and any other person or entity acting or purporting to act on its behalf (hereinafter referred to as “ULTIMATE FLOORS”);
- (c) **KARINA CASTILLO ROMERO**, as well as all past and current agents, employees, assigns, independent contractors, affiliates, attorneys, insurers (including Next Insurance), executors, administrators, heirs, and successors (hereinafter referred to as “ROMERO”);
- (d) **ANDY BERNABE TORRES, individually and doing business as ULTIMATE ELECTRICAL**, as well as all its predecessors, successor entities, subsidiaries, principals, owners, officers, directors, servants, agents, employees, assigns, independent contractors, affiliates, attorneys, insurers, executors, administrators, heirs, successors, partners, representatives, lenders, creditors, mortgagors, sureties, related entities, and any other person or entity acting or purporting to act on its behalf (hereinafter referred to as “ULTIMATE ELECTRICAL”);
- (e) **BUSINESS ALLIANCE INSURANCE COMPANY** as well as all its predecessors, successor entities, subsidiaries, principals, owners, officers, directors, servants, agents, employees, assigns, independent contractors, affiliates, attorneys, insurers, executors, administrators, heirs, successors, partners, representatives, lenders, creditors, mortgagors, sureties, related entities, and any other person or entity acting or purporting to act on its behalf (hereinafter referred to as “BAIC”);

Throughout this AGREEMENT, 9000 ARLINGTON AVE LLC shall be referred to as PLAINTIFF.

ULTIMATE FLOORS, ROMERO, ULTIMATE ELECTRICAL, and BAIC shall collectively be referred to as DEFENDANTS.

The parties to this agreement shall collectively be referred to as the “PARTIES”; and will individually be referred to as “Party” or “Each Party.”

II. RECITALS

1. Whereas, PLAINTIFF alleges that it is the owner of the residential property located at 23476 Palm Drive, Calabasas, California, (“Subject Property”).

2. Whereas, PLAINTIFF alleges that on or about November 8, 2023 it entered into an agreement with Defendant ULTIMATE FLOORS to provide labor, materials and equipment necessary to complete a partial renovation and remodel of the Subject Property. (“the PROJECT”).

3. Whereas, PLAINTIFF alleges that Defendant ROMERO is the principal of ULTIMATE FLOORS;

4. Whereas, PLAINTIFF alleges that Defendant ULTIMATE ELECTRICAL also provided labor, materials and equipment as part of the PROJECT.

5. Whereas, PLAINTIFF alleges that Defendant BAIC provided a license bond to Defendant ULTIMATE FLOORS.

6. Whereas, PLAINTIFF alleges certain construct defects related to the work performed as part of the PROJECT, including the work allegedly performed by ULTIMATE FLOORS and ULTIMATE ELECTRICAL.

7. Whereas, on or about August 17, 2024, PLAINTIFF filed a Complaint, entitled *9000 Arlington Avenue, LLC v. Ultimate Floors & Remodel, LLC; Karina Castillo Romero; City Plumbing & Rooter; Andy Bernabe Torres, doing business as Ultimate Electrical; Business Alliance Insurance Company; and Does 1 through 50, inclusive*, designated as case number 24STCV20902, on file with the Los Angeles County Superior Court, State of California.

8. Whereas, on or about October 21, 2024, ULTIMATE ELECTRICAL filed a cross-complaint against PLAINTIFF and Roes 1-20, inclusive, alleging Breach of Contract and Common Counts for Goods and Services Rendered, whereby it seeks to recover \$65,000 in damages from PLAINTIFF for unpaid work on the PROJECT.

9. Whereas, on or about March 20, 2025, BAIC filed a cross-complaint against ULTIMATE FLOORS; KARINA ROMERO; and Roes 1-25, alleging Indemnity; Reimbursement (Declaratory Relief); and Breach of Contract.

10. PLAINTIFF’s Complaint, ULTIMATE ELECTRICAL’S Cross-Complaint and BAIC’s Cross-Complaint shall be collectively referred to throughout AGREEMENT as “The ACTION.”

11. Whereas, Defendant and Cross-Defendant Karina Romero was dismissed from the ACTION by the Court pursuant to a bankruptcy filing;

12. Whereas, on or about PLAINTIFF has submitted complaints against ULTIMATE FLOORS, ROMERO, and ULTIMATE ELECTRICAL to the Contractors State License Board, (“the CSLB COMPLAINTS”).

13. Whereas, PLAINTIFF has filed an Adversary Proceeding to Defendant ROMERO's bankruptcy in the United States Bankruptcy Court, Central District of California - Riverside Division, Adv. No.: 6:25-ap-01079-RB ("ADVERSARY PROCEEDING")

14. Whereas, on October 23, 2025, the PARTIES attended a Mandatory Settlement Conference in Department 69 of the Los Angeles Superior Court, at which time the parties agreed to resolve this matter pursuant to the Stipulation Re: Settlement attached hereto as Exhibit "A," the terms of which are incorporated into the AGREEMENT.

15. Whereas, the PARTIES deny all liability and all allegations of wrongdoing directed at them in the ACTION, the CSLB COMPLAINTS, and the ADVERSARY PROCEEDING and otherwise, and this AGREEMENT is not and shall not in any way be construed or deemed to be evidence or an admission or a concession of any fault, liability, fact or amount of damages, or any other matter whatsoever, and the PARTIES are entering into this AGREEMENT solely to avoid the further substantial expense and inconvenience of continued litigation.

16. Whereas, the PARTIES have determined that this AGREEMENT is in their respective best interests, and are, therefore, willing to enter into this AGREEMENT freely and voluntarily, and without duress or coercion of any kind.

17. Whereas, the PARTIES, without in anyway conceding fault or the validity or sufficiency of any claim or contention of any or all of the PARTIES, now desire to fully compromise, finally settle, and fully release all claims, disputes, and differences related to the Subject Property, the PROJECT, the ACTION, the CSLB COMPLAINTS, the ADVERSARY PROCEEDING, and any other contract, known or unknown, controlling the rights and duties owed which arise out of, originate from, or relate to the Subject Property, the PROJECT, the ACTION, the CSLB COMPLAINTS, the ADVERSARY PROCEEDING and/or any other transactions referenced in the Recitals.

18. Whereas, this AGREEMENT reflects a compromise and settlement of the PARTIES' respective claims without concession of fault on the part of any Party or concession by any Party of the validity of any of the settled claims, no Party shall be deemed to have prevailed in regard to those claims or to have been a prevailing Party.

NOW, THEREFORE, in consideration of the covenants, agreements, representations and warranties contained in this AGREEMENT, and other valuable consideration, the PARTIES hereto agree as follows:

III. AGREEMENT

The PARTIES incorporate by reference the recitals contained in Section II, as if fully set forth herein.

NOW, THEREFORE, IN CONSIDERATION OF THE PROMISES CONTAINED HEREIN, IT IS AGREED AS FOLLOWS:

1. Settlement Terms

In consideration of the mutual promises, agreements, and understandings contained herein, the following settlement payments are to be made:

- a. ULTIMATE FLOORS, by and through its insurance carrier, shall pay to PLAINTIFF the sum of \$350,000;
- b. BAIC shall pay to PLAINTIFF the sum of \$5,000;

In addition to the above payments, and in consideration of the mutual promises, agreements, and understandings contained herein, Defendant ULTIMATE ELECTRICAL shall release all claims for payment owed for labor, materials and equipment provided as part of the PROJECT.

The settlement contributions set forth above are several (not joint and several) obligations. Each payment is made solely by the entity indicated. As such, no entity shall be responsible in any way for the settlement contribution of any other entity.

The above payments to PLAINTIFF, shall be paid by check or draft made payable to "Cole Moscatel" (Taxpayer ID No. 626-98-6892), and mailed to PLAINTIFF at 23476 Palm Drive, Calabasas, CA 91302.

All payments shall be made no later than thirty (30) days after receipt of payment instructions and a W-9 from PLAINTIFF.

2. Dismissal with Prejudice: Within ten (10) calendar days of PLAINTIFF's receipt of the settlement payments, PLAINTIFF shall take the following actions

- a. PLAINTIFF shall dismiss its Complaint in the ACTION against DEFENDANTS, with prejudice;
- b. PLAINTIFF shall dismiss the ADVERSARY PROCEEDING, with prejudice;
- c. PLAINTIFF shall submit a written correspondence, in the form attached hereto as "Exhibit B" to this Settlement Agreement, to the Contractors' State License Board ("CSLB") advising such office that all claims made by PLAINTIFF against DEFENDANTS have been settled as between the Parties and such settlement is a compromise and shall not be construed as an admission of liability. PLAINTIFF will also deliver a letter in the same form and content to the California Attorney General's Office regarding its Accusation filed against Defendant Ultimate Floors, Case No. N2024-204.

Within ten (10) calendar days of DEFENDANTS' receipt of the conformed dismissal of PLAINTIFF's Complaint, ULTIMATE FLOORS shall dismiss its respective Cross-Complaint in The ACTION, with prejudice.

Pursuant to the terms outlined in Exhibit "A," BAIC's Cross-Complaint against ULTIMATE FLOORS will not be dismissed, and the court retains jurisdiction over that matter.

Release by the Parties: With the exception of any obligations created pursuant to this AGREEMENT, the PARTIES agree to the following releases:

a) In consideration for the full and timely performance of all terms and conditions of this Agreement by each other Party, in the manner prescribed herein, the PARTIES on their own behalf and behalf of their respective predecessors, successor entities, subsidiaries, principals, owners, officers, directors, servants, agents, employees, assigns, independent contractors, affiliates, attorneys, insurers, executors, administrators, heirs, successors, successors-in-interest, partners, representatives, lenders, creditors, mortgagors, sureties, related entities, and any other person or entity acting or purporting to act on its behalf, hereby release and forever discharge each other Party and their respective predecessors, successor entities, subsidiaries, principals, owners, officers, directors, servants, agents, employees, assigns, independent contractors, affiliates, attorneys, insurers, executors, administrators, heirs, successors, successors-in-interest, partners, representatives, lenders, creditors, mortgagors, sureties, related entities, and any other person or entity acting or purporting to act on its behalf from any and all claims, damages, causes of action whether in contract, tort, or equity, arising out of or resulting in any way from The ACTION, the CSLB COMPLAINTS, the ADVERSARY PROCEEDING, and/or the PROJECT and/or any other claims related to the Subject Property, and for any and all damages, costs, losses, expenses and compensation, of every kind and nature, whether of a general or specific nature, arising from allegations in The ACTION, the CSLB COMPLAINTS, the ADVERSARY PROCEEDING, the PROJECT and/or any other claims related to the Subject Property.

b) The above releases shall be collectively referred to as the “Released Matters.”

c) The Released Matters outlined above are not intended to and do not include any claims that PLAINTIFF may have against Defendant City Plumbing & Rooter, who is not a party to this AGREEMENT.

d) The Released Matters outlined above are not intended to and do not include the claims made in BAIC’s Cross-Complaint against ULTIMATE FLOORS.

e) It is the intention of the PARTIES hereto in executing this AGREEMENT that it shall be effective as a full and final accord, satisfaction, and release of all of the aforementioned Released Matters. Each party acknowledges that it is aware that it might hereafter discover facts in addition to or different from that which it now knows or believes to be true with respect to the subject matter of this AGREEMENT, but that it is its intention hereby, fully, finally and forever to settle and release each other from any and all disputes and differences, known and unknown, suspected and unsuspected, which do now exist, may exist, or heretofore have existed between the PARTIES with respect to the Released Matters, and that in furtherance of such intention, the releases herein given shall be and remain in effect as full and complete general releases with respect to the Released Matters, notwithstanding the discovery or existence of any such additional or different facts.

f) Except as otherwise provided by this Agreement, PLAINTIFF hereby expressly acknowledges that any and all claims or suits for damages and/or liens, including, but not necessarily limited to, those claimed by any past, present or future, tenants, medical providers, attorneys, any governmental entities, health insurance carriers, and/or any other parties, for professional services, treatment, or any other benefits rendered, as either a direct or indirect function of the events at issue in the PROJECT, the ACTION, the CSLB COMPLAINTS, the ADVERSARY PROCEEDING, is the responsibility of PLAINTIFF to satisfy and further agree to hold harmless, defend and indemnify DEFENDANTS and their attorneys and insurance carrier(s), including Next Insurance Company, as to such claims, suits, or liens.

g) The PARTIES agree that, in the event of a breach of the representations and warranties made by PLAINTIFF in this Agreement, DEFENDANTS shall be entitled to set off any remaining payments due under the terms of this AGREEMENT, as well as to the full extent of any damages and other relief available at law and equity.

3. **Waiver of Civil Code Section 1542.** With the exception of any obligations created pursuant to this AGREEMENT, and the reserved claims outlined above, the PARTIES intend this AGREEMENT to extend to all claims, known or unknown, relating to the subject matter hereof. The PARTIES, and each of them, after consultation with their respective counsel, waive all of their rights pursuant to the provisions of Section 1542 of the Civil Code of the State of California, which 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.

4. **Waiver of Fees and Costs-Through Date of Execution.** The PARTIES acknowledge and agree that each of them is to bear its own costs, expenses and attorney's fees arising out of or in connection with the ACTION, the ADVERSARY PROCEEDING, the negotiation, drafting and execution of this AGREEMENT, and all matters precedent arising out of or connected therewith.

5. **Attorneys' Fees and Costs After Execution.** If any legal action is brought to enforce the terms of this AGREEMENT, the prevailing party shall be entitled to recover its reasonable attorneys' fees and costs incurred in that action or proceeding in addition to all other relief to which the party or those parties may be entitled.

6. **No Other Actions Commenced by the Agreeing Parties.** All Parties warrant and represent that they have not heretofore assigned, transferred, hypothecated, pledged, mortgaged or set over in any manner whatsoever, in whole or in part, to any person or entity, any Claim or other matter released herein.

7. **Authority.** The PARTIES represent, warrant, and covenant that they are the sole and absolute owners of each claim covered by this AGREEMENT, and that the individuals signing on behalf of any entity have the requisite corporate and/or legal power and authority to bind that entity. The PARTIES further represent and warrant that they have not assigned, transferred, hypothecated, encumbered, lien, or given a security interest in any claim arising out of or in connection with this AGREEMENT or the Released Matters.

8. **Successors and Assigns.** This AGREEMENT shall be binding upon each of the PARTIES hereto and their past and current respective officers, directors, managers, employees, agents, administrators, partners, successors, assigns, beneficiaries, heirs, executors, trustees, attorneys, consultants, reinsurers, third-party administrators, and any committee or arrangement or creditors organized with respect to the affairs of such party.

9. **Non-Assignment.** Each party hereto represents that it has not assigned, transferred, or purported to assign or transfer to any person, firm, partnership, or association, any of the Released Matters released by that party herein. Each party hereto agrees to indemnify and hold harmless each other party against any claim, demand, liability, costs, expenses, rights of Action or causes of Action based on, arising out of, or in connection with any such transfer or assignment or purported transfer or assignment.

10. **Governing Law.** This AGREEMENT shall be interpreted in accordance with and governed in all respects by the laws of the State of California.

11. **Confidentiality.** The PARTIES expressly incorporate the protections of applicable state law, including but not limited to California Evidence Code §1152. The PARTIES expressly acknowledge, understand, and agree that the PARTIES will not disclose to any third party the terms or substance of this AGREEMENT.

The PARTIES hereby understand that nothing contained herein shall preclude any Party from acknowledging that “the matter has been resolved and the resolution is confidential.” Notwithstanding the foregoing, the PARTIES may disclose the terms, contents, substance of, and copy of this AGREEMENT if: (a) asserting a claim or defense arising in an Action to enforce this AGREEMENT; (b) ordered to do so by a court of competent jurisdiction or in connection with an arbitration; (c) disclosure is required to accountants, federal and state taxing authorities, pursuant to federal securities laws, and as otherwise required by law; (d) served with a subpoena or other requests for discovery or testimony in a legal proceeding; (e) disclosure is requested by government authorities; or (f) to any prospective purchasers or future owners of the Property, to the extent required by law.

12. **Non-Disparagement.** The PARTIES agree not to make any statements, written or verbal, that disparage or criticize any other Party as it relates to The ACTION or the PROJECT.

13. **Severability.** If any provision, or any part thereof, of this AGREEMENT shall for any reason be held to be invalid, unenforceable, or contrary to public policy or any law, the remainder of this AGREEMENT shall not be affected thereby.

14. **Entire Agreement** This AGREEMENT contains the entire understanding of the PARTIES with regard to the matters herein set forth. There are no representations, warranties, agreements, arrangements, undertakings, oral or written, between the PARTIES hereto relating to the subject matter of this AGREEMENT which are not fully expressed herein. This is a fully-integrated agreement.

15. **No Modification.** This AGREEMENT may not be modified except by an agreement in writing duly executed by the PARTIES hereto.

16. **No Waiver.** No breach of any provisions in this AGREEMENT can be waived unless done so in writing and signed by the PARTIES. Waiver of any one provision of this AGREEMENT shall not be deemed to be a waiver of any other provision, nor shall a waiver of a specific provision on any particular occasion be deemed a permanent waiver of that provision.

17. **Numbering and Gender.** Headings are used herein for convenience only and shall have no force or effect in the interpretation or construction of this AGREEMENT. As used in this AGREEMENT, the singular shall include the plural, and the masculine shall include the feminine and neutral gender.

18. **Counterpart Execution.** This AGREEMENT may be executed in counterparts, all of which when taken together shall constitute one and the same instrument. Copies of the signed signature page from this AGREEMENT transmitted by or for a Party by facsimile or by PDF file to affect delivery shall have the same legal status and effect as an original.

19. **Advice of Counsel.** The PARTIES to this AGREEMENT have been advised or have had the opportunity to be advised by their legal counsel with respect to the terms of this AGREEMENT and understand and acknowledge the significance and consequences of it. Because the PARTIES, and each of them, have each reviewed the terms of this AGREEMENT and have had the opportunity to be advised by legal counsel, the usual rule that the provisions of a document are to be construed against the drafter does not apply to the interpretation of the provisions of this AGREEMENT.

20. **Warranty of Signatories.** The undersigned hereby represent and covenant that they are authorized to execute this AGREEMENT on behalf of the party indicated. The PARTIES, and each of them, represent and warrant that as of the date of the execution of the AGREEMENT, they have the sole right and authority to execute this AGREEMENT on their behalf with regard to the subject matter of this AGREEMENT, and that they have not sold, assigned, transferred, conveyed or otherwise disposed of any said claims or causes of Action referred to herein.

21. **Enforcement.** This AGREEMENT is admissible as evidence and subject to disclosure in enforcement proceedings, contains all material terms of the settlement, and may be enforced pursuant to California Code of Civil Procedure section 664.6 in a court of competent jurisdiction. The PARTIES further agree that they will take all further Actions to ensure that the Los Angeles County Superior Court retains jurisdiction, including, but not limited to, filing a Stipulation and Order for the Court to retain jurisdiction. The Court will retain jurisdiction of this case until the PARTIES have fully performed all obligations set forth herein in order to enforce this AGREEMENT. Nothing in this AGREEMENT shall be interpreted as a release of the PARTIES' respective rights to enforce the terms of this AGREEMENT.

IN WITNESS HEREOF, the undersigned on behalf of the PARTIES have executed this AGREEMENT as of the dates indicated below.

DATED: _____ **9000 ARLINGTON AVENUE, LLC**

Signature: _____

Name: _____

Its: _____

DATED: _____ **ULTIMATE FLOORS & REMODEL, LLC**

Signature: _____

Name: _____

Its: _____

DATED: _____ **KARINA ROMERO**

Signature: _____

DATED: _____ **ANDY BERNABE TORRES, individually and doing business
as ULTIMATE ELECTRICAL**

Signature: _____

DATED: _____ **BUSINESS ALLIANCE INSURANCE COMPANY**

Signature: _____

Name: _____

Its: _____

EXHIBIT A

NAME, ADDRESS, AND TELEPHONE NUMBER OF ATTORNEY OR PARTY WITHOUT ATTORNEY:

STATE BAR NUMBER

Reserved for Clerk's File Stamp

ATTORNEY FOR (Name):

SUPERIOR COURT OF CALIFORNIA, COUNTY OF LOS ANGELES

COURTHOUSE ADDRESS:

Los Angeles (Mosk) 111 N. Hill St., Rm. 113, Los Angeles, CA 90012

PLAINTIFF:

DEFENDANT:

9800 BRUNTON LLC

ULTIMATE FLOORS & REMODELING

CASE NUMBER:

24STCV0025

STIPULATION RE SETTLEMENT

IT IS HEREBY STIPULATED, BY AND BETWEEN THE PARTIES, THAT this matter is deemed settled pursuant to the following terms and conditions:

1.

SEE ATTACHMENT

Short Title

9000 ARLINGTON V. ULTIMATE FLOORS

Case Number

745CV20902

2. The P agrees to accept said sum as payment in full of all (his/her/their) claims, known or unknown, arising from the events described in the complaint AND CROSS-COMPLAINTS with the knowledge that (he/she/they) will be barred from proceeding against DS in the future regardless of what might happen.
3. Each party will bear its own court costs and attorney fees WITH THE EXCEPTION OF BASIC CLAIMS.
4. Parties shall execute mutual releases of all claims INCLUDING DISMISSED DEFENDANT ROMERO
5. The parties agree that they have reached a full and final settlement of all claims arising from the events described in the complaint AND CROSS-COMPLAINTS. This agreement is binding and it contains the material terms of the agreement between the parties. Pursuant to Evidence Code section 1123, the parties acknowledge that this agreement is exempt from the confidentiality provisions of Evidence Code section 1152 et seq., and is admissible in evidence to enforce the settlement.
6. The parties agree the Court may dismiss the case without prejudice. The Court is requested to retain jurisdiction and this settlement may be enforced pursuant to California Code of Civil Procedure section 664.6.

☒ Additional pages attached (number) 1

Dated: 10/23/25

9000 ARLINGTON AVE LLC
(TYPE OR PRINT NAME)

LEAH SCHWEN
(TYPE OR PRINT NAME)

MARINA ROMERO (FOR
(TYPE OR PRINT NAME)

ULTIMATE FLOORS)
(TYPE OR PRINT NAME)

KENNETH TAYLOR
(TYPE OR PRINT NAME)

BERNABE TORRES
(TYPE OR PRINT NAME)

JEFFREY BENICE
(TYPE OR PRINT NAME)

ALLIANCE INS CO.
(TYPE OR PRINT NAME)

DAVID DORENFELD
(TYPE OR PRINT NAME)

(by) [Signature]
(SIGNATURE OF PLAINTIFF)

[Signature]
(SIGNATURE OF ATTORNEY FOR PLAINTIFF)

[Signature]
(SIGNATURE OF DEFENDANT)

[Signature]
(SIGNATURE OF ATTORNEY FOR DEFENDANT)

[Signature]
(SIGNATURE OF)

[Signature]
(SIGNATURE OF ATTORNEY FOR

[Signature]
(SIGNATURE OF

[Signature]
(SIGNATURE OF ATTORNEY FOR

STIPULATION RE SETTLEMENT

9000 ARLINGTON AVE LLC V. ULTIMATE FLOORS & REMODEL, LLC, et al.
24STCV20902
October 23, 2025

MATERIAL SETTLEMENT TERMS

These terms are in addition to the settlement terms set forth in the Stipulation Re Settlement dated October 23, 2025.

The parties agree as follows:

1. Ultimate Floors & Remodel, LLC, by and through its insurance carrier, will pay plaintiff \$350,000 within 30 days of payment instructions and a W-9.
2. Business Alliance Insurance Company will pay plaintiff \$5,000 within 30 days of receipt of payment instructions and a W-9.
3. Upon receipt of the above amounts, plaintiff will dismiss the complaint with prejudice.
4. Plaintiff dismisses its complaint against Bernabe Torres dba Ultimate Electrical with prejudice.
5. Bernabe Torres dba Ultimate Electrical dismisses its cross-complaint against plaintiff with prejudice.
6. The Court may sever the cross-complaint of Business Alliance Insurance Company and set a Status Conference re further proceedings on January 22, 2026 at 8:30.
7. Plaintiff agrees to dismiss its adversarial action in the United States Bankruptcy Court, *i.e.*, 9000 Arlington Ave LLC v. Karina Castillo Romero, Case No. 6:25-ap-01079-RB.
8. Plaintiff agrees to advise the CSLB that its claims against Ultimate Floor & Remodeling and Bernabe Torres dba Ultimate Electrical have been resolved in the Los Angeles Superior Court.
9. The parties waive the provisions of Civil Code 1542.
10. An OSC re default judgment against City Plumbing is set for January 22, 2026 at 8:30 a.m. Plaintiff's CCP 585 package shall be filed by January 8, 2026.

EXHIBIT B

EXHIBIT B

[XXXXXXXXXXXXXXXXX- DEFENDANTS LETTER]

XXXXXXXXX, 202X

By Regular U.S. Mail and Electronic Mail

Contractors State License Board

Citation Enforcement Section

12501 East Imperial Hwy, Suite 600

Norwalk, CA 90650

NOTICE OF CIVIL SETTLEMENT

Re: XXXX v. XXXX, Case Number: XXXXXX

Attention:

This notice relates to the civil matter of XXXXXXXX *et al.*, Los Angeles Superior Court Case Number XXXXXX (“Action”), and particularly the dispute therein over work at XXXXXXXXXXXXXXXXXXXX (the “Subject Property”) as alleged therein by and between XXXXXXXXXXXXXXXXXXXX, who are collectively referenced here as the “Parties.” Please be advised that this Civil Settlement is limited to only the Parties listed above and therefore is not inclusive of all participants to the Action.

Please be advised that all claims made by the Parties have been settled. Such settlement is a compromise and shall not be construed as an admission of liability by XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX.

DATED: _____, 202X

XXXXXXXXXX