



July 5th, 2019

Carmella Luciano
111 Tim Thomas Dr., #3
San Francisco, CA 94108
Sent via email to carmella.luciano@carmella.com

RE: Departing Employee

Dear Ms. Luciano,

In light of our recent conversations surrounding your employment at August West, Inc. (the “*Company*”), August 1st, 2019 will be your last day of employment with the Company. Accordingly, we are writing to you in order to both describe and explain the Company’s severance package (the “*Package*”), the Company’s enhanced severance Package (the “*Enhanced Package*”), and the terms and conditions surrounding each of the foregoing (the “*Agreement*”).

As outlined in your original employment agreement with the Company, dated May 1st, 2010, your Package shall consist of the following:

1. A lump-sum payment, representing one and one-half (1.5) times your normal salary in 2018, on September 1st, 2019, and
2. Continuation of your health insurance, through the Company, up and until September 1, 2020.

Below you will find additional terms and conditions which, if you so choose to accept, will provide you with additional benefits and/or compensation under the Enhanced Program. Conversely, if you do not choose to accept the terms and conditions outlined below, then the compensation and/or benefits outlined above shall be your **only** form of severance that you will receive from the Company.

If you agree to completely, without limitation, reservation, or modification, accept the terms and conditions set forth below, in place of the Package, then you shall receive the following Enhanced Package:

1. **LUMP-SUM PAYMENT; SALARY CONTINUATION.** On September 1st, 2019 you shall receive payment in the amount of a one (1) time, lump-sum payment equal to one and one-half (1.5) times your salary in 2018; furthermore, beginning November 1st, 2019, you shall receive your regular base salary, on the Company’s normal payroll cycle, for a period of nine (9) months (accordingly, your final payment under the Company’s

normal payroll cycles shall be July 1st, 2020 and, for clarity sake, under no circumstances shall this salary continuation period extend beyond the ninth (9th) month as outlined above.

2. **BENEFITS.** During the “salary continuation period,” outlined above, you shall be permitted to continue your participation in the Company’s group health benefits at the regular employee premium rate based on your benefit elections in force on the date of this letter. As a non-active employee effective August 1st, 2019, you are not eligible to participate in any other benefit programs available to the Company’s employees, including but not limited to the 401(k) Plan, the Employee Stock Purchase Plan and paid time off.

3. **VACATION; 401(k) BENEFITS.** You shall be entitled to the receipt of vacation pay, as accrued per the Company’s current vacation policy, less any days you have already taken over the course of 2019. With respect to your individual 401(k) Plan, if your vested account balance exceeds twenty-five thousand dollars (\$25,000.00) then you shall be permitted to leave your account assets in the Company’s 401(k) Plan provided that, and for as long as, your assets remain in excess of \$25,000.00. Please note that, however, if your vested account balance does in fact fall below the aforementioned \$25,000.00 threshold, then you shall be required to roll your money out of the Company’s 401(k) plan within forty-five (45) days of the foregoing threshold not having been met any longer.

First, in exchange for the Company’s provision, to you, of the Enhanced Package, you shall agree, as indicated by your signature below, to release the Company, its stockholders, subsidiaries, affiliated companies, and all successors, assigns, predecessors, and their agents, officers, attorneys, directors, employees, and representatives, from any and all claims or lawsuits including, for example, any and all claims for unpaid compensation, claims arising under state or federal equal employment laws, the Age Discrimination in Employment Act, the Americans With Disabilities Act, wrongful discharge claims, tort claims and contract claims arising from or attributable to the Company’s employment of you, your departure, or any other matter or event occurring prior to the date of your August 1, 2019 departure. BY AGREEING TO THIS RELEASE IN EXCHANGE FOR THE ENHANCED PACKAGE, YOU DO NOT WAIVE ANY RIGHTS YOU MAY HAVE TO PURSUE UNEMPLOYMENT BENEFITS.

By agreeing to this release in exchange for the Enhanced Package, you explicitly do, however, waive any and all rights under California Civil Code § 1542, or any analogous state or federal law, which in fact extends, therefore, to any and all claims of every nature, known or unknown, suspected or unsuspected, that you may have against the Company as of the date of this Agreement, and that by signing this Agreement you will be precluded from filing a claim or lawsuit against the Company for these reasons. Please note that § 1542 of the California Civil Code reads as follows:

“Certain claims not affected by general release. A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release which if known to him must have materially affected his settlement with the debtor.”

Second, in exchange for the Company’s provision to you of the Enhanced Package, you further agree that you shall not, for a period of twelve (12) months beginning August 1st, 2019, either as a

paid or unpaid employee, consultant, advisor, contractor, or in any other capacity, direct or indirect: carry on, be associated with, be engaged or interested in, or provide help or assistance of any kind to the following competitors and their affiliates: GSM Productions, Co., Aloe Suntie, Inc., Venus CRM, LLC, and/or Sun Dial Sun, Inc.

In addition to the aforementioned items, you and the Company further agree to comply with the Company's policy regarding confidentiality and proprietary information. You hereby agree that you will not, at any time whatsoever or under any circumstances, unless you have previously receive express written consent from the Company with respect to such disclosure, disclose directly or indirectly, to any person or entity, or use for your own direct or indirect benefit, any proprietary information or other confidential information of the Company known, learned, or acquired by you during the period of employment with the Company.

You further agree that it would be difficult to measure the damage to the Company from any breach of any of the obligations set forth in this Agreement; you agree that injury to the Company from any such breach would be impossible to calculate and that, accordingly, money or monetary damages would be an inadequate remedy for any such breach. Therefore, you acknowledge through acceptance of this letter and Agreement that the Company shall be entitled to injunctive, and any and all other equitable relief, in the event of such breach (in addition to any other rights or remedies which the Company may possess).

Please note that by the Company, by providing you this letter well before your August 1st, 2019 departure date, explicitly advises you to consult with a competent attorney before executing this Agreement and entering into a release and/or other terms and conditions. You should discuss all aspects of this Agreement with competent counsel and you should carefully read and understand all of the provisions of this Agreement prior to executing it.

This letter is hereby provided to you on July 5th, 2019. You will have until July 28th, 2019 to execute this Agreement, and return an executed copy to the Company, and ten (10) days after execution to revoke your consent and execution in writing. This Agreement, accordingly, shall not and will not become either effective or enforceable until the expiration of the 10-day revocation period. If you so choose to sign and execute the Agreement, and agree to the terms and conditions herein, please do so, where indicated below, and return an executed copy to admin@bjkanglaw.com (counsel to the Company) by, at the absolute latest, 5:00PM EST on July 28th, 2019.

Best Regards,

John Cinder
CEO of August West, Inc.

[ACKNOWLEDGMENT AND ACCEPTANCE TO FOLLOW]

ACKNOWLEDGMENT AND ACCEPTANCE OF THE AGREEMENT

Let it be known that I, Carmella Luciano, have read the above Agreement, dated the 5th of July 2019, and have decided to accept the Enhanced Package outlined, in detail, in such Agreement. I hereby acknowledge that I understand, entirely, that in exchange for the receipt of the Enhanced Package, I will be bound by the release in the Agreement, as well as all other terms and conditions therein, and that, accordingly, I shall waive and relinquish any rights I may have otherwise had to bring any legal action(s) against the Company, August West, Inc., as well as the Company's stockholders, subsidiaries, affiliated companies, and all successors, assigns, predecessors, and their agents, officers, attorneys, directors, employees and representatives.

CARMELLA LUCIANO

/s/ _____

Name (printed): Carmella Luciano

Date: _____, 2019

Email: carmella.luciano@carmella.com