



LIC-4006-MOD

DCR Record No. _____

Instructions: This form is for Applicants who wish to substitute the Applicant business entity on a previously submitted Application with a different business entity. The existing Applicant business entity will be removed from the Application and/or License. The new business entity will become the Applicant and/or Licensee, if a License is issued. This form contains the following sections: (A) Applicant entity substitution information; (B) attestation form; and (C) indemnification agreement. You must submit an Ownership and Financial Interest Holder Form ([LIC-4008-FORM](#)) for the new Applicant business entity, including the required ownership structure chart(s). DCR may request other updated forms and further disclosures before the modification can be made.

Important: The removal and/or substitution of the Applicant business entity may have legal or business consequences depending on your prior business arrangements and individual circumstances. It is highly recommended that you seek legal advice prior to the submission of this form.

A. APPLICANT ENTITY SUBSTITUTION INFORMATION

Please provide information for the existing and new Applicant business entity. Any new Owners must also create a user profile in the DCR online portal (Accela) before they can be added to the Application or License record.

Existing Applicant

Applicant Name: _____ ☐ Individual ☐ Entity
Business Entity Structure: _____ Accela Contact Reference ID No. _____
CA Entity No (if applicable): _____ FEIN No. _____

New Applicant

Applicant Name: _____ ☐ Individual ☐ Entity
Business Entity Structure: _____ Accela Contact Reference ID No. _____
CA Entity No (if applicable): _____ FEIN No. _____

B. ATTESTATION

By signing below I declare under penalty of perjury that I am authorized to make the requested changes to the Application or License on behalf of both the original and new Applicant/Licensee entities. I affirmatively represent to the City of Los Angeles and DCR that this modification to the Application or License is not made in breach of any agreement involving either the existing or new entity or any other related party. I understand that DCR's processing of this modification is based on these affirmative representations and this attestation, and any dispute, legal or otherwise, arising between the existing and new entities, or any other party, past, present, or future, concerning this modification does not involve the City or DCR. In processing this modification, the City and DCR do

not validate any party's claims with regard to any disputes, legal or otherwise, arising between the existing and new entities, or any other party, past, present, or future. Additionally, I declare under penalty of perjury that the statements contained in this form and any attachments or supporting documents are complete and true to the best of my knowledge. I understand that submission of false or misleading information, or the failure to disclose a material fact, may result in denial of my License Application, administrative action or penalties, and/or revocation of authorization to conduct commercial cannabis activities.

I am: Owner Social Equity Individual Applicant Authorized Agent

Name / Title	Signature	Date
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Signature instructions: This section requires notarized signatures from the Authorized Agent designated on the Authorized Agent Acknowledgement (LIC-4009-FORM) and, if applicable, the Social Equity Individual Applicant(s). If an Authorized Agent has not been designated, notarized signatures are required from a sufficient number of Level 1 Owners to constitute a majority (51%) of the ownership of the Applicant or Licensee. "Level 1 Owners" are the natural persons or entities that own the Applicant or Licensee entity directly without any intervening entities or persons. If a Level 1 Owner is an entity, the CEO or President, or equivalent executive position, may sign on behalf of the entity. If this is a Social Equity Application, the Social Equity Individual Applicant(s) must also sign this form; his or her interest will count towards the total 51%.

C. INDEMNIFICATION AGREEMENT

I, _____, (Applicant name) shall defend, indemnify and hold harmless the City and any of its boards, officers, agents, employees, assigns, and successors in interest from and against all lawsuits and causes of action, claims, losses, demands, and expenses, including, but not limited to, City fees (both in house and outside counsel) and cost of litigation (including all actual litigation costs incurred by City, including, but not limited to, court costs, attorney fees, and costs of experts and consultants), and payment of any judgments, awards, or settlement obligations (including an award of attorney's fees), for damages or liability of any nature whatsoever arising from or relating to the substitution of the existing original Applicant business entity, _____ (existing entity name) with the Applicant business entity _____ (new entity name) on the License/Application identified above, including, but not limited to, any action to challenge, void, or revoke the substitution of the Applicant entities, ownership structure change and/or removal of the original Applicant entity, and any other claims relating to the processing of the License/Application identified above.

The undersigned Applicant shall deposit with the City funds to pay for litigation costs within 10 days' notice of the City tendering defense to the Applicant. The initial and subsequent deposits shall be in an amount set by the City Attorney's Office based on the nature and scope of action. The City's failure to notice or collect the deposit(s) does not relieve the Applicant from responsibility to reimburse the City. The City shall have the sole right to choose its counsel, including the City Attorney's Office or outside counsel.

In the event the undersigned Applicant fails to comply with this agreement, in whole or in part, the City may withdraw its defense of the action, revoke or modify its approval of the Temporary Approval(s) and/or License(s), or take any other action within its sole discretion. The City retains the right to make all decisions with respect to its representations in any legal proceeding, including, but not limited to, its inherent right to abandon or settle litigation. The rights and remedies of the City provided in this agreement shall not be exclusive and are in addition to any other rights and remedies provided by law.

The undersigned below declares that he or she has read this agreement and understands and knows the contents thereof, and represents and warrants that the person executing this agreement has the full right, power, legal capacity, and authority to do so, perform the obligations hereunder, and bind the Applicant entity identified herein, and all of its successors, heirs, assigns, principals, members, agents, employees, consultants, representatives, attorneys, bonding companies, and insurers to the terms hereunder.

The undersigned below also declares that prior to the execution of this agreement, he or she has had the opportunity to consult with an attorney so that he or she may intelligently exercise his or her own judgment in deciding whether to execute this agreement on behalf of the Applicant entity. The undersigned below further agrees that this agreement shall not be construed against any City because that City or its representatives drafted the agreement or any portion of it.

This agreement shall in all respects be interpreted, enforced, and governed under the laws of the State of California, and the exclusive venue for any action arising out of or relating to the breach or

interpretation of this agreement or other documents delivered pursuant to any provision thereof shall be the Superior Court of the State of California for the County of Los Angeles.

This agreement constitutes the entire understanding between and among the Applicant entity and the City. Each party acknowledges that no party, agent, or representative of the other party has made any promise, representation, or warranty, express or implied, not expressly contained in this agreement that induced the other party to sign this document. Both parties also agree that this agreement shall not be amended or modified, except in a writing that is signed and dated by each of them.

The undersigned below further agrees that no waiver of a breach of any provision of this agreement by the City shall constitute a waiver of any preceding or succeeding breach of the same or of any other provision hereof.

I am: Owner Social Equity Individual Applicant Authorized Agent

Name / Title

Signature

Date

Signature instructions: This section requires notarized signatures from the Authorized Agent designated on the Authorized Agent Acknowledgement (LIC-4009-FORM) and, if applicable, the Social Equity Individual Applicant(s). If an Authorized Agent has not been designated, notarized signatures are required from a sufficient number of Level 1 Owners to constitute a majority (51%) of the ownership of the Applicant or Licensee. "Level 1 Owners" are the natural persons or entities that own the Applicant or Licensee entity directly without any intervening entities or persons. If a Level 1

Owner is an entity, the CEO or President, or equivalent executive position, may sign on behalf of the entity. If this is a Social Equity Application, the Social Equity Individual Applicant(s) must also sign this form; his or her interest will count towards the total 51%.

(Attach additional signatory pages if necessary)

NOTARY ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

On _____ before me, _____ (insert name and title of the officer) personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under penalty of perjury under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)