
In the
Court of Appeal
of the
State of California
FOURTH APPELLATE DISTRICT
DIVISION ONE

D075028

SALAM RAZUKI,
Plaintiff-Respondent,

v.

NINUS MALAN, SAN DIEGO UNITED HOLDINGS GROUP, LLC,
FLIP MANAGEMENT, LLC, BALBOA AVE COOPERATIVE,
CALIFORNIA CANNABIS GROUP, DEVILISH DELIGHTS, INC.,
CHRIS HAKIM, MIRA ESTE PROPERTIES, LLC and ROSELLE PROPERTIES, LLC,
Defendants-Appellants.

APPEAL FROM THE SUPERIOR COURT OF SAN DIEGO COUNTY
HONORABLE EDDIE C. STURGEON · CASE NO. 37-2018-000034229-CU-BC-CTL

APPELLANTS' APPENDIX
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Exhibit C
to cross-complaint

**OPERATING AGREEMENT
OF
RM PROPERTY HOLDINGS, LLC**

This Operating Agreement is made and entered into by and between those Persons whose names and signatures are set forth below (the "Members"), and being the Members of the above named Limited Liability Company organized under the Laws of the State of California (sometimes hereinafter referred to as the "Company" or the "Limited Liability Company"), who hereby represent and agree that they have or will cause to be filed, on behalf of the Company, Articles of Organization with the Secretary of State for the State of California, and that they desire to enter into this Operating Agreement in accordance with the California Revised Uniform Limited-Liability Company Act.

NOW, THEREFORE, in consideration of the premises, the provisions and the respective agreements hereinafter set forth and for other good and valuable consideration, the Members hereto do hereby agree to the following terms and conditions of this Operating Agreement for the administration and regulation of the affairs of this LIMITED LIABILITY COMPANY.

**ARTICLE 1
DEFINITIONS**

When used in this Agreement, the following terms shall have the meanings set forth below (all terms used in this Agreement that are not defined in this Article 1 shall have the meanings set forth elsewhere in this Agreement):

1.1 "Act" means the California Revised Uniform Limited-Liability Company Act, contained in Corp. Code, §§ 17701.01 et seq., as amended from time to time.

1.2 "Agreement" shall be deemed to mean the Operating Agreement of this Limited Liability Company as may be amended.

1.3 "Business Day" shall be deemed to mean any day excluding a Saturday, a Sunday and any other day on which banks are required or authorized to close in the State of formation.

1.4 "Economic Interest" shall mean an interest in the profits and losses of the Company and excluding the right to vote and participate in the management and business affairs of the Company provided in this Agreement or under the Act.

1.5 "Limited Liability Company" or "Company" shall be deemed to mean the Limited Liability Company named in the heading of this Agreement, a Limited Liability Company organized pursuant to the laws of the State of California.

1.6 "Majority Interest" means the interest of the Members holding greater than fifty percent (50%) of the total interests held by the Members.

1.7 “Management” shall be deemed to have the meaning set forth in Article 4 of this Agreement.

1.8 “Member” shall mean (1) a person who has a Membership Interest in the Limited Liability Company AND (2) has not resigned, withdrawn, or been expelled as a member or, if other than an individual, been dissolved.

1.9 “Membership Interest” shall mean, with respect to a Member, the percentage of ownership interest in the Company of such Member (may also be referred to as “Interest” or “Percentage Interest”). Each Member’s percentage of Membership Interest in the Company shall be based on his relative capital contributions to the Company and shall be evidenced by a Certificate of Membership Interest.

1.10 “Period of Duration” shall mean the period of time between the date the Company’s Articles of Organization were filed and the date on which the Company will dissolve in accordance with the provisions of this Agreement.

1.11 “Person” shall mean an individual, partnership, limited partnership, trust, estate, association, corporation, limited liability company, or other entity, whether domestic or foreign.

1.12 “Purpose” shall mean to acquire, invest, and manage real property and/or any other lawful business or investment activity as may be approved by the Members.

1.13 “Substituted Member” shall be deemed to have the meaning set forth in Section 6.3 of this Agreement.

ARTICLE 2

OFFICES AND RECORDS

2.1 Registered Office and Registered Agent. The Limited Liability Company shall have and maintain a registered office in the State of California and a resident agent for service of process, who may be a natural person of said state, or a domestic corporation, or a corporation authorized to transact business within said state and is permitted by said state to act as a registered agent/office within said state. The resident agent shall be appointed by the Management.

(a) The location of the registered office shall be determined by the Management.

(b) The current name of the resident agent and location of the registered office shall be kept on file in the appropriate office within the state of formation pursuant to applicable provisions of law.

2.2 Limited Liability Company Offices. The Limited Liability Company may have such offices anywhere within and without the State of California, where the Management from time to time may appoint, or the business of the Limited Liability company may require. The “principal place of business” or “principal business” or “executive” office or offices of the

Limited Liability Company may be fixed and so designated from time to time by the Management.

2.3 Records. The Limited Liability Company shall continuously maintain at its registered office, or at such other place as may be authorized pursuant to applicable provisions of law of the State of California the following records:

(a) A current list, in alphabetical order, of the full name and last known business address of each Member, Economic Interest holder and Manager;

(b) A copy of the filed Articles of Organization and all amendments thereto, together with executed copies of any powers of attorney pursuant to which any document has been executed;

(c) Copies of the Limited Liability Company's federal income tax returns and reports, if any, for the three (3) most recent years;

(d) Copies of any then effective written operating agreement and of any financial statements of the Limited Liability Company for the three (3) most recent years;

(e) Unless contained in the Articles of Organization, a writing setting out:

(1) The amount of cash and a description and statement of the agreed value of the other property or services contributed by each Member and which each Member has agreed to contribute;

(2) The items as to which, or events on the happening of which, any additional contributions agreed to be made by each Member are to be made.

(3) Any right of a Member to receive, or of a Manager to make, distributions to a Member which include a return of all or any part of the Member's contribution; and

(4) Any events upon the happening of which the Limited Liability Company is to be dissolved and its affairs wound up.

(f) The Limited Liability Company shall also keep from time to time such other or additional records, statements, lists, and information as may be required by law.

(g) If any of the above said records under Section 2.3 are not kept within the State of California, they shall be at all times in such condition as to permit them to be delivered to any authorized person within three (3) days.

2.4 Inspection of Records. Records kept pursuant to this Article are subject to inspection and copying at the reasonable request, and at the expense, of any Member in person or by attorney or other agent during the usual hours of business to inspect for any proper purpose. A

proper purpose shall mean a purpose reasonably related to such person's interest as a Member. In every instance where an attorney or other agent shall be the person who seeks the right of inspection, the demand under oath shall be accompanied by a power of attorney or such other writing which authorizes the attorney or other agent to so act on behalf of the Member.

ARTICLE 3

MEMBERS' MEETINGS AND COMMITTEES

3.1 Place of Meetings. All meetings of the Members shall be held at the principal business office of the Limited Liability Company in the State of California except such meetings as shall be held elsewhere by the express determination of the Management; in which case, such meetings may be held, upon notice thereof as hereinafter provided, at such other place or places, within or without the State of California, as said Management shall have determined, and shall be stated in such notice. Unless specifically prohibited by law, any meeting may be held at any place and time, and for any purpose, if consented to in writing by all of the Members entitled to vote thereat.

3.2 Annual Meetings. An annual meeting of Members shall be held each year on the Company's date of organization as indicated in section 1.10 above, if not a legal holiday, and if a legal holiday, then the annual meeting of Members shall be held at the same time and place on the next day thereafter which is a full Business Day.

3.3 Special Meetings. Special meetings of the Members may be held for any purpose or purposes. They may be called by the Manager or by Members holding not less than fifty-one percent of the voting power of the Limited Liability Company or such other maximum number as may be required by law. Written notice shall be given.

3.4 Action in Lieu of Meeting. Any action required to be taken at any annual or special meeting of the Members or any other action which may be taken at any annual or special meeting of the Members may be taken without a meeting if consents in writing setting forth the action so taken shall be signed by all of the Members entitled to vote with respect to the subject matter thereof.

3.5 Notice. Written notice of each meeting of the Members, whether annual or special, stating the place, day and hour of the meeting, and, in case of a special meeting, the purpose or purposes thereof, shall be given or given to each Member entitled to vote thereat, not less than five (5) nor more than thirty (30) days prior to the meeting unless, as to a particular matter, other or further notice is required by law, in which case such other or further notice shall be given.

(a) Notice upon the Member may be delivered or given either personally or by express or first class mail, or by telegram, facsimile, or other electronic transmission such as via email, with all charges prepaid, addressed to each Member at the address of such Member appearing on the books of the Limited Liability Company or more recently given by the Member to the Limited Liability Company for the purpose of notice.

(b) If no address for a Member appears on the Limited Liability Company's books, notice shall be deemed to have been properly given to such Member if sent by any of the methods authorized herein to the Limited Liability Company's principal executive office to the attention of such Member, or if published, at least once in a newspaper of general circulation in the county of the principal executive office of the Limited Liability Company.

(c) If notice addressed to a Member at the address of such Member appearing on the books of the Limited Liability Company is returned to the Limited Liability Company by the United States Postal Service marked to indicate that the United States Postal Service is unable to deliver the notice to the Member at such address, all future notices or reports shall be deemed to have been duly given without further mailing if the same shall be available to the Member upon written demand of the Member at the principal executive office of the Limited Liability Company for a period of one (1) year from the date of the giving of such notice. It shall be the duty and responsibility of each member to provide the Manager and/or the Limited Liability Company with an official mailing address.

(d) Notice shall be deemed to have been given at the time when delivered personally or deposited in the mail or sent by telegram or other means of electronic transmission. An affidavit of the mailing or other means of giving any notice of any Member meeting shall be executed by the Management and shall be filed and maintained in the minute book of the Limited Liability Company.

3.6 Waiver of Notice. Whenever any notice is required to be given under the provisions of this Agreement, or the Articles of Organization of the Limited Liability Company or any law, a waiver thereof in writing signed by the Member or Members entitled to such notice, whether before or after the time stated therein, shall be deemed the equivalent to the giving of such notice. To the extent provided by law, attendance at any meeting shall constitute a waiver of notice of such meeting except when the Member attends the meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened, and such Member so states such purpose at the opening of the meeting.

3.7 Presiding Officials. Every meeting of the Limited Liability Company for whatever reason, shall be convened by the Manager or Member who called the meeting by notice as above provided; provided, however, it shall be presided over by the Management; and provided, further, the Members at any meeting, by a majority vote of Members represented thereat, and notwithstanding anything to the contrary elsewhere in this Agreement, may select any persons of their choosing to act as the Chairman and Secretary of such meeting or any session thereof.

3.8 Business Which May Be Transacted at Annual Meetings. At each annual meeting of the Members, the Members may elect, with a vote representing a Majority Interest of the Members, a Manager or Managers to administer and regulate the affairs of the Limited Liability Company. The Manager(s) shall hold such office until the next annual meeting of Members, or, until the Manager, resigns or is removed by the Members pursuant to the terms of this Agreement, whichever event first occurs. The Members may transact such other business as may have been specified in the notice of the meeting as one of the purposes thereof.

3.9 Business Which May Be Transacted at Special Meetings. Business transacted at all special meetings shall be confined to the purposes stated in the notice of such meetings.

3.10 Quorum. At all meetings of the Members, a Majority Interest, in person or by proxy, shall constitute a quorum for the transaction of business, unless a greater number as to any particular matter is required by law, the Articles of Organization or this Agreement, and the act of a majority of the Members present at any meeting at which there is a quorum, except as may be otherwise specifically provided by law, by the Articles of Organization, or by this Agreement, shall be the act of the Members. Less than a quorum may adjourn a meeting successively until a quorum is present, and no notice of adjournment shall be required.

3.11 Proxies. At any meeting of the Members, every Member having the right to vote shall be entitled to vote in person, or by proxy executed in writing by such Member or by his duly authorized attorney-in-fact. No proxy shall be valid after three years from the date of its execution, unless otherwise provided in the proxy.

3.12 Voting. The Members of the Limited Liability Company shall vote in proportion to their interests as currently recorded in the books of the Company.

3.13 Advisory Committees. The Management may establish advisory committees to advise or make suggested recommendations on various aspects of the Limited Liability Company's business or operations. Each Committee shall keep regular minutes of its proceedings and the same shall be recorded in the minute book of the Limited Liability Company.

3.14 Meeting by Telephonic Conference or Similar Communications Equipment. Unless otherwise restricted by the Articles of Organization, this Agreement, or by law, the Members of the Limited Liability Company, or any committee thereof established by the Management, may participate in a meeting of such Members or committee by means of telephonic conference or similar communications equipment whereby all persons participating in the meeting can hear and speak to each other and participation in a meeting in such manner shall constitute presence in person at such meeting.

ARTICLE 4 **MANAGEMENT**

4.1 Management. Unless prohibited by law and subject to the terms and conditions of this Agreement, the administration and regulation of the affairs, business and assets of the limited Liability Company shall be managed by all the Members (also referred to as the "Manager(s)" or the "Management"). Any Manager may be a Member and shall be elected annually by the Members in the manner prescribed by Section 3.8 of this Agreement.

4.2 Rights, Powers and Obligations of the Management. The Management shall have all the rights and powers as are conferred by law or are necessary, desirable or convenient to the discharge of the Management's duties under this Agreement, provided such rights and powers

exercised are agreed upon by a Majority Interest. Without limiting the generality of the rights and powers of the Management, the Management, upon approval of a Majority Interest, shall have the following rights and powers which the Management may exercise in its sole discretion at the cost, expense, and risk of the Limited Liability Company:

(a) To deal in any Limited Liability Company asset whether an interest in real estate or personal property or chose in action, to sell (for cash or for debt to be held by the Limited Liability Company), exchange or convey title to, and to grant options for sale of all or a portion of the Limited Liability Company's assets;

(b) To borrow money and as security therefore to encumber all or any part of the Limited Liability Company's assets;

(c) To prosecute, defend and settle lawsuits and claims and to handle matters with governmental agencies;

(d) To open, maintain and close bank accounts and banking services for the Limited Liability Company and designate and change signatories on such accounts or services;

(e) To incur and pay all legal, accounting, investment banking, independent financial consulting, litigation and other fees and expenses as the Manager may deem necessary or appropriate for carrying on and performing the powers and authorities herein conferred;

(f) To negotiate and make any disposition of the Limited Liability Company's asset on such terms and conditions as the Manager deems appropriate:

(g) To execute and deliver any contracts, agreements, instruments or documents necessary, advisable or appropriate to evidence any of the transactions specified above or contemplated hereby and on behalf of the Limited Liability Company and to exercise Limited Liability Company rights and perform Limited Liability Company obligations under any such agreements, contracts, instruments or documents;

(h) To exercise for and on behalf of the Limited Liability Company all the general powers granted by law to the Limited Liability Company, and

(i) To take such other action as the Manager deems necessary and appropriate to carry out the Purpose of the Limited Liability Company or this Agreement.

4.3 Removal. Any Manager may be removed or discharged by the Members whenever in their judgment the best interests of the Limited Liability Company would be served thereby. The removal of the Manager shall be by a Majority Interest vote of a quorum consisting of Members who are not the Manager of the Limited Liability Company and without prejudice to the contract rights, if any, of the Manager so removed.

ARTICLE 5
INDEMNIFICATION OF MEMBERS, MANAGERS, AGENTS AND EMPLOYEES

5.1 Members and Managers. The Limited Liability Company shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit, or proceeding, whether civil, criminal, administrative or investigative, including an action by or in the right of the Limited Liability Company, by reason of the fact that he/she is or was a Member or Manager of the Limited Liability Company, or is or was serving at the request of the Limited Liability Company as a director, manager, officer, employee or agent of another limited liability company, corporation, partnership, joint venture, trust or other enterprise, against expenses, judgments, fines and amounts paid in settlement actually and reasonably incurred by him/her in connection with the defense or settlement of such action, suit or proceeding, including attorneys' fees, to the full extent permitted by law provided such action, suit or proceeding is not based on such Member or Manager's gross negligence or willful misconduct. Each Manager shall indemnify all other Members who are a party or threatened to be made a party to any threatened, pending or completed action, suit, or proceeding, whether civil, criminal, administrative or investigative, including an action by or in the right of the Limited Liability Company, so long as that Manager exercised rights and powers within the authority required by this Agreement.

5.2 Employees And Agents. The Limited Liability Company may, at the discretion of the Members, indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit, or proceeding, whether civil, criminal, administrative or investigative, including an action by or in the right of the Limited Liability Company, by reason of the fact that he/she is or was an employee or agent of the Limited Liability Company, or is or was serving at the request of the Limited Liability Company, as a manager, director, officer, employee or agent of another limited liability company, corporation, partnership, joint venture, trust or other enterprise, against expenses, judgments, fines and amounts paid in settlement actually and reasonably incurred by him/her in connection with the defense or settlement of such action, suit or proceeding, including attorneys' fees, to the full extent permitted by law.

5.3 Expenses. The Limited Liability Company shall pay the Member or Manager, or such person or entity as the Member or Manager may designate, on a continuing and current basis, and in any event not later than thirty (30) Business Days following receipt by the Limited Liability Company of the Member's or Manager's request for reimbursement, all expenses, including attorneys fees, costs, settlements, fines and judgments incurred by or levied upon the Member or Manager in connection with any action, suit or proceeding referred to in Section 5.1.

(a) To the extent that an employee or agent of the Limited Liability Company has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Section 5.2, or in defense of any claim, issue or matter therein, he/she may be indemnified against expenses actually and reasonably incurred by such person in connection therewith, including attorney's fees.

(b) Expenses incurred by a Member or Manager in defending a civil or criminal action, suit, or proceeding may be paid by the Limited Liability Company in advance of the final disposition of such action, suit, or proceeding upon receipt of an undertaking by or on behalf of the Member or Manager to repay such amount if it is ultimately determined that the Member or Manager is not entitled to be indemnified by the Limited Liability Company as authorized in this Agreement. Such expenses incurred by other employees and agents may be so paid upon such terms and conditions, if any, as the Members deem appropriate.

5.4 Authorization. Any indemnification of Members, Manager(s), employees or agents pursuant to this Article 5, unless ordered by a court, shall be made by the Limited Liability Company only as authorized in the specific case upon a determination that such indemnification is proper in the circumstances because such Member, Manager, employee or agent has met the applicable standard of conduct set forth by law. Such determination shall be made by the Members by a majority vote of a quorum consisting of Members who were not parties to the action, suit, or proceeding, or if such a quorum is not obtainable, or even if obtainable a quorum of disinterested Members so directs, by independent legal counsel in a written opinion.

5.5 Notification and Defense of Claim. Promptly after receipt by a Member, manager, employee or agent of notice of the commencement of any action, suit or proceeding, the Member, Manager, employee or agent will, if a claim in respect thereof is to be made against the Limited Liability Company, notify the Limited Liability Company of the commencement thereof. The failure to promptly notify the Limited Liability Company will not relieve the Limited Liability Company from any liability that it may have to the Member, Manager, employee or agent thereunder, except to the extent the Limited Liability Company is prejudiced in its defense of such claim as a result of such failure. Unless otherwise requested by the Members, written notification shall not be necessary if the Member, Manager, employee or agent informs a majority of the Members of the commencement of any such action, or, independent of such notification by the Member, Manager, employee or agent, a majority of the Members has reason to believe such action has been initiated or threatened. with respect to any such action, suit or proceeding as to which the Member, Manager, employee or agent notified, or is deemed to have notified, the Limited Liability Company of the commencement thereof, the following shall apply:

(a) The Limited Liability Company is entitled to participate therein at its own expense;

(b) Except as otherwise provided below, to the extent that it may wish, the Limited Liability Company, jointly with any other indemnifying party similarly notified, will be entitled to assume the defense thereof with counsel reasonably satisfactory to the Member, Manager, employee or agent. After notice from the Limited Liability Company to the Member, Manager, employee or agent of its election so to assume the defense thereof, the Limited Liability Company will not be liable to the Member, Manager, employee or agent in connection with the defense thereof other than reasonable costs of investigation or unless:

(1) the employment of separate counsel by the Member, Manager, employee or agent has been authorized by the Limited Liability Company,

(2) the Member, Manager, employee or agent reasonably concludes that there may be a conflict of interest between the Limited Liability Company and the Member, Manager, employee or agent in the conduct of the defense of such action and that such conflict may lead to exposure for the Member, Manager, employee or agent not otherwise indemnifiable and the Member, Manager, employee or agent notifies the Limited Liability Company of such conclusion and decision to employ separate counsel, or

(3) the Limited Liability Company fails to employ counsel to assume the defense of such action. The Limited Liability Company shall not be entitled to assume the defense of any action, suit or proceeding brought by or on behalf of the Limited Liability Company or as to which the Member, Manager, employee or agent reasonably makes the conclusion provided for in (b)(2) above;

(c) The Limited Liability Company shall not be liable to indemnify the Member, Manager, employee or agent for any amount paid in settlement of any action or claim effected without its written consent. The Limited Liability Company shall not settle any action or claim in any manner which would impose any penalty or limitation on the Member, Manager, employee or agent without the written consent of the Member, Manager, employee or agent. Neither the Limited Liability Company nor the Member, Manager, employee or agent will unreasonably withhold their consent to any proposed settlement.

5.6 Not Exclusive. The indemnification and advancement of expenses provided by this Article 5 shall not be deemed exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled under the Articles of Organization, as amended from time to time, or any agreement, vote of disinterested Members or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a Member or Manager and shall inure to the benefit of the heirs, executors and administrators of such person.

5.7 Further Indemnity. The Limited Liability Company shall have the power to give any further indemnity, in addition to the indemnity authorized or contemplated under this Article 5, to any person who is or was a Member, Manager, employee or agent or to any person who is or was serving at the request of the Limited Liability Company as a manager, director, officer, employee or agent of another limited liability company, corporation, partnership, joint venture, trust or other enterprise; provided, however, no such indemnity shall indemnify any person from or on account of such person's conduct which was finally adjudged to have been knowingly fraudulent, deliberately dishonest or willful misconduct, or if it is determined by a final judgment or other final adjudication by a court of competent jurisdiction considering the question of indemnification that such payment of indemnification is or would be in violation of applicable law. The Limited Liability Company may enter into indemnification agreements with each Member or Manager of the Limited Liability Company whom the Members authorize by vote of a majority of a quorum of disinterested Members.

5.8 Insurance. The Limited Liability Company may purchase and maintain insurance or make other financial arrangements on behalf of any person who is or was a Member, Manager, employee or agent of the Limited Liability Company, or is or was serving at the request of the Limited Liability Company as a manager, director, employee or agent of another Limited Liability company, corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him/her and incurred by him/her in any such capacity, or arising out of his/her status as such, whether or not the Limited Liability Company would have the power to indemnify him/her against such liability under the provisions of this Article 5. When, and if the Limited Liability Company obtains such insurance coverage or makes such other financial arrangements, the Limited Liability Company shall not be required, to maintain such insurance coverage or other financial arrangements in effect; provided, however, the Limited Liability Company notifies the covered person in writing within five (5) business days of the making of the decision to not renew or replace such insurance policy or maintain such other financial arrangements in effect. The maintenance of such insurance or other financial arrangements shall not diminish, relieve or replace the Limited Liability Company's liability for indemnification under the provisions hereof. A claim for reimbursement thereunder, shall not be denied on the basis that such amount may or will be covered by such insurance policy or other financial arrangements, if such payments from the insurance company or other financial arrangements will not be made to the covered person within ten (10) business days of the claim for reimbursement.

The other financial arrangements made by the Limited Liability Company pursuant to this Article may include:

- (a) creation of a trust fund;
- (b) establishment of a program for self-insurance;
- (c) securing of its obligation or indemnification by granting a security interest or other lien on any assets of the Limited Liability Company;
- (d) any other financial arrangements permitted by law; or,
- (e) any combination of the above.

5.9 Additional Definitions. For the purpose of this Article 5, references to “the Limited Liability Company” shall be deemed to include all constituent entities absorbed in a consolidation or merger as well as the resulting or surviving entity, so that any person who is or was a Member or Manager of such a constituent entity or is or was serving at the request of such constituent entity as a manager, director or officer of another limited liability company, corporation, partnership, joint venture, trust or other enterprise shall stand in the same position under the provisions of this Article 5, with respect to the resulting or surviving corporation or entity as he/she would if he/she had served the resulting or surviving corporation or entity in the same capacity.

For purposes of this Article 5, the following definitions shall apply:

(a) The term “other enterprise” shall include employee benefit plans.

(b) The term “fines” shall include any excise taxes assessed on a person with respect to an employee benefit plan.

(c) The term “serving at the request of the Limited Liability Company” shall include any service as a Member or Manager of the Limited Liability Company which imposes duties on, or involves services by, such Member or Manager with respect to an employee benefit plan, its participants, or beneficiaries.

(d) A person who acted in good faith and in a manner he reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner “not opposed to the best interests of the Limited Liability Company”.

5.10 Limitation of Members’ Liability. Other than a Member’s respective Capital Contribution or obligation to make said Capital Contribution or additional contributions as provided in this Agreement, the Members shall have no liability or obligation for any liabilities, debts or obligations of the Company.

ARTICLE 6

MEMBERSHIP INTEREST

6.1 Contribution to Capital. Member contributions to the capital of the Limited Liability Company may be paid for, wholly or partly, by cash, by personal property, or by real property, or services rendered. By unanimous consent of the Members, other forms of contributions to capital of a Limited Liability company authorized by law may be authorized or approved. Upon receipt of the total amount of the contribution to capital, the contribution shall be declared and taken to be fully paid. Members may be subject to additional contributions to capital as determined by the Majority Interest of Members from time to time. Furthermore, within thirty (30) days from the date of this Agreement, the Members shall cause to be transferred to the Company the assets identified in Exhibit “B” attached hereto and incorporated herein.

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(a) Upon the unanimous consent of the members, the Company may issue more than one class of membership interest. The members may determine and alter the rights, preferences, privileges and restrictions granted to and imposed upon any wholly un-issued class of membership interest.

6.2 Valuation of Personal or Real Property and Services Rendered. Unless required or recommended by any law or any governmental regulation or court decision or administrative ruling applicable to this Limited Liability Company, the value to be assigned to a contribution to capital of the Limited Liability Company of personal or real property shall be determined in the

following manner. The Member contributing such personal, or real property must submit at the time of the contribution a minimum of two appraisals by appraisers satisfactory to the Management. The average appraised price as determined from the appraisals submitted shall be the amount assigned to this contribution of capital. In the event the Member demands a return of his/her contribution to capital and such return is authorized pursuant to this Agreement and law, the Limited Liability Company shall be only obligated to return the original monetary value assigned to the property at the time of its contribution to capital.

(a) Unless required or recommended by any law or any governmental regulation or court decision or administrative ruling applicable to this Limited Liability Company, the value to be assigned to a contribution to capital of the Limited Liability Company for services rendered shall be the amount the Management determines is the fair market value for such services.

6.3 Restrictions on Transfer and Assignment of Interests. No Member shall be entitled to transfer, assign, convey, sell, encumber or in any way alienate all or any part of his or her Membership Interest except upon completion of the Right of First Refusal procedure set forth in subsection 6.3(g) below. Further, a Member may not assign any Economic Interest without the non-economic interests related to the same Membership Interests, except with the consent of the other Members as indicated by a Majority Vote of the other Members or by operation of law. Any transfer in violation of this Article 6 shall only be effective to the extent set forth in subsection 6.3(f). After the consummation of any transfer of any part of a Membership Interest, the Membership Interest so transferred shall continue to be subject to the terms and provisions of this Agreement and any further transfers shall be required to comply with all the terms and provisions of this Agreement.

(a) Exceptions. A Member may effectuate the following types of transfers (“Exception Transfers”) without complying with the provisions of this Article relating to (i) obtaining the consent of the non-transferring Members and (ii) the right of first refusal of the Company and the other Members:

(1) Any transfer of a Membership Interest by bequest or otherwise occurring as a result of the death of an individual Member;

(2) Any voluntary transfer of a Membership Interest (i) from an individual Member to the trustee of a revocable trust for the benefit of that Member and/or his spouse and/or his relatives within two degrees of consanguinity, or (ii) from the trustee of such a trust back to one or more individual Member-trustor(s);

(3) Any voluntary transfer of an undivided interest in a Membership Interest (i) to a spouse from a Member, or (ii) from a Member’s spouse to a Member;

(4) Any transfer of an Economic Interest to a spouse or former spouse as part of property division arising from a marital dissolution involving a Member;

Notwithstanding the foregoing sentence, the transferee in any such transfer shall take the transferred interest subject to all the other provisions of this Agreement and shall comply with the requirements of subsection (c).

(b) Further Restrictions on Transfer of Interests. In addition to other restrictions found in this Agreement, no Member shall transfer, assign, convey, sell, encumber or in any way alienate all or any part of his or her Membership Interest: (i) without first complying with subsection 6.3(g) below; and/or (ii) if the Membership Interests to be transferred, assigned, sold or exchanged, when added to the total of all other Membership Interests sold or exchanged in the preceding twelve (12) consecutive months prior thereto, would cause the termination of the Company under the Code, as reasonably determined by the Manager.

(c) Substitution of Members. A transferee of a all or any portion of a Membership Interest shall have the right to become a Substitute Member only if (i) the requirements of this Article relating to majority consent of Members, securities and tax requirements hereof are met, (ii) such transferee executes an instrument satisfactory to the Manager accepting and adopting the terms and provisions of this Agreement, and (iii) such transferee pays any reasonable expenses in connection with his or her admission as a new Member. The admission of a substitute Member shall not result in the release of the transferring Member from any liability that such Member may have to the Company or to the other Members.

(d) Permitted Transfers. As used herein, the term "Permitted Transfer" refers to (i) a transfer which has satisfied the provisions of this Article relating to Members' consent and the Company's and the other Members' right of first refusal, or (ii) an Exception Transfer, as defined above.

(1) Effective Date of Permitted Transfers. The Manager shall provide the Members with written notice of any Permitted Transfer as promptly as possible after the requirements of Section 6.1, 6.2 and 6.3 have been met. Any transferee of all or part of a Membership Interest shall take subject to the restrictions on transfer imposed by this Agreement.

(e) Rights of Legal Representatives. If a Member who is an individual dies or is adjudged by a court of competent jurisdiction to be incompetent to manage the Member's person or property, the Member's executor, administrator, guardian, conservator, or other legal representative may exercise all of the Member's rights for the purpose of settling the Member's estate or administering the Member's property, including any power the Member has under the Articles or this Agreement to transfer all or a portion of a Membership Interest, subject to the restrictions herein. If a Member is a corporation, partnership, trust, or other entity and is dissolved or terminated, the powers of that Member may be exercised by such Member's legal representative or successor.

(f) No Effect to Transfers in Violation of Agreement. Upon any transfer of a Membership Interest in violation of this Article 6, the transferee shall have no right to vote or participate in the management of the business, property and affairs of the Company or to exercise any rights of a Member. Such transferee shall only be entitled to become an Economic Interest

Owner and thereafter shall only receive the share of the Company's Net Profits, Net Losses and/or distributions of the Company's assets to which the transferor of such Economic Interest would otherwise be entitled. Further, if the Manager reasonably determines that such transfer would result in the termination of the Company under the Code, the transfer shall automatically be null and void, *ab initio*, and the purported transferee shall not become either a Member or an Economic Interest Owner.

(1) Transfers of Economic Interests. Upon and contemporaneously with any voluntary or involuntary transfer, assignment, conveyance or sale (whether arising out of an attempted charge upon that Member's Economic Interest by judicial process, a foreclosure by a creditor of the Member or otherwise) of a Member's Economic Interest, which does not at the same time transfer the balance of the rights associated with the Membership Interest in question (including, without limitation, the rights of the Member to vote or participate in the control of the business, property and affairs of the Company), the Company shall have the option, but not the obligation, to purchase from the Member, and the Member shall sell to Company for a purchase price of One Hundred Dollars (\$100.00), all remaining rights and interests retained by the Member that immediately before the transfer, assignment, conveyance or sale were associated with the transferred Economic Interest. Such purchase and sale shall not, however, result in the release of the Member from any liability to the Company. Each Member acknowledges and agrees that the right of the Company to purchase such remaining rights and interests from a Member who transfers an Economic Interest in violation of this section is reasonable under the circumstances existing as of the date hereof.

(g) Right of First Refusal. Except as otherwise provided herein, each time a Member proposes to transfer, assign, convey, sell, encumber or otherwise alienate all or any part of his or her Membership Interest, and each time that involuntary transfer occurs with respect to a Membership Interest, the Company and the non-transferring Members shall have right to acquire the Membership Interest (or portion thereof) proposed to be transferred, and the Member in question shall first offer such Membership Interest to the Company and the non-transferring Members in accordance with the following provisions:

(1) Notice of Intended Transfer. Such Member shall deliver a written notice ("Notice of Intended Transfer") to the Company and the other Members stating (i) such Member's bona fide intention to transfer such Membership Interest, (ii) the name and address of the proposed transferee, (iii) the Membership Interest to be transferred, and (iv) the purchase price and other terms of purchase for which the Member proposes to transfer such Membership Interest.

(2) Notices of Intent to Purchase. Within thirty (30) days after receipt of the Notice of Intended Transfer described above, each non-transferring Member who desires to purchase the Membership Interest to be transferred shall so notify the Manager in writing. The failure of any Member to submit a notice within the applicable period shall constitute an election on the part of that Member not to purchase, or participate in the purchase of, the Membership Interest in question. Each Member making an election to purchase a portion of such Membership Interest shall participate in the purchase in the same proportion that the Percentage Interest of such Member bears to the aggregate of the Percentage Interests of all of

the Members electing to so purchase the Membership Interest being transferred. If no Members so elect in writing to purchase, or participate in the purchase of, the entire Membership Interest being transferred, the Company may purchase such Membership Interest. On or before that date which is 45 days after the Company received the Notice of Intended Transfer, the Company shall deliver a written notice to the transferring Member, specifying that the Company, and/or certain non-transferring Members desire and intend to purchase the entire Membership Interest in question ("Notice of Intent to Purchase").

(3) Exercise of Right of First Refusal. On or before the later of (i) the expiration of the time period(s) specified in the terms set forth in the Notice of Intent to Transfer, or (ii) that date which is sixty (60) days after delivery of the Notice of Intent to Purchase described in Paragraph 6.3(g)(2) above, the Company and the Members electing to purchase such Membership Interest shall pay and/or perform the price and terms of sale designated in the Notice of Intended Transfer. If such Notice of Intended Transfer provided for the payment of non-cash consideration, the Company and such purchasing Members may elect to pay the consideration in cash equal to the good faith estimate of the present fair market value of the non-cash consideration offered as determined by the Manager.

(4) Non-Exercise of Right of First Refusal. If the Company and/or the non-transferring Members do not elect to purchase all of the Membership Interest designated in the Notice of Intended Transfer, then the transferring Member may transfer the Membership Interest described in said notice to the proposed transferee specified therein, provided that such transfer (i) is completed within thirty (30) days after the expiration of the above-described Right of First Refusal, (ii) is made on terms no less favorable to the transferring Member than as designated in said Notice of Intended Transfer, and (iii) the requirements relating to consent of Members, and compliance with securities and tax requirements are met. If such Membership Interest is not transferred in accordance with the foregoing sentence, the transferring Member must again give notice in accordance with this Section prior to any other or subsequent transfer of such Membership Interest.

6.4 Return of Contributions to Capital. Return to a Member of his/her contribution to capital shall be as determined and permitted by law and this Agreement.

6.5 Loans. Any loan or loans made by a Member to the Company, or monetary advances made on behalf of the Company, shall not be viewed as a Capital Contribution by the Member and shall not increase the Member's Membership Interest.

6.6 Addition of New Members. A new Member may be admitted into the Company only upon consent of a Majority in Interest of the Members. The amount of Capital Contribution which must be made by a new Member shall be determined by the vote of all existing Members. A new Member shall not be deemed admitted into the Company until the Capital Contribution required of such person has been made and such person has become a party to this agreement.

ARTICLE 7
DISTRIBUTION OF PROFITS AND LOSSES

7.1 Qualifications and Conditions. The profits and/or losses of the Limited Liability Company shall be allocated to the Members, from time to time, as permitted under law and as determined by the Members of the Limited Liability Company at an Annual or Special Meeting of the Members.

7.2 Record Date. The Record Date for determining Members entitled to receive payment of any distribution of profits shall be the day in which the Members in a meeting adopt the resolution for payment of a distribution of profits. If the adoption of the aforementioned resolution is by action in lieu of a meeting pursuant to Section 4 of Article III, the Record Date shall be the date of the written consent. Only Members of record on the date so fixed are entitled to receive the distribution notwithstanding any transfer or assignment of Member's interests or the return of contribution to capital to the Member after the Record Date fixed as aforesaid, except as otherwise provided by law.

7.3 Participation in Distribution of Profit. Each Member's participation in the distribution shall be in proportion to that Member's contribution to the Limited Liability Company's total capital on the Record Date, as adjusted to reflect all of the Member's contributions to or withdrawals from capital on or before the Record Date, unless the Members have unanimously agreed in writing, to the use of another method of calculating allocation. Each Member's initial contribution shall be reflected in Exhibit A to this Operating Agreement which is attached hereto and incorporated by this reference. Furthermore, the Members agree that no profits shall be distributed to any Member until and unless the Members have been repaid their cash capital contributions in full as stated in Exhibits "A" and "B" attached hereto and incorporated herein.

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INITIAL

7.4 Limitation on the Amount of Any Distribution of Profit. In no event shall any distribution of profit result in the assets of the Limited Liability Company being less than all the liabilities of the Limited Liability Company, on the Record Date, excluding liabilities to Members on account of their contributions to capital or be in excess of that permitted by law.

7.5 Date of Payment of Distribution of Profit. Unless another time is specified by the applicable law, the payment of the distribution of profit shall be within thirty (30) days after the Record Date.

ARTICLE 8
REPRESENTATIONS AND WARRANTIES BY MEMBERS

In executing this Agreement, each Member hereby makes the representations and warranties set forth below to the Company, the Manager and the other Members.

8.1 Units Not Securities. The Units and the Membership Interests are not intended or believed to be “securities,” as that term is defined in federal and state securities laws. In this regard, each Member intends to exercise his rights of control of the Company as allowed under this Agreement in such a manner that such Member will not be relying solely on the skill and expertise of the Manager for the success of the Company but also on the expertise and experience of such Member and the other Members.

8.2 Waiver of Securities Laws Claims. TO THE FULLEST EXTENT ALLOWED BY LAW, EACH SUCH MEMBER EXPRESSLY WAIVES AND RELINQUISHES ANY CLAIM SUCH MEMBER MIGHT HAVE AGAINST THE COMPANY, THE MANAGER OR ANY OTHER MEMBER ARISING FROM ANY SECURITIES LAWS, INCLUDING BUT NOT LIMITED TO THE SECURITIES ACT OF 1933, THE SECURITIES EXCHANGE ACT OF 1934, AND/OR THE CORPORATE SECURITIES LAW OF 1968 (CALIFORNIA CORPORATIONS CODE SECTIONS 25000 ET SEQ.) AND COVENANTS NOT TO BRING ANY ACTION OR SUIT ON ANY SUCH CLAIM.

8.3 Preexisting Relationship or Ability to Protect Self. Each such Member:

(a) has a preexisting personal or business relationship with the Company or one or more of its officers, Manager or control persons; or

(b) is capable of evaluating the risks and merits of an investment in the Membership Interest and of protecting his or her own interests in connection with an investment in the Company by reason of (i) such Member's business or financial experience or (ii) the business or financial experience of such Member's financial advisor, who is unaffiliated with and who is not compensated, directly or indirectly, by the Company or the Manager or any affiliate or agent of the Company.

8.4 No Advertising. Such Member has not seen, received, been presented with, or been solicited by any form of public advertising or general public solicitation with respect to the Member's purchase of a Membership Interest, including any publicly-disseminated leaflet, newspaper or magazine article or advertisement, radio or television advertisement, or any public promotional meeting.

8.5 Investment Intent. Such Member is acquiring the Membership Interest for investment purposes for his or her own account only and not for resale or with a view toward any further distribution of all or any part of the Membership Interest. No other person will have any direct or indirect beneficial interest in or right to the Membership Interest.

8.6 Purpose of Entity-Member. If the Member is a corporation, partnership, Limited Liability Company, trust, or other entity, such Member was not organized for the specific purpose of acquiring the Membership Interest.

8.7 Residence. Such Member is a resident of the United States of America.

8.8 Economic Risk. Such Member is financially able to bear the economic risk of purchasing a Membership Interest in the Company, including the total loss of the purchase price.

8.9 No Registration of Offering. Such Member acknowledges that no offering of the Company's Units has been registered under the Securities Act of 1933, as amended (the "Securities Act"), or qualified under the California Corporate Securities Law of 1968, as amended, or registered with or qualified by any regulatory agency of the federal or state government.

8.10 Resale of Units Restricted. Such Member understands that:

(a) the Membership Units will be acquired from the Company in a transaction not involving a public offering, and that the Membership Units may be resold without registration and qualification only in certain limited circumstances, and that otherwise the Membership Interest must be held indefinitely;

(b) to the extent that, notwithstanding Section 8.1 above, the Units might be deemed to be "securities," they might further be deemed to be "restricted securities" under the Securities Act of 1933 and SEC Rule 144, as presently in effect, which impose conditions which must be met in order for that Rule to be available for resale of "restricted securities";

(c) the Company has not made current information about the Company available to the public and has no present plans to do so.

8.11 No Obligation to Register. Such Member understands that the Company and the Manager are under no obligation to register or qualify the Membership Interest under the Securities Act of 1933 or under any state securities law, or to assist the Member in complying with any exemption from registration and qualification.

8.12 No Disposition in Violation of Law. Without limiting the representations set forth above, and without limiting the effect of Article 7 of this Agreement, such Member will not make any disposition of all or any part of the Membership Interest which will result in the violation by such Member or by the Company of the Securities Act, the California Corporation Securities Law of 1968, or any other applicable federal or state securities laws.

8.13 Legends. Such Member understands that the Company has no present intention of issuing certificates of membership in the Company, but if such intention were to change, any certificates evidencing a Membership Interest might bear one or all of the following legends, or words similar thereto:

(a) "THE SECURITIES REPRESENTED BY THIS AGREEMENT HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 NOR QUALIFIED UNDER ANY STATE SECURITIES LAWS. SUCH SECURITIES MAY NOT BE OFFERED FOR SALE, SOLD, DELIVERED AFTER SALE, TRANSFERRED, PLEDGED, OR HYPOTHECATED UNLESS QUALIFIED AND REGISTERED UNDER APPLICABLE STATE AND FEDERAL SECURITIES LAWS OR UNLESS, IN THE OPINION OF COUNSEL SATISFACTORY TO THE COMPANY, SUCH QUALIFICATION AND REGISTRATION IS NOT REQUIRED. ANY TRANSFER OF THE SECURITIES REPRESENTED BY THIS AGREEMENT IS FURTHER SUBJECT TO OTHER

RESTRICTIONS, TERMS, AND CONDITIONS WHICH ARE SET FORTH HEREIN"; or

(b) Any legend required by applicable federal or state securities laws.

8.14 Investment Risk. Such Member acknowledges that the Units in the Company represent a highly speculative investment which involves a SUBSTANTIAL DEGREE OF RISK OF LOSS OF THE MEMBER'S ENTIRE INVESTMENT IN THE COMPANY, and that such Member fully understands the risk factors related to the purchase of the Membership Interest, including but not limited to the fact that the Company is newly organized and has no financial or operating history.

8.15 Accredited Investor. Such Member (jointly with such Member's spouse) (i) has a personal net worth exceeding \$1 million, or (ii) an annual income exceeding \$200,000 (or \$300,000 including spouse's income) during each of the past 2 years, and has a reasonable expectation of same for ensuing years or (iii) a net worth of \$1,000,000 exclusive of personal residence, automobile and home furnishings.

8.16 Difficulty in Liquidating Membership Interest. Such Member acknowledges that there are substantial restrictions on the transferability of the Membership Interest pursuant to this Agreement, that there is no public market for the Units and none is expected to develop, and that, accordingly, it may not be possible for him or her to liquidate his or her investment in the Company.

8.17 Information Reviewed. Such Member: (i) has received and reviewed all information he or she considers necessary or appropriate for deciding whether to purchase the Membership Interest; (ii) has had an opportunity to ask questions and receive answers from the Company and the Manager regarding the terms and conditions of purchase of the Membership Interest and regarding the business, financial affairs, and other aspects of the Company; (iii) has had the opportunity to obtain all information (to the extent the Company possesses or can acquire such information without unreasonable effort or expense) which such Member deems necessary to evaluate the such Member's investment in the Company and to verify the accuracy of information otherwise provided to Such Member, and (iv)) has had the opportunity to have such Member's attorney and/or other professional advisors review and analyze such information.

8.18 No Representations By Company. No Manager, agent or employee of the Company or any other Person has at any time expressly or implicitly represented, guaranteed, or warranted to such Member that: (i) such Member may freely transfer the Membership Interest; (ii) a percentage of profit and/or amount or type of consideration will be realized as a result of a purchase of Units in the Company; (iii) past performance or experience on the part of the Manager or his Affiliates or any other person in any way indicates the predictable results of the ownership of the Membership Interest or of the overall Company business; (iv) any cash distributions from Company operations or otherwise will be made to the Members by any specific date or will be made at all; or (v) that any specific tax benefits will accrue as a result of an investment in the Company.

8.19 Consultation with Professional Advisors. Such Member has had the opportunity

to consult with his or her own attorney and/or other professional advisors regarding all legal, tax and financial ramifications of becoming a Member in the Company and has actually done so to the extent such Member considers appropriate.

8.20 Tax Consequences. Such Member understands that the tax consequences to such Member of investing in the Company will depend on such Member's particular circumstances, and neither the Company, the Manager, the Members, nor the partners, shareholders, Members, Manager, agents, officers, directors, employees, affiliates, attorneys or consultants of any of them will be responsible or liable for the tax consequences to such Member of an investment in the Company. He or she will look solely to, and rely upon, his or her own advisers with respect to the tax consequences participating in the Company.

8.21 No Assurance of Tax Benefits. Such Member understands that there can be no assurance that (i) the Code or the Regulations will not be amended or interpreted in the future in such a manner so as to deprive the Company and the Members of some or all of the tax benefits they might now receive, or (ii) that some of the deductions claimed by the Company and/or the allocations of items of income, gain, loss, deduction, or credit among the Members might not be challenged by the Internal Revenue Service.

ARTICLE 9

ISSUANCE OF MEMBERSHIP INTEREST CERTIFICATES

9.1 Issuance of Certificate of Interest. The interest of each Member in the Company shall be represented by a Certificate of Interest (also referred to as the Certificate of Membership Interest or Certificate). Upon the execution of this Agreement and the payment of a Capital Contribution by the Member, the Management shall cause the Company to issue one or more Certificates in the name of the Member, certifying that he/she is the record holder of the Membership Interest set forth therein.

9.2 Transfer of Certificate of Interest. A Membership Interest which is transferred in accordance with the terms of Section 6.3 of this Agreement shall be transferable on the books of the Company by the record holder thereof in person or by such record holder's duly authorized attorney, but, except as provided in Section 9.3 with respect to lost, stolen or destroyed certificates, no transfer of a Membership Interest shall be entered until the previously issued Certificate representing such Interest shall have been surrendered to the Company and cancelled and a replacement Certificate issued to the assignee of such Interest in accordance with such procedures as the Management may establish. The management shall issue to the transferring Member a new Certificate representing the Membership Interest not being transferred by the Member, in the event such Member only transferred some, but not all, of the Interest represented by the original Certificate. Except as otherwise required by law, the Company shall be entitled to treat the record holder of a Membership Interest Certificate on its books as the owner thereof for all purposes regardless of any notice or knowledge to the contrary.

9.3 Lost, Stolen or Destroyed Certificates. The Company shall issue a new Membership Interest Certificate in place of any Membership Interest Certificate previously issued if the record holder of the Certificate:

(a) makes proof by affidavit, in form and substance satisfactory to the Management, that a previously issued Certificate has been lost, destroyed or stolen;

(b) requests the issuance of a new Certificate before the Company has notice that the Certificate has been acquired by a purchaser for value in good faith and without notice of an adverse claim;

(c) satisfies any other reasonable requirements imposed by the Management.

If a Member fails to notify the Company, within a reasonable time after it has notice of the loss, destruction or theft of a Membership Interest Certificate, and a transfer of the Interest represented by the Certificate is registered before receiving such notification, the Company shall have no liability with respect to any claim against the Company for such transfer or for a new Certificate.

ARTICLE 10 AMENDMENTS

10.1 Amendment of Articles of Organization. Notwithstanding any provision to the contrary in the Articles of Organization or this Agreement, in no event shall the Articles of Organization be amended without the vote of Members representing a Majority in Interest of the Members.

10.2 Amendment of Operating Agreement. This Agreement may be adopted, altered, amended or repealed and a new operating Agreement may be adopted by a Majority in Interest of the Members.

ARTICLE 11 MISCELLANEOUS

11.1 Counsel to the Company. Counsel of the Company may also be counsel to any Manager, Member, or Affiliate. The Manager and/or Members agree to execute on behalf of the Company and themselves individually the attached Joint Representation and Waiver of Conflict document counsel may request pursuant to the California Rules of Professional Conduct or similar rules in any other jurisdiction ("Rules"). Further, in signing this Agreement, each Member acknowledges that Company counsel has not represented any Member personally in the preparation and negotiation of this Agreement or in connection with the any aspect of the Company business. Further, counsel may withdraw from representing either the Company or any Member in the event of a future dispute between one or more other Members or a good faith assertion by a Member that Company counsel has an actual conflict of interest.

11.2 Fiscal Year. The Members shall have the paramount power to fix, and from time to time, to change, the Fiscal Year of the Limited Liability Company. In the absence of action by the Members, the fiscal year of the Limited Liability Company shall be on a calendar year basis

and end each year on December 31 until such time, if any, as the Fiscal Year shall be changed by the Members, and approved by Internal Revenue Service and the State of formation.

11.3 Annual Financial Statements; Statements of Account. Within ninety (90) business days after the end of each Fiscal Year, the Management shall send to each Member who was a Member in the Limited Liability Company at any time during the Fiscal Year then ended an un-audited statement of assets, liabilities and Contributions To Capital as of the end of such Fiscal Year and related un-audited statements of income or loss and changes in assets, liabilities and Contributions to Capital. Within forty, five (45) days after each fiscal quarter of the Limited Liability Company, the Management shall mail to each Member an un-audited report providing narrative and summary financial information with respect to the Limited Liability Company. The Management may extend such time period in its sole discretion if additional time is necessary to furnish complete and accurate information pursuant to this Section.

11.4 Events Requiring Dissolution. The following events shall require dissolution and winding up the affairs of the Limited Liability Company:

(a) When the Period of Duration of the Limited Liability Company expires as specified in the Articles of Organization or in this Operating Agreement;

(b) By the written approval by a Majority In Interest of the Members to dissolve the Company;

(c) Upon the death, retirement, resignation, expulsion, bankruptcy or dissolution of a Member or occurrence of any other event which terminates a Member's continued Membership in the Company.

Within ninety (90) days of the happening of that event requiring dissolution, the business of the Limited Liability Company may be continued by the unanimous vote of all remaining Members, and the filing of a Certificate of Continuation with the Office of the Secretary of State.

11.5 Choice of Law. IN ALL RESPECTS THIS AGREEMENT SHALL BE GOVERNED AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF FORMATION INCLUDING ALL MATTERS OF CONSTRUCTION, VALIDITY, PERFORMANCE AND THE RIGHTS AND INTERESTS OF THE PARTIES UNDER THIS AGREEMENT WITHOUT REGARD TO THE PRINCIPLES GOVERNING CONFLICTS OF LAWS, UNLESS OTHERWISE PROVIDED BY WRITTEN AGREEMENT.

11.6 Severability. If any of the provisions of this Agreement shall contravene or be held invalid or unenforceable or conflict with or contravene any provision of the Article of Organization of the Limited Liability Company, the affected provision or provisions of this Agreement shall be construed or restricted in its or their application only to the extent necessary to permit the rights, interests, duties and obligations of the parties hereto to be enforced according to the purpose and intent of this Agreement and in conformance with the applicable law or laws.

11.7 Successors and Assigns. Except as otherwise provided, this Agreement shall be binding upon and inure to the benefit of the parties and their legal representative, heirs, administrators, executors and assigns.

11.8 Non-Waiver. No provision of this Agreement shall be deemed to have been waived unless such waiver is contained in a written notice given to the party claiming such waiver has occurred, provided that no such waiver shall be deemed to be a waiver of any other or further obligation or liability of the party or parties in whose favor the waiver was given.

11.9 Captions. Captions contained in this Agreement are inserted only as a matter of convenience and in no way define, limit or extend the scope or intent of this Agreement or any provision hereof.

11.10 Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed an original but all of which shall constitute one and the same instrument. It shall not be necessary for all Members to execute the same counterpart hereof. Electronic signatures transmitted wither via facsimile or electronic mail in portable document format (pdf) are binding on the party providing the facsimile or electronic mail signatures.

11.11 Membership. A corporation may be a member of this Limited Liability Company.

11.12 Definition of Words. Wherever in this agreement the term he/she is used, it shall be construed to mean also it as pertains to a corporation, trust or other "entity" Member.

11.13 Purpose of Organizer. Upon the filing and approval of the Articles of Organization by the Secretary of State, the Organizer will have fulfilled his/her obligation to the Company as Organizer. If the individual serving as Organizer is also a Member or Manager, he/she may hold or incur additional interest in or obligation to the Company.

EXECUTION BY MEMBERS

IN WITNESS WHEREOF, the undersigned, being the members of the above-named limited liability company, have hereunto executed this Agreement as of November 09, 2017.


SALAM RAZUKI


NINUS MALAN

**RM PROPERTY HOLDINGS, LLC
EXHIBIT "A"
LIST OF MEMBERS, CAPITAL AND PERCENTAGES**

MEMBERS	PERCENTAGE OF (1) PROFITS/CASH FLOW; (2) LOSS; AND (3) CAPITAL GAINS	INITIAL CAPITAL CONTRIBUTION
SALAM RAZUKI 10605 SENDA ACUARIO SAN DIEGO, CA 92130	SEVENTY FIVE PERCENT (75%)	\$750.00 CASH
NINUS MALAN 5065 LOGAN AVE., #101 SAN DIEGO CA 92113	TWENTY FIVE PERCENT (25%)	\$250.00 CASH

ACKNOWLEDGED AND AGREED


SALAM RAZUKI


NINUS MALAN

RM PROPERTY HOLDINGS, LLC
EXHIBIT "B"
ADDITIONAL CAPITAL CONTRIBUTIONS

ADDITIONAL CAPITAL CONTRIBUTION BY NINUS MALAN

1. One hundred percent (100%) membership interest in SAN DIEGO UNITED HOLDING GROUP LLC, a California Limited Liability Company, and record owner of the following properties:
 - (a) The real property commonly known as 8859 BALBOA AVE., STE.. A, SAN DIEGO, CA 92123.
 - (b) The real property commonly known as 8859 BALBOA AVE., STE.. B, SAN DIEGO, CA 92123.
 - (c) The real property commonly known as 8859 BALBOA AVE., STE.. C, SAN DIEGO, CA 92123.
 - (d) The real property commonly known as 8859 BALBOA AVE., STE.. D, SAN DIEGO, CA 92123.
 - (e) The real property commonly known as 8859 BALBOA AVE., STE.. E, SAN DIEGO, CA 92123.
 - (f) The real property commonly known as 8861 BALBOA, STE. B, SAN DIEGO, CA 92123.
 - (g) The real property commonly known as 8863 BALBOA, STE. E, SAN DIEGO, CA 92123.
2. One hundred percent (100%) membership interest in FLIP MANAGEMENT LLC, a California Limited Liability Company.
3. Fifty percent (50%) membership interest in MIRA ESTE PROPERTIES LLC, a California Limited Liability Company, and record owner of the real property commonly known as 9212 MIRA ESTE CT., SAN DIEGO, CA 92126.
4. Fifty percent (50%) membership interest in ROSELLE PROPERTIES, LLC, a California Limited Liability Company, and record owner of the real property commonly known as 10685 ROSELLE ST., SAN DIEGO, CA 92121.

ADDITIONAL CAPITAL CONTRIBUTION BY SALAM RAZUKI

1. A twenty percent (20%) membership interest in SUNRISE PROPERTY INVESTMENTS, LLC, a California Limited Liability Company, the record owner of the real property located 3385 SUNRISE STREET, SAN DIEGO, CA 92012.
2. A twenty seven percent (27%) membership interest in SUPER 5 CONSULTING GROUP, LLC, a California Limited Liability Company, which is the operator of a medical marijuana dispensary located at 3385 SUNRISE STREET, SAN DIEGO, CA 92012.

The Members acknowledge and agree that they shall use their best efforts to effectuate the foregoing transfers to the Company within thirty (30) days and shall execute any and all further documents as may be necessary to carry out the same.

CASH CONTRIBUTIONS

The Members acknowledge and agree they have each invested certain sums in connection with the acquisition of the assets listed above and shall be entitled to recoup their entire investment before any payment of profits by the Company as stated in section 7.3 of the Company's Operating Agreement. The Members further agree to work in good faith to calculate each of their respective cash investment amounts within thirty (30) days and shall execute an amendment to this Exhibit "B" to memorialize the same.

ACKNOWLEDGED AND AGREED


SALAM RAZUKI


NINUS MALAN

Exhibit D
to cross-complaint

13p
1c

DOC# 2015-0399133



Jul 29, 2015 10:11 AM
OFFICIAL RECORDS
Ernest J. Dronenburg, Jr.,
SAN DIEGO COUNTY RECORDER
FEES: \$51.00

PAGES: 13

RECORDING REQUESTED BY
CITY OF SAN DIEGO
DEVELOPMENT SERVICES
PERMIT INTAKE, MAIL STATION 501

PROJECT MANAGEMENT
PERMIT CLERK
MAIL STATION 501

SPACE ABOVE THIS LINE FOR RECORDER'S USE

INTERNAL ORDER NUMBER: 24004643

CONDITONAL USE PERMIT NO. 1296130
8863 BALBOA STE E MMCC - PROJECT NO. 368347
PLANNING COMMISSION

This Conditional Use Permit No. 1296130 is granted by the Planning Commission of the City of San Diego to LEADING EDGE REAL ESTATE, LLC, Owner and UNITED PATIENTS CONSUMER COOPERATIVE, Permittee, pursuant to San Diego Municipal Code [SDMC] section 126.0305. The 2.51-acre site located at 8863 Balboa Avenue is in the IL-3-1 Zone, the Airport Influence Area (Miramar and Montgomery Field), Montgomery Field Safety Zone 2, 5, and 6, the 60-65 dB CNEL for Montgomery Field, and within the Kearny Mesa Community Plan Area. The project site is legally described as: Lot 9, Industrial Park No. 2, Map No. 4113, March 12, 1959.

Subject to the terms and conditions set forth in this Permit, permission is granted to Owner/Permittee to operate a Medical Marijuana Consumer Cooperative (MMCC) and subject to the City's land use regulations described and identified by size, dimension, quantity, type, and location on the approved exhibits [Exhibit "A"] dated July 9, 2015, on file in the Development Services Department.

The project shall include:

- a. Operation of a Medical Marijuana Consumer Cooperative (MMCC) in a 999 square-foot tenant space within an existing, 4,995 square-foot, one-story building on a 2.51-acre site;
- b. Existing landscaping (planting, irrigation and landscape related improvements);
- c. Existing off-street parking;

- d. Public and private accessory improvements determined by the Development Services Department to be consistent with the land use and development standards for this site in accordance with the adopted community plan, the California Environmental Quality Act [CEQA] and the CEQA Guidelines, the City Engineer's requirements, zoning regulations, conditions of this Permit, and any other applicable regulations of the SDMC.

STANDARD REQUIREMENTS:

1. This permit must be utilized within thirty-six (36) months after the date on which all rights of appeal have expired. If this permit is not utilized in accordance with Chapter 12, Article 6, Division 1 of the SDMC within the 36 month period, this permit shall be void unless an Extension of Time has been granted. Any such Extension of Time must meet all SDMC requirements and applicable guidelines in effect at the time the extension is considered by the appropriate decision maker. This permit must be utilized by July 9, 2018.
2. This Conditional Use Permit [CUP] and corresponding use of this MMCC shall expire on July 9, 2020.
3. In addition to the provisions of the law, the MMCC must comply with; Chapter 4, Article 2, Division 15 and Chapter 14, Article 1, Division 6 of the San Diego Municipal Code.
4. No construction, occupancy, or operation of any facility or improvement described herein shall commence, nor shall any activity authorized by this Permit be conducted on the premises until:
 - a. The Owner/Permittee signs and returns the Permit to the Development Services Department.
 - b. The Permit is recorded in the Office of the San Diego County Recorder.
 - c. A MMCC Permit issued by the Development Services Department is approved for all responsible persons in accordance with SDMC, Section 42.1504.
5. While this Permit is in effect, the MMCC shall be used only for the purposes and under the terms and conditions set forth in this Permit unless otherwise authorized by the appropriate City decision maker.
6. This Permit is a covenant running with the MMCC and all of the requirements and conditions of this Permit and related documents shall be binding upon the Owner/Permittee and any successor(s) in interest.
7. The continued use of this Permit shall be subject to the regulations of this and any other applicable governmental agency.

8. Issuance of this Permit by the City of San Diego does not authorize the Owner/Permittee for this Permit to violate any Federal, State or City laws, ordinances, regulations or policies including, but not limited to, the Endangered Species Act of 1973 [ESA] and any amendments thereto (16 U.S.C. § 1531 et seq.).

9. The Owner/Permittee shall secure all necessary building permits. The Owner/Permittee is informed that to secure these permits, substantial building modifications and site improvements may be required to comply with applicable building, fire, mechanical, and plumbing codes, and State and Federal disability access laws.

10. Construction plans shall be in substantial conformity to Exhibit "A." Changes, modifications, or alterations to the construction plans are prohibited unless appropriate application(s) or amendment(s) to this Permit have been granted.

11. All of the conditions contained in this Permit have been considered and were determined-necessary to make the findings required for approval of this Permit. The Permit holder is required to comply with each and every condition in order to maintain the entitlements that are granted by this Permit.

If any condition of this Permit, on a legal challenge by the Owner/Permittee of this Permit, is found or held by a court of competent jurisdiction to be invalid, unenforceable, or unreasonable, this Permit shall be void. However, in such an event, the Owner/Permittee shall have the right, by paying applicable processing fees, to bring a request for a new permit without the "invalid" condition(s) back to the discretionary body which approved the Permit for a determination by that body as to whether all of the findings necessary for the issuance of the proposed permit can still be made in the absence of the "invalid" condition(s). Such hearing shall be a hearing de novo, and the discretionary body shall have the absolute right to approve, disapprove, or modify the proposed permit and the condition(s) contained therein.

12. The Owner/Permittee shall defend, indemnify, and hold harmless the City, its agents, officers, and employees from any and all claims, actions, proceedings, damages, judgments, or costs, including attorney's fees, against the City or its agents, officers, or employees, relating to the issuance of this permit including, but not limited to, any action to attack, set aside, void, challenge, or annul this development approval and any environmental document or decision. The City will promptly notify Owner/Permittee of any claim, action, or proceeding and, if the City should fail to cooperate fully in the defense, the Owner/Permittee shall not thereafter be responsible to defend, indemnify, and hold harmless the City or its agents, officers, and employees. The City may elect to conduct its own defense, participate in its own defense, or obtain independent legal counsel in defense of any claim related to this indemnification. In the event of such election, Owner/Permittee shall pay all of the costs related thereto, including without limitation reasonable attorney's fees and costs. In the event of a disagreement between the City and Owner/Permittee regarding litigation issues, the City shall have the authority to control the litigation and make litigation related decisions, including, but not limited to, settlement or other disposition of the matter. However, the Owner/Permittee shall not be required to pay or perform any settlement unless such settlement is approved by Owner/Permittee.

PLANNING/DESIGN REQUIREMENTS:

13. The use within the 999 square-foot tenant space shall be limited to the MMCC and any use permitted in the IL-3-1 zone.

14. Consultations by medical professionals shall not be a permitted accessory use at the MMCC.

15. Lighting shall be provided to illuminate the interior of the MMCC, facade, and the immediate surrounding area, including any accessory uses, parking lots, and adjoining sidewalks. Lighting shall be hooded or oriented so as to deflect light away from adjacent properties.

16. Security shall include operable cameras and a metal detector to the satisfaction of Development Services Department. This facility shall also include alarms and two armed security guards to the extent the possession of a firearm is not in conflict with 18 U.S.C. § 922(g) and 27 C.F.R § 478.11. Nothing herein shall be interpreted to require or allow a violation of federal firearms laws. The security guards shall be licensed by the State of California. One security guard must be on the premises 24 hours a day, seven days a week, the other must be present during business hours. The security guards should only be engaged in activities related to providing security for the facility, except on an incidental basis. The cameras shall have and use a recording device that maintains the records for a minimum of 30 days.

17. The Owner/Permittee shall install bullet resistant glass, plastic, or laminate shield at the reception area to protect employees.

18. The Owner/Permittee shall install bullet resistant armor panels or solid grouted masonry block walls, designed by a licensed professional, in adjoining walls with other tenants, reception area, and vault room (manager's office).

19. The name and emergency contact phone number of an operator or manager shall be posted in a location visible from outside of the MMCC in character size at least two inches in height.

20. The MMCC shall operate only between the hours of 7:00 a.m. and 9:00 p.m., seven days a week.

21. The use of vending machines which allow access to medical marijuana except by a responsible person, as defined in San Diego Municipal Code Section 42.1502, is prohibited. For purposes of this section and condition, a vending machine is any device which allows access to medical marijuana without a human intermediary.

22. The Owner/Permittee or operator shall maintain the MMCC, adjacent public sidewalks, and areas under the control of the owner or operator, free of litter and graffiti at all times. The owner or operator shall provide for daily removal of trash, litter, and debris. Graffiti shall be removed within 24 hours.

23. Medical marijuana shall not be consumed anywhere within the 2.51-acre site.
24. The Owner/Permittee or operator shall post anti-loitering signs near all entrances of the MMCC.
25. All signs associated with this development shall be consistent with sign criteria established by City-wide sign regulations and shall further be restricted by this permit. Sign colors and typefaces are limited to two. Ground signs shall not be pole signs. A sign is required to be posted on the outside of the MMCC and shall only contain the name of the business.
26. Interior spaces exposed to exterior aircraft noise sources shall be attenuated to achieve an indoor noise level of 50 dB CNEL.

ENGINEERING REQUIREMENTS:

27. Prior to the issuance of any building permit, the Owner/Permittee shall assure by permit and bond the replacement of the two easterly driveways with City standard driveways on Balboa Avenue per Standard Drawings SDG-159, satisfactory to the City Engineer.

TRANSPORTATION REQUIREMENTS:

28. No fewer than 5 parking spaces (including 1 van accessible space) for the proposed 999 square-foot MMCC (with 99 existing surface parking spaces -including 4 accessible spaces on the entire 2.5 acre site) shall be maintained on the property at all times in the approximate locations shown on Exhibit "A". All on-site parking stalls and aisle widths shall be in compliance with requirements of the City's Land Development Code and shall not be converted and/or utilized for any other purpose, unless otherwise authorized in writing by the Development Services Department.
29. Prior to any building permit/tenant improvement for 8861 Balboa Avenue Suite #B, the applicant shall demonstrate that the converted portion of the warehouse space to 2-car parking garage at 8861 Balboa Suite #B is to be accessed accessible for minimum turning path for passenger car design vehicle to accommodate ingress/egress of two (2) side-by-side dimensionally acceptable interior garage parking spaces, one of which is to be assigned to this CUP for 8863 Balboa Avenue Suite #E as employee parking while the other to be assigned to 8861 Balboa Avenue Suite #B, which may in turn require its own building permit to convert a portion of Suite #B into a parking garage satisfactory to BDR - Structural Review staff. Improvements to the existing garage space that may be required include, but are not limited to, a wider garage door and improvements required for separation of the parking and warehouse uses in 8863 Balboa Avenue Suite #E, satisfactory to BDR - Structural Review staff.

POLICE DEPARTMENT RECOMMENDATION:

30. The San Diego Police Department recommends that a Crime Prevention Through Environmental Design (CPTED) review be requested by their department and implemented for the MMCC.

INFORMATION ONLY:

- The issuance of this discretionary use permit alone does not allow the immediate commencement or continued operation of the proposed use on site. The operation allowed by this discretionary use permit may only begin or recommence after all conditions listed on this permit are fully completed and all required ministerial permits have been issued and received final inspection.
- Any party on whom fees, dedications, reservations, or other exactions have been imposed as conditions of approval of this Permit, may protest the imposition within ninety days of the approval of this development permit by filing a written protest with the City Clerk pursuant to California Government Code-section 66020.
- This development may be subject to impact fees at the time of construction permit issuance.

APPROVED by the Planning Commission of the City of San Diego on July 9, 2015 and Resolution No. PC-4716.

Conditional Use Permit No.1296130/PTS No. 368347
Date of Approval: July 9, 2015

AUTHENTICATED BY THE CITY OF SAN DIEGO DEVELOPMENT SERVICES
DEPARTMENT

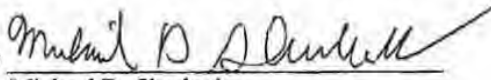


Edith Gutierrez
Development Project Manager

**NOTE: Notary acknowledgment
must be attached per Civil Code
section 1189 et seq.**

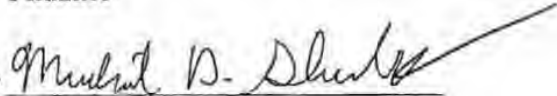
**The undersigned Owner/Permittee, by execution hereof, agrees to each and every condition of
this Permit and promises to perform each and every obligation of Owner/Permittee hereunder.**

LEADING EDGE REAL ESTATE, LLC
Owner

By 

Michael D. Sherlock
Managing Member

UNITED PATIENTS CONSUMER
COOPERATIVE
Permittee

By 

Michael D. Sherlock
Permittee

**NOTE: Notary acknowledgments
must be attached per Civil Code
section 1189 et seq.**

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

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.

State of California)
County of San Diego)
On July 27, 2015 before me, Vivian M. Gies, Notary Public
Date Here Insert Name and Title of the Officer
personally appeared Edith Gutierrez
Name(s) of Signer(s)

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 Vivian M. Gies
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document PTS 368347/8863 Balboa Ste.E MMCC/CUP #1296130
Title or Type of Document: _____ Document Date: _____
Number of Pages: _____ Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____
 Corporate Officer — Title(s): _____
 Partner — Limited General
 Individual Attorney In Fact
 Trustee Guardian or Conservator
 Other: _____
Signer Is Representing: _____

Signer's Name: _____
 Corporate Officer — Title(s): _____
 Partner — Limited General
 Individual Attorney In Fact
 Trustee Guardian or Conservator
 Other: _____
Signer Is Representing: _____

ORIGINAL

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

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.

State of California)
County of San Diego)

On July 23rd, 2015 before me, Christine Gasparyan, Notary Public
Date Here Insert Name and Title of the Officer

personally appeared Michael DeCarlo Sherlock
Name(s) of Signer(s)

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 Christine Gasparyan
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: Conditional Use Permit #1291230 Document Date: _____

Number of Pages: 7 Signer(s) Other Than Named Above: N/A

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

Corporate Officer — Title(s): _____

Partner — Limited General

Individual Attorney in Fact

Trustee Guardian or Conservator

Other: _____

Signer Is Representing: _____

Signer's Name: _____

Corporate Officer — Title(s): _____

Partner — Limited General

Individual Attorney in Fact

Trustee Guardian or Conservator

Other: _____

Signer Is Representing: _____

ORIGINAL

PLANNING COMMISSION
RESOLUTION NO. PC-4716
CONDITONAL USE PERMIT NO. 1296130
8863 BALBOA STE E MMCC PROJECT NO. 368347

WHEREAS, LEADING EDGE REAL ESTATE, LLC, Owner and UNITED PATIENTS CONSUMER COOPERATIVE, Permittee, filed an application with the City of San Diego for a permit to operate a Medical Marijuana Consumer Cooperative (MMCC) in a 999 square-foot tenant space within an existing, 4,995 square-foot building (as described in and by reference to the approved Exhibits "A" and corresponding conditions of approval for the associated Permit No. 1296130), on portions of a 2.51-acre site;

WHEREAS, the project site is located at 8863 Balboa Avenue is in the IL-3-1 Zone, the Airport Influence Area (Miramar and Montgomery Field), Montgomery Field Safety Zone 2, 5, and 6, the 60-65 dB CNEL for Montgomery Field, and within the Keamy Mesa Community Plan Area;

WHEREAS, the project site is legally described as Lot 9, Industrial Park No. 2, Map No. 4113, March 12, 1959;

WHEREAS, on April 22, 2015, the Hearing Officer of the City of San Diego approved Conditional Use Permit No. 1296130 pursuant to the Land Development Code of the City of San Diego;

WHEREAS, on March 25, 2015, Stephen Cline and Daniel Burakowski filed appeals of the Hearing Officer's decision;

WHEREAS, on July 9, 2015, the Planning Commission of the City of San Diego considered the appeal of Conditional Use Permit No. 1296130 pursuant to the Land Development Code of the City of San Diego;

WHEREAS, on November 20, 2014, the City of San Diego, as Lead Agency, through the Development Services Department, made and issued an Environmental Determination that the project is exempt from the California Environmental Quality Act (CEQA) (Public Resources Code section 21000 et. seq.) under CEQA Guidelines Section 15303 (New Construction or Conversion of Small Structures); and the Environmental Determination was appealed to City Council, which heard and denied the appeal on March 3, 2015 pursuant to Resolution No. 309534;

NOW, THEREFORE, BE IT RESOLVED by the Planning Commission of the City of San Diego as follows:

That the Planning Commission adopts the following written Findings, dated July 9, 2015.

FINDINGS:

Conditional Use Permit Approval – Section §126.0305

1. **The proposed development will not adversely affect the applicable land use**

Plan.

The proposed project is a request for a Conditional Use Permit to operate in a 999 square-foot tenant space within an existing, 4,995 square-foot one-story building. The 2.51-acre site is located at 8863 Balboa Avenue in the IL-3-1 Zone, the Airport Influence Area (Miramar and Montgomery Field), Montgomery Field Safety Zone 2, 5, and 6, the 60-65 dB CNEL for Montgomery Field, and within the Kearny Mesa Community Plan area.

The site is designated Industrial in the Kearny Mesa Community Plan. The Industrial designation is intended for manufacturing, assembling, processing, warehousing or transporting goods or products. The Kearny Mesa Community Plan encourages continued development of Kearny Mesa as a regional employment center, containing a mix of industrial, office, retail and compatible housing land uses. The proposed MMCC was reviewed by MCAS Miramar and determined to be consistent with the Air Installation Compatible Use Zone (AICUZ) noise and safety compatibility guidelines.

The 2.51-acre site is zoned IL-3-1 and has eight detached buildings constructed in 1969. The proposed MMCC is located on the far southwest side of the lot. The existing uses on the site consist of vehicle sales and services, retail and commercial services (business services-offices). The existing uses are consistent with the Industrial designation of the community plan. The surrounding parcels are within the IL-2-1 Zone except from the south parcel which is Montgomery Field Airport and is unzoned. The proposed MMCC, classified as commercial services, is a compatible use for this location with a Conditional Use Permit and is consistent with the community plan, therefore will not adversely affect the applicable land use plan.

2. The proposed development will not be detrimental to the public health, safety, and welfare.

The proposed 999 square-foot MMCC site located at 8863 Balboa Avenue is within an existing 4,995 square-foot building on a 2.51-acre site. The existing tenant space is currently being used for vehicle sales and services. The project proposes interior improvements that include a reception area, dispensary area, office, employee lounge and restroom. The tenant improvement building permit will require compliance with the California Building Code, Plumbing Code, Mechanical Code, Electrical Code, Fire Code and all adopted referenced standards. Public improvements include the replacement of the two easterly driveways with City standard driveways on Balboa Avenue.

MMCCs are restricted to four per Council District, 36 city-wide, within commercial and industrial zones in order to minimize the impact on the City and residential neighborhoods. MMCCs require compliance with San Diego Municipal Code (SDMC) section 141.0614 which require a 1,000-foot separation, measured between property lines, from: public parks, churches, child care centers, playgrounds, libraries, minor-oriented facilities, other medical marijuana consumer cooperatives, residential care facilities, and schools. There is also a minimum distance requirement of 100 feet from a residential zone. In addition to minimum distance requirements, MMCCs prohibit consultations by medical professionals on site and do not allow certain types of vending machines. Security requirements include interior and exterior lighting, security cameras, alarms and a security guard. The security guard must be licensed by the State of California and be present on the premises during business hours. Hours of operation are limited from 7:00 a.m. to 9:00 p.m. seven days a week. MMCCs must also comply with Chapter 4, Article 2, Division 15 which provides guidelines for lawful operation.

The project requires compliance with the development conditions in effect for the subject property as described in Conditional Use Permit No. 1296130. The Conditional Use Permit is valid for five years, however may be revoked if the use violates the terms, conditions, lawful requirements, or provisions of the permit.

The referenced regulations and conditions have been determined as necessary to avoid adverse impact upon the health, safety and general welfare of persons patronizing, residing or working within the surrounding area and therefore, the proposed MMCC will not be detrimental to the public health, safety and welfare.

3. The proposed development will comply with the regulations of the Land Development Code including any allowable deviations pursuant to the Land Development Code.

The proposed 999 square-foot MMCC located at 8863 Balboa Avenue is within an existing 4,995 square-foot building. The 2.51-acre site is zoned IL-3-1 and has eight detached buildings totaling 39,674 square-feet constructed in 1969. The proposed MMCC is located on the far southwest side of the lot. The existing uses on the site consist of vehicle sales and services, retail and commercial services (business services-offices). The project proposes interior improvements that include a reception area, dispensary area, office, employee lounge and restroom. The tenant improvement building permit will require compliance with the California Building Code, Plumbing Code, Mechanical Code, Electrical Code, Fire Code and all adopted referenced standards. Public improvements include the replacement of the two easterly driveways with City standard driveways on Balboa Avenue.

MMCCs are allowed in the IL-3-1 zone with a Conditional Use Permit (CUP). The CUP requires MMCCs to comply with SDMC section 141.0614 which requires a 1,000-foot separation, measured between property lines, from: public parks, churches, child care centers, playgrounds, libraries, minor-oriented facilities, other medical marijuana consumer cooperatives, residential care facilities, and schools. There is also a minimum distance requirement of 100 feet from a residential zone. In addition to minimum distance requirements, MMCCs prohibit consultations by medical professionals on site and do not allow certain types of vending machines. Security requirements include interior and exterior lighting, security cameras, alarms and a security guard. The security guard must be licensed by the State of California and be present on the premises during business hours. Hours of operation are limited from 7:00 a.m. to 9:00 p.m. seven days a week. MMCCs must also comply with Chapter 4, Article 2, Division 15 which provides guidelines for lawful operation.

The proposed MMCC is consistent with the land use designation of Industrial. The proposed MMCC meets all development regulations, no deviations are requested, and the permit as conditioned assures compliance with all the development regulations of the San Diego Municipal Code. The proposed MMCC therefore complies with the regulations of the Land Development Code.

4. The proposed use is appropriate at the proposed location.


The proposed 999 square-foot MMCC located at 8863 Balboa Avenue is within an existing 4,995 square-foot building.

MMCCs, classified as commercial services, are allowed in the IL-3-1 zone with a Conditional Use Permit (CUP) and are consistent with the land use designation of Industrial use in the Kearny Mesa Community Plan. The CUP requires MMCCs to comply with SDMC section 141.0614 which requires a

1,000-foot separation, measured between property lines, from: public parks, churches, child care centers, playgrounds, libraries, minor-oriented facilities, other medical marijuana consumer cooperatives, residential care facilities, and schools. There is also a minimum distance requirement of 100 feet from a residential zone. In addition to minimum distance requirements, MMCCs prohibit consultations by medical professionals on site and do not allow certain types of vending machines. Security requirements include interior and exterior lighting, security cameras, alarms and a security guard. The security guard must be licensed by the State of California and be present on the premises during business hours. Hours of operation are limited from 7:00 a.m. to 9:00 p.m. seven days a week. MMCCs must also comply with Chapter 4, Article 2, Division 15 which provides guidelines for lawful operation.

The San Diego Municipal code limits MMCCs to commercial and industrial zones and the number of MMCCs to only four per Council District, 36 city-wide, in order to minimize the impact on the City and residential neighborhoods. The proposed MMCC is located on the far southwest side of a 2.51-acre site that is zoned IL-3-1 and has eight detached buildings. The existing uses on the site consist of vehicle sales and services, retail and commercial services (business services-offices). The proposed MMCC is a compatible use for this location with a Conditional Use Permit, is consistent with the community plan and the permit as conditioned assures compliance with all the development regulations of the San Diego Municipal Code, therefore the use is appropriate at the proposed location.

BE IT FURTHER RESOLVED that, based on the findings hereinbefore adopted by the Planning Commission, Conditional Use Permit No. 1296130 is hereby GRANTED by the Planning Commission to the referenced Owner/Permittee, in the form, exhibits, terms and conditions as set forth in Permit No. 1296130, a copy of which is attached hereto and made a part hereof.



Edith Gutierrez
Development Project Manager
Development Services

Adopted on: July 9, 2015

Job Order No. 24004643



City of San Diego
 Development Services
 1222 First Ave., MS-501
 San Diego, CA 92101
 (619) 446-5000

**Medical Marijuana
 Consumer Cooperative
 Permit**

**FORM
 DS-191**
 FEBRUARY 2015

Pursuant to Chapter 4, Article 2, Division 15 of the San Diego Municipal Code, a permit must be obtained once a Medical Marijuana Consumer Cooperative (MMCC) Conditional Use Permit (CUP) has been approved and prior to operating the MMCC. MMCC Permits issued pursuant to this Division shall be valid for **one year**. The MMCC must comply with San Diego Municipal Code, Chapter 4, Article 2, Division 15, the regulating CUP, and all applicable City, County, State and Federal Regulations. **Any other permits or licenses required by law must be obtained from the appropriate agency.**

Business Name:		Telephone No.:	
Balboa Avenue Cooperative			
Business Address:	City:	State:	Zip Code:
8863 Balboa Ave Unit E	San Diego	CA	92123
Conditional Use Permit No.:	Date of Approval:	Recordation Date of CUP:	
1296130	07/09/2015	07/29/2015	
Conditional Use Permit PTS No.:	CUP Expiration Date:		
368347	07/09/2020		

The MMCC's responsible person or responsible managing officer must complete the following section and sign where indicated.

I am aware that the business described above is subject to the Medical Marijuana Consumer Cooperative regulations in the San Diego Municipal Code Chapter 4, Article 2, Division 15, and the regulating Conditional Use Permit. MMCC Permits issued pursuant to this Division shall be valid for **one year**. I have a copy of the aforementioned codes, have read them, and certify that the proposed business will comply with all requirements including, but not limited to, required fingerprinting and criminal history checks of all responsible persons, and limitations related to age of responsible persons.

Ninus Malan

Responsible Managing Officer or Responsible Person Name:			
<i>ninusmalan@yahoo.com</i>		<i>(619) 750-2024</i>	
E-mail Address:	Telephone No.:		
<i>5065 Logan Ave Suite 101</i>	<i>San Diego</i>	<i>CA</i>	<i>92113</i>
Mailing Address:	City:	State:	Zip Code:
<i>Ninus Malan,</i>	<i>01/18/17</i>		<i>92105</i>
Signature:	Date:		

Printed on recycled paper. Visit our web site at www.sandiego.gov/development-services.
 Upon request, this information is available in alternative formats for persons with disabilities.

FOR CITY USE ONLYConditional Use Permit No.: 1296130Recordation Date of CUP: 07/29/2015CUP Expiration Date: 07/09/2020**Staff shall check each box once the item is addressed.**

- The business address matches the address approved in the Conditional Use Permit for the Medical Marijuana Consumer Cooperative.
- The responsible person(s)¹ completed and submitted the Live Scan form and Form DS-192 to the San Diego Police Department (SDPD) for a criminal background check. Development Services has received the form back from SDPD verifying that the responsible persons(s) comply with SDMC Section 42.1507.
- The applicant has been provided copies of San Diego Municipal Code Chapter 4, Division 4, Article 15 and a copy of this permit.
- This permit and the following have been placed in the original Conditional Use Permit file:
- Recorded CUP.
 - Articles of Incorporation certified by the Secretary of State.
 - Form DS-192 for each responsible person(s) signed by the SDPD verifying that each responsible person(s) has passed the criminal background check.

APPROVED **DENIED**

By: Frouzeh Tirandozi

PRINT NAME

Date: January 30, 2017

1. Responsible persons includes an employee and each person upon whom a duty, requirement or obligation is imposed by this Division, or who is otherwise responsible for the operation, management, direction, or policy of a medical marijuana consumer cooperative. It also includes an employee who is in apparent charge of the medical marijuana consumer cooperative.

Exhibit E
to cross-complaint



June 7, 2018

CIVIL PENALTY NOTICE AND ORDER

Location: 8863 Balboa Avenue Suite E, San Diego, CA

APN No.: 369-150-1323

**Property Owner/
Responsible Person:** San Diego United Holdings Group LLC
Ninus Malan (CEO)
Address: 5065 Logan Avenue Suite 101
San Diego, CA 92113

**Property Owner/
Responsible Person:** Balboa Avenue Cooperative
Ninus Malan (President, CEO, CFO, Secretary)
Address: 8863 Balboa Avenue Suite E
San Diego, CA 92123

Zoning Designation: Industrial Light-3-1

Background

A Conditional Use Permit (CUP), No. 1296130, was approved on July 9, 2015, under Project No. 368347, for United Patients Consumer Cooperative to operate a Medical Marijuana Consumer Cooperative at 8863 Balboa Avenue Suite E, subject to terms and conditions set forth in the permit.

You are hereby notified that the property identified above is in violation of the San Diego Municipal Code (SDMC). On June 1, 2018, the following violations were observed at the property and must be corrected:

- The Directional Sign stating, "Tree House Dispensary in the back" located in the landscaping along the frontage of Balboa Avenue is in violation of the sign regulations.
- The Directional Sign stating, "Tree House Dispensary parking below" located on the fence just South of the front door to the Outlet, has an illegal electrical connection without the required permits, approvals and inspections.
- Failure to comply with conditions No.7, No. 16 and No.25 of the CUP: Must follow the regulations of the CUP. All signs must be consistent with CUP and city-wide sign regulations. Facility shall include two armed security guards during business hours.

These guards should only be engaged in activities related to providing security to the facility, except on an incidental basis.

This is a violation of the following code section(s):

<u>Code Section</u>	<u>Violation Description</u>
---------------------	------------------------------

- | | |
|--|--|
| • SDMC §129.0302 - When an Electrical Permit Is Required | |
| • SDMC §142.1255 - Temporary Secondary Signs in Commercial and Industrial Zones | |
| • SDMC §126.0306 - Violations of a Conditional Use Permit | |
| • SDMC §§121.0202-121.0203 provides the authority regarding enforcement of the Land Development Code. | |
| • SDMC §121.0302 requires compliance with the Land Development Code, specifies these violations are not permitted, and provides authority for the abatement of public nuisances. | |

If you correct the above violations as identified below, you will not be subject to any administrative civil penalties.

In order to avoid administrative civil penalties, you must correct the violations **Immediately:**

- Modify as required to conform with applicable Conditional Use Permit.

In order to avoid administrative civil penalties, you must correct the violations by **July 7, 2018**, as follows:

- Remove sign(s) from property.
- Obtain required Electrical Permit(s) and successfully complete all required inspections.

Reinspection fees are assessed for each inspection after the issuance of a violation notice in accordance with the SDMC §13.0103. An invoice will be sent following each inspection until compliance is achieved. Current reinspection fees range between \$264 and \$295.

Please refer to the San Diego Municipal Code sections cited for additional information via <https://www.sandiego.gov/city-clerk/>.

Additional forms and documents to assist in your compliance efforts are available at: <https://www.sandiego.gov/ced/forms>.

Failure to Comply with Notice and Order

If you fail to comply with this Notice and Order in the time and manner set forth above, you

are subject to civil administrative penalties pursuant to SDMC §§12.0801-12.0810. The penalty rate for the above listed violation(s) has been established in accordance with SDMC §§12.0801-12.0810 at \$500.00 per violation per day and shall be an ongoing assessment of penalties at the daily rate until the violations are corrected. Administrative civil penalty amounts are established by the Development Services Director.

The following factors were used in determining the amount:

- the duration of the violation
- the frequency or recurrence of the violation
- the nature and seriousness of the violation
- the willfulness of Responsible Person's misconduct
- the Responsible Person's conduct after issuance of the Notice and Order
- the good faith effort by the Responsible Person to comply
- the economic impact of the penalty on the Responsible Person
- the impact of the violation upon the community

Pursuant to SDMC §12.0805(a), in determining the date on which civil penalties shall begin to accrue, the Development Services Director considers the date when the Code Enforcement Division first discovered the violations as evidenced by the issuance of a Notice of Violation or any other written correspondence. The date on which the civil penalties began to accrue is June 1, 2018, and shall end on the date that the violation(s) has been corrected to the satisfaction of the Development Services Director or the Enforcement Hearing Officer.

Civil Penalties Hearing

If you fail to comply with the Notice and Order, written notice of the time and place of an administrative enforcement hearing will be served on you at least 10 calendar days prior to the date of the hearing in accordance with SDMC §12.0403. At the hearing, you may present evidence concerning the existence of the violation(s) and whether the amount of administrative civil penalties assessed was reasonable in accordance with SDMC §12.0808. Failure to attend an administrative enforcement hearing will constitute a waiver of your rights to an administrative hearing and administrative adjudication of the violation(s) set forth above.

Administrative Costs

The Development Services Director or Enforcement Hearing Officer is authorized to assess administrative costs. Administrative costs may include, but are not limited to: staff time to investigate and document violations; laboratory, photographic, and other expenses incurred to document or establish the existence of a violation; and scheduling and processing of the administrative hearing and all actions.

Failure to Comply with Administrative Enforcement Order

If you fail, neglect, or refuse to obey an order to correct the violations, administrative civil penalties will continue to accrue on a daily basis until the violation is corrected. The unpaid

Page 4
Civil Penalty Notice and Order
8863 Balboa Avenue Suite E
June 7, 2018

amount of administrative civil penalties will be referred to the City Treasurer for collection, recorded as a code enforcement lien against the property in accordance with SDMC §§13.0201-13.0204, and may be referred to the City Attorney to file a court action to recover the unpaid amount. Failure to correct the violations may also result in referral to the City Attorney for further enforcement action.

If you have any questions concerning this Notice and Order, or to schedule a compliance inspection, please contact **R. Sperry, Zoning Investigator**, at (619) 446-5085 or **J. Barnes, Combination Building Inspector** at 619-533-3957.

LDA/RLS/JBB/jef

cc: File

Agent for Service: Balboa Ave Cooperative: George Costa 3645 Ruffin Road, San Diego, CA 92123
Agent for Service: San Diego United Holdings Group LLC: George Costa 3645 Ruffin Road, San Diego, CA 92123


CED# 0501875


This information will be made available in alternative formats upon request.

0501875__8863 Balboa Avenue__ced105__R. Sperry


Exhibit G
to cross-complaint

201717710044

	Secretary of State Articles of Organization Limited Liability Company (LLC)	LLC-1
	<p>IMPORTANT — Read Instructions before completing this form.</p> <p>Filing Fee — \$70.00</p> <p>Copy Fees — First page \$1.00; each attachment page \$0.50; Certification Fee - \$5.00</p> <p><i>Note:</i> LLCs may have to pay minimum \$800 tax to the California Franchise Tax Board each year. For more information, go to https://www.ftb.ca.gov.</p>	

FILED 

Secretary of State
 State of California

JUN 20 2017 

 This Space For Office Use Only

1. Limited Liability Company Name (See Instructions — Must contain an LLC ending such as LLC or L.L.C. "LLC" will be added, if not included.)

RM PROPERTY HOLDINGS, LLC

2. Business Addresses

a. Initial Street Address of Designated Office In California - Do not enter a P.O. Box	City (no abbreviations)	State	Zip Code
7977 BROADWAY	LEMON GROVE	CA	91945
b. Initial Mailing Address of LLC, if different than Item 2a	City (no abbreviations)	State	Zip Code

3. Service of Process (Must provide either Individual OR Corporation.)

INDIVIDUAL — Complete Items 3a and 3b only. Must include agent's full name and California street address.

a. California Agent's First Name (if agent is not a corporation)	Middle Name.	Last Name	Suffix
NINUS		MALAN	
b. Street Address (if agent is not a corporation) - Do not enter a P.O. Box	City (no abbreviations)	State	Zip Code
7977 BROADWAY	LEMON GROVE	CA	91945

CORPORATION — Complete Item 3c. Only include the name of the registered agent Corporation.

c. California Registered Corporate Agent's Name (if agent is a corporation) — Do not complete Item 3a or 3b

4. Management (Select only one box)

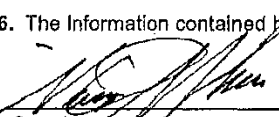
The LLC will be managed by:

One Manager More than One Manager All LLC Member(s)

5. Purpose Statement (Do not alter Purpose Statement)

The purpose of the limited liability company is to engage in any lawful act or activity for which a limited liability company may be organized under the California Revised Uniform Limited Liability Company Act.

6. The Information contained herein, including in any attachments, is true and correct.

 _____
 Organizer sign here

NINUS MALAN

 Print your name here

Exhibit I

to cross-complaint

Exhibit I
to Decl. of Ninus Malan

Clerk stamps date here when form is filed.

Person in ① must complete items ①, ②, and ③ only.

① Protected Person

a. Your Full Name: Ninas Malan
Your Lawyer (if you have one for this case):
Name: State Bar No.:
Firm Name:
b. Your Address (If you have a lawyer, give your lawyer's information. If you do not have a lawyer and want to keep your home address private, you may give a different mailing address instead. You do not have to give telephone, fax, or e-mail.):
Address: 3990 Old Town
City: San Diego State: CA Zip: 92110
Telephone: Fax:
E-Mail Address:

FILED
Clerk of the Superior Court
AUG 10 2018
By: J. Montano, Deputy

Fill in court name and street address:
Superior Court of California, County of
San Diego Superior Court
330 W. Broadway
San Diego, CA 92101

Court fills in case number when form is filed.
Case Number:
37-2018-00040836-CU-HR-CTL

② Restrained Person

Full Name: Salam Kazuki
Description:
Sex: [X] M [] F Height: 5,7 Weight: 150lbs Date of Birth:
Hair Color: BK Eye Color: BRN Age: 49 Race: Middle Eastern
Home Address (if known): 10605 Senda Achorio
City: San Diego State: CA Zip: 92130
Relationship to Protected Person: Ex Business Partner & Current Landlord

③ [] Additional Protected Persons

In addition to the person named in ①, the following family or household members of that person are protected by the temporary orders indicated below:

Table with columns: Full Name, Sex, Age, Household Member?, Relation to Protected Person. Includes checkboxes for Yes/No.

[] Check here if there are additional persons. List them on an attached sheet of paper and write "Attachment 3-Additional Protected Persons" as a title. You may use form MC-025, Attachment.

The court will complete the rest of this form.

④ Expiration Date

This Order expires at the end of the hearing scheduled for the date and time below:

Date: 8-5-18 Time: 0:30 [X] a.m. [] p.m.

This is a Court Order.



To the Person in ②:

The court has granted the temporary orders checked as granted below. If you do not obey these orders, you can be arrested and charged with a crime. You may be sent to jail for up to one year, pay a fine of up to \$1,000, or both.

⑤ Personal Conduct Orders

Not Requested Denied Until the Hearing Granted as Follows:

a. You must not do the following things to the person named in ①

and to the other protected persons listed in ③: *Denial - DSW*

- (1) Harass, intimidate, molest, attack, strike, stalk, threaten, assault (sexually or otherwise), hit, abuse, destroy personal property of, or disturb the peace of the person.
- (2) Contact the person, either directly or indirectly, in any way, including, but not limited to, in person, by telephone, in writing, by public or private mail, by interoffice mail, by e-mail, by text message, by fax, or by other electronic means.
- (3) Take any action to obtain the person's address or location. If this item (3) is not checked, the court has found good cause not to make this order.
- (4) Other (specify):
 Other personal conduct orders are attached at the end of this Order on Attachment 5a(4).

b. Peaceful written contact through a lawyer or a process server or other person for service of legal papers related to a court case is allowed and does not violate this order. However, you may have your papers served by mail on the person in ①.

⑥ Stay-Away Order

Not Requested Denied Until the Hearing Granted as Follows:

a. You must stay at least 100 yards away from (check all that apply):

- (1) The person in ①
- (2) Each person in ③
- (3) The home of the person in ①
- (4) The job or workplace of the person in ①
- (5) The school of the person in ①
- (6) The school of the children of the person in ①
- (7) The place of child care of the children of the person in ①
- (8) The vehicle of the person in ①
- (9) Other (specify):

b. This stay-away order does not prevent you from going to or from your home or place of employment.

⑦ No Guns or Other Firearms and Ammunition

a. You cannot own, possess, have, buy or try to buy, receive or try to receive, or in any other way get guns, other firearms, or ammunition.

b. You must:

- (1) Sell to or store with a licensed gun dealer, or turn in to a law enforcement agency, any guns or other firearms in your immediate possession or control. This must be done within 24 hours of being served with this Order.

This is a Court Order.



(2) File a receipt with the court within 48 hours of receiving this Order that proves that your guns or firearms have been turned in, sold, or stored. (You may use form CH-800, Proof of Firearms Turned In, Sold, or Stored, for the receipt.)

c. The court has received information that you own or possess a firearm.

8 Possession and Protection of Animals

Not Requested Denied Until the Hearing Granted as Follows (specify):

a. The person in ① is given the sole possession, care, and control of the animals listed below, which are owned, possessed, leased, kept, or held by him or her, or reside in his or her household.
(Identify animals by, e.g., type, breed, name, color, sex.)

b. The person in ② must stay at least _____ yards away from, and not take, sell, transfer, encumber, conceal, molest, attack, strike, threaten, harm, or otherwise dispose of, the animals listed above.

9 Other Orders

Not Requested Denied Until the Hearing Granted as Follows (specify):

Additional orders are attached at the end of this Order on Attachment 9.

To the Person in ① :

10 Mandatory Entry of Order Into CARPOS Through CLETS

This Order must be entered into the California Restraining and Protective Order System (CARPOS) through the California Law Enforcement Telecommunications System (CLETS). (Check one):

- a. The clerk will enter this Order and its proof-of-service form into CARPOS.
- b. The clerk will transmit this Order and its proof-of-service form to a law enforcement agency to be entered into CARPOS.
- c. By the close of business on the date that this Order is made, the person in ① or his or her lawyer should deliver a copy of the Order and its proof-of-service form to the law enforcement agency listed below to enter into CARPOS:

Name of Law Enforcement Agency

Address (City, State, Zip)

Additional law enforcement agencies are listed at the end of this Order on Attachment 10.

This is a Court Order.



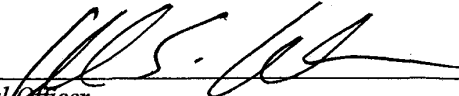
⑪ **No Fee to Serve (Notify) Restrained Person** **Ordered** **Not Ordered**

The sheriff or marshal will serve this Order without charge because:

- a. The Order is based on unlawful violence, a credible threat of violence, or stalking.
- b. The person in ① is entitled to a fee waiver.

⑫ Number of pages attached to this Order, if any: _____

Date: 8-10-18


Judicial Officer

RICHARD S. WHITNEY

Warnings and Notices to the Restrained Person in ②

You Cannot Have Guns or Firearms

You cannot own, have, possess, buy or try to buy, receive or try to receive, or otherwise get guns, other firearms, or ammunition while this Order is in effect. If you do, you can go to jail and pay a \$1,000 fine. You must sell to or store with a licensed gun dealer, or turn in to a law enforcement agency, any guns or other firearms that you have or control as stated in item ⑦ above. The court will require you to prove that you did so.

Notice Regarding Nonappearance at Hearing and Service of Order

If you have been personally served with this Temporary Restraining Order and form CH-109, *Notice of Court Hearing*, but you do not appear at the hearing either in person or by a lawyer, and a restraining order that is the same as this Temporary Restraining Order except for the expiration date is issued at the hearing, a copy of the order will be served on you by mail at the address in item ②.

If this address is not correct or you wish to verify that the Temporary Restraining Order was converted into a restraining order at the hearing without substantive change, or to find out the duration of the order, contact the clerk of the court.

After You Have Been Served With a Restraining Order

- Obey all the orders.
- Read form CH-120-INFO, *How Can I Respond to a Request for Civil Harassment Restraining Orders?*, to learn how to respond to this Order.
- If you want to respond, fill out form CH-120, *Response to Request for Civil Harassment Restraining Orders*, and file it with the court clerk. You do not have to pay any fee to file your response if the Request claims that you inflicted or threatened violence against or stalked the person in ①.
- You must have form CH-120 served by mail on the person in ① or that person's attorney. You cannot do this yourself. The person who does the mailing should complete and sign form CH-250, *Proof of Service of Response by Mail*. File the completed proof of service with the court clerk before the hearing date or bring it with you to the hearing.
- In addition to the response, you may file and have declarations served, signed by you and other persons who have personal knowledge of the facts. You may use form MC-030, *Declaration*, for this purpose. It is available from the clerk's office at the court shown on page 1 of this form or at www.courts.ca.gov/forms. If you do not know how to prepare a declaration, you should see a lawyer.

This is a Court Order.



- Whether or not you file a response, you should attend the hearing. If you have any witnesses, they must also go to the hearing.
- At the hearing, the judge can make restraining orders against you that last for up to five years. Tell the judge why you disagree with the orders requested.

Instructions for Law Enforcement

Enforcing the Restraining Order

This order is enforceable by any law enforcement agency that has received the order, is shown a copy of the order, or has verified its existence on the California Restraining and Protective Orders System (CARPOS). If the law enforcement agency has not received proof of service on the restrained person, the agency must advise the restrained person of the terms of the order and then must enforce it. Violations of this order are subject to criminal penalties.

Start Date and End Date of Orders

This order *starts* on the date next to the judge's signature on page 4. The order *ends* on the expiration date in item ④ on page 1.

Arrest Required if Order Is Violated

If an officer has probable cause to believe that the restrained person had notice of the order and has disobeyed the order, the officer must arrest the restrained person. (Pen. Code, §§ 836(c)(1), 13701(b).) A violation of the order may be a violation of Penal Code section 166 or 273.6. Agencies are encouraged to enter violation messages into CARPOS.

Notice/Proof of Service

The law enforcement agency must first determine if the restrained person had notice of the order. Consider the restrained person "served" (given notice) if (Pen. Code, § 836(c)(2)):

- The officer sees a copy of the Proof of Service or confirms that the Proof of Service is on file; or
- The restrained person was informed of the order by an officer.

An officer can obtain information about the contents of the order and proof of service in CARPOS. If proof of service on the restrained person cannot be verified, the agency must advise the restrained person of the terms of the order and then enforce it.

If the Protected Person Contacts the Restrained Person

Even if the protected person invites or consents to contact with the restrained person, this order remains in effect and must be enforced. The protected person cannot be arrested for inviting or consenting to contact with the restrained person. The order can be changed only by another court order. (Pen. Code, § 13710(b).)

This is a Court Order.



Conflicting Orders—Priorities for Enforcement

If more than one restraining order has been issued, the orders must be enforced according to the following priorities (see Pen. Code, § 136.2; Fam. Code, §§ 6383(h)(2), 6405(b)):

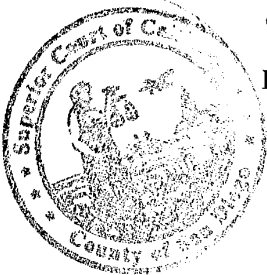
1. *EPO*: If one of the orders is an *Emergency Protective Order* (form EPO-001) and is more restrictive than other restraining or protective orders, it has precedence in enforcement over all other orders.
2. *No Contact Order*: If there is no EPO, a no-contact order that is included in a restraining or protective order has precedence over any other restraining or protective order.
3. *Criminal Order*: If none of the orders includes a no contact order, a domestic violence protective order issued in a criminal case takes precedence in enforcement over any conflicting civil court order. Any nonconflicting terms of the civil restraining order remain in effect and enforceable.
4. *Family, Juvenile, or Civil Order*: If more than one family, juvenile, or other civil restraining or protective order has been issued, the one that was issued last must be enforced.

(Clerk will fill out this part.)

—Clerk's Certificate—

Clerk's Certificate

[seal]



I certify that this *Temporary Restraining Order* is a true and correct copy of the original on file in the court.

Date: AUG 10 2018 Clerk, by M. Dixon, Deputy

M. Dixon
M. DIXON

This is a Court Order.

ATTACHED DESCRIPTIONS - ADDITIONAL RESPONDENTS

SHORT TITLE:	CASE NUMBER: 37-2018-00040036-CU-HR-CTL
--------------	---

INSTRUCTIONS FOR USE

This form should be used as an attachment to list additional persons to be restrained on:

- | | |
|--|--|
| <input checked="" type="checkbox"/> Civil Harassment (Item 2)
(CH-100; CH-109; CH-110; CH-130) | <input type="checkbox"/> Elder/Dependent Abuse (Item 2)
(EA-100; EA-109; EA-110; EA-130) |
| <input type="checkbox"/> School Violence (Item 3)
(SV-100; SV-109; SV-110; SV-130) | <input type="checkbox"/> Workplace Violence (Item 3)
(WV-100; WV-109; WV-110; WV-130) |

Additional persons to be restrained are:

a. Name: Elizabeth Juarez

Sex: <input checked="" type="checkbox"/> M <input type="checkbox"/> F <input type="checkbox"/> <input checked="" type="checkbox"/>	Ht: <u>5.0</u>	Wt: <u>150</u>	Hair color: <u>BRN</u>	Eye color: <u>BRN</u>	Race: <u>Hispanic</u>	Age: <u>45</u>	Date of Birth: <u>UNKNOWN</u>
Address: <u>45 310 Ave suite 201</u>			City: <u>EMERY VISTA</u>	State: <u>CA</u>	Zip Code: <u>91910</u>		

b. Name: Sylvia Gonzalez

Sex: <input checked="" type="checkbox"/> M <input type="checkbox"/> F <input type="checkbox"/> <input checked="" type="checkbox"/>	Ht: <u>5.5</u>	Wt: <u>165</u>	Hair color: <u>BLK</u>	Eye color: <u>BRN</u>	Race: <u>Hispanic</u>	Age: <u>50</u>	Date of Birth: <u>UNKNOWN</u>
Address: <u>7977 Broadway</u>			City: <u>Lemon Grove</u>	State: <u>CA</u>	Zip Code: <u>91945</u>		

c. Name:

Sex: <input checked="" type="checkbox"/> M <input type="checkbox"/> F <input type="checkbox"/> <input type="checkbox"/>	Ht: _____	Wt: _____	Hair color: _____	Eye color: _____	Race: _____	Age: _____	Date of Birth: _____
Address: _____			City: _____	State: _____	Zip Code: _____		

d. Name:

Sex: <input checked="" type="checkbox"/> M <input type="checkbox"/> F <input type="checkbox"/> <input type="checkbox"/>	Ht: _____	Wt: _____	Hair color: _____	Eye color: _____	Race: _____	Age: _____	Date of Birth: _____
Address: _____			City: _____	State: _____	Zip Code: _____		

e. Name:

Sex: <input checked="" type="checkbox"/> M <input type="checkbox"/> F <input type="checkbox"/> <input type="checkbox"/>	Ht: _____	Wt: _____	Hair color: _____	Eye color: _____	Race: _____	Age: _____	Date of Birth: _____
Address: _____			City: _____	State: _____	Zip Code: _____		

f. Name:

Sex: <input checked="" type="checkbox"/> M <input type="checkbox"/> F <input type="checkbox"/> <input type="checkbox"/>	Ht: _____	Wt: _____	Hair color: _____	Eye color: _____	Race: _____	Age: _____	Date of Birth: _____
Address: _____			City: _____	State: _____	Zip Code: _____		

g. Name:

Sex: <input checked="" type="checkbox"/> M <input type="checkbox"/> F <input type="checkbox"/> <input type="checkbox"/>	Ht: _____	Wt: _____	Hair color: _____	Eye color: _____	Race: _____	Age: _____	Date of Birth: _____
Address: _____			City: _____	State: _____	Zip Code: _____		

Clerk stamps date here when form is filed.

1 Person Seeking Protection

a. Your Full Name: Nirus Malar
Your Lawyer (if you have one for this case):
Name: Gina Austin State Bar No.:
Firm Name:
b. Your Address (If you have a lawyer, give your lawyer's information. If you do not have a lawyer and want to keep your home address private, you may give a different mailing address instead. You do not have to give telephone, fax, or e-mail.):
Address: 3990 old town Ave
City: San Diego State: CA Zip: 92110
Telephone: Fax:
E-Mail Address:

FILED
Clerk of the Superior Court
AUG 10 2018
By: J. Montano, Deputy

Fill in court name and street address:
Superior Court of California, County of
San Diego Superior Court
330 W. Broadway
San Diego, CA 92101

Court fills in case number when form is filed.
Case Number:
37-2018-00040036-CU-HR-CTL

2 Person From Whom Protection Is Sought

Full Name: Salam RAZUKI

The court will complete the rest of this form.

3 Notice of Hearing

A court hearing is scheduled on the request for restraining orders against the person in 2:

Name and address of court if different from above:

Hearing Date: Date: 9-5-18 Time: 8:30 AM
Dept: (1) Room:

4 Temporary Restraining Orders (Any orders granted are on Form CH-110, served with this notice.)

a. Temporary Restraining Orders for personal conduct and stay-away orders as requested in Form CH-100, Request for Civil Harassment Restraining Orders, are (check only one box below):

- (1) [] All GRANTED until the court hearing.
(2) [] All DENIED until the court hearing. (Specify reasons for denial in b, below.)
(3) [X] Partly GRANTED and partly DENIED until the court hearing. (Specify reasons for denial in b, below.)

b. Reasons for denial of some or all of those personal conduct and stay-away orders as requested in Form CH-100, *Request for Civil Harassment Restraining Orders*, are:

(1) The facts as stated in Form CH-100 do not sufficiently show acts of violence, threats of violence, or a course of conduct that seriously alarmed, annoyed, or harassed the person in ① and caused substantial emotional distress.

(2) Other (specify): As set forth on Attachment 4b.

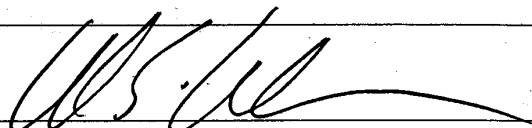
Court requires Workplace violence petition in order to grant TRD as to additional parties -
R.W.

⑤ Service of Documents by The Person in ①

At least five _____ days before the hearing, someone age 18 or older—not you or anyone to be protected—must personally give (serve) a court file-stamped copy of this Form CH-109, to the person in ② along with a copy of all the forms indicated below: *Notice of Court Hearing*,

- a. CH-100, *Request for Civil Harassment Restraining Orders* (file-stamped)
- b. CH-110, *Temporary Restraining Order* (file-stamped) **IF GRANTED**
- c. CH-120, *Response to Request for Civil Harassment Restraining Orders* (blank form)
- d. CH-120-INFO, *How Can I Respond to a Request for Civil Harassment Restraining Orders?*
- e. CH-250, *Proof of Service of Response by Mail* (blank form)
- f. Other (specify): _____

Date: 8-13-18


Judicial Officer
RICHARD S. WHITNEY

To the Person in ①:

- The court cannot make the restraining orders after the court hearing unless the person in ② has been personally given (served) a copy of your request and any temporary orders. To show that the person in ② has been served, the person who served the forms must fill out a proof of service form. Form CH-200, *Proof of Personal Service*, may be used.
- For information about service, read Form CH-200-INFO, *What Is "Proof of Personal Service"?*
- If you are unable to serve the person in ② in time, you may ask for more time to serve the documents. Use Form CH-115, *Request to Continue Court Hearing and to Reissue Temporary Restraining Order*.

To the Person in ②:

- If you want to respond to the request for orders in writing, file Form CH-120, *Response to Request for Civil Harassment Restraining Orders*, and have someone age 18 or older—**not you or anyone to be protected**—mail it to the person in ①.
- The person who mailed the form must fill out a proof of service form. Form CH-250, *Proof of Service of Response by Mail*, may be used. File the completed form with the court before the hearing and bring a copy with you to the court hearing.
- Whether or not you respond in writing, go to the hearing if you want the judge to hear from you before making an order. You may tell the judge why you agree or disagree with the orders requested.
- You may bring witnesses and other evidence.
- At the hearing, the judge may make restraining orders against you that could last up to five years and may order you to turn in to law enforcement, or sell to or store with a licensed gun dealer, any firearms that you own or possess.



Request for Accommodations

Assistive listening systems, computer-assisted real-time captioning, or sign language interpreter services are available if you ask at least five days before the hearing. Contact the clerk's office or go to www.courts.ca.gov/forms for *Request for Accommodations by Persons with Disabilities and Response* (Form MC-410). (Civ. Code, § 54.8.)

(Clerk will fill out this part.)

—Clerk's Certificate—

I certify that this *Notice of Court Hearing* is a ~~true and~~ correct copy of the original on file in the court.

Clerk's Certificate
[seal]



Date: AUG 10 2018

Clerk, by M. Dixon Deputy
M. DIXON

ATTACHED DESCRIPTIONS - ADDITIONAL RESPONDENTS

SHORT TITLE:

CASE NUMBER:

37-2018-00040036-CU-HR-CTL

INSTRUCTIONS FOR USE

This form should be used as an attachment to list additional persons to be restrained on:

Civil Harassment (Item 2)
(CH-100; CH-109; CH-110; CH-130)

Elder/Dependent Abuse (Item 2)
(EA-100; EA-109; EA-110; EA-130)

School Violence (Item 3)
(SV-100; SV-109; SV-110; SV-130)

Workplace Violence (Item 3)
(WV-100; WV-109; WV-110; WV-130)

Additional persons to be restrained are:

a. Name: Elizabeth Juarez

Denial - RSW

Sex: M F HT: 5.0 Wt: 150 lbs Hair color: BRN Eye color: BRN Race: Hispanic Age: 45 Date of Birth: unknown
Address: 45 310 Ave suite 201 City: Chula Vista State: CA Zip Code: 91910

b. Name: Sylvia Gonzalez

Sex: M F HT: 5.5 Wt: 165 Hair color: BLK Eye color: BRN Race: Hispanic Age: 50 Date of Birth: unknown
Address: 7977 Broadway City: Lemon Grove State: CA Zip Code: 91945

c. Name:

Sex: M F HT: _____ Wt: _____ Hair color: _____ Eye color: _____ Race: _____ Age: _____ Date of Birth: _____
Address: _____ City: _____ State: _____ Zip Code: _____

d. Name:

Sex: M F HT: _____ Wt: _____ Hair color: _____ Eye color: _____ Race: _____ Age: _____ Date of Birth: _____
Address: _____ City: _____ State: _____ Zip Code: _____

e. Name:

Sex: M F HT: _____ Wt: _____ Hair color: _____ Eye color: _____ Race: _____ Age: _____ Date of Birth: _____
Address: _____ City: _____ State: _____ Zip Code: _____

f. Name:

Sex: M F HT: _____ Wt: _____ Hair color: _____ Eye color: _____ Race: _____ Age: _____ Date of Birth: _____
Address: _____ City: _____ State: _____ Zip Code: _____

g. Name:

Sex: M F HT: _____ Wt: _____ Hair color: _____ Eye color: _____ Race: _____ Age: _____ Date of Birth: _____
Address: _____ City: _____ State: _____ Zip Code: _____

Exhibit J
to cross-complaint

DISCLOSURE

To the Borrower:

A transaction has been proposed between you and The Loan Company of San Diego. You will be charged points in this transaction. The points are fees for making and arranging the contemplated loan. Said points will be withheld from your loan proceeds by escrow and paid in full to The Loan Company of San Diego. A portion of the points will go to John P. Lloyd, real estate broker, dba JES Commissions. John P. Lloyd does not represent you. John Lloyd, broker CA BRE License #01376920 NMLS ID# 345838.

JOHN P. LLOYD IS ACTING IN THIS TRANSACTION AS THE SINGLE AGENT FOR THE LOAN COMPANY OF SAN DIEGO.

Additionally, John P. Lloyd is:

1. A General Partner of The Loan Company of San Diego;
2. A Limited Partner in The Loan Company of San Diego; and
3. The sole owner of Cornerstone Commercial Mortgage.

Borrower authorizes The Loan Company of San Diego to issue a news release relating to the loan funded to be included as part of the company's web site marketing. *M. S. A.*

All terms and conditions of the contemplated transaction must be in writing to be enforceable. Any oral discussions or representations are null and void unless adequately provided for in the written documents. No employee or agent of The Loan Company of San Diego has authority to make representations or obligations on behalf of The Loan Company of San Diego, other than those contained in the loan documents signed by John P. Lloyd on behalf of The Loan Company of San Diego.

RECEIPT AND ACKNOWLEDGEMENT

I (we), hereby acknowledge receipt of the above disclosures.

RM PROPERTY HOLDINGS, LLC, A CALIFORNIA
LIMITED LIABILITY COMPANY

Date: 12/28/17

By: 
SALAM RAZUKI, MEMBER

Date: 12/28/17

By: 
NINUS MALAN, MEMBER

DISCLOSURE STATEMENT OF REAL ESTATE LOAN
(Required and made in compliance with Federal Truth in Lending Law)

BROKER/ARRANGER OF CREDIT:

JOHN P. LLOYD
2356 Moore Street, #203
San Diego, CA. 92110-3091
CA DRE Broker Notice License #01376920
NMLS ID# 345838

LENDER-CREDITOR:

THE LOAN COMPANY OF SAN DIEGO
2356 Moore Street, Suite 203
San Diego, CA. 92110-3091

BORROWER: RM PROPERTY HOLDINGS, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY

10605 Senda Acuario
San Diego, CA 92130-8707

PURPOSE OF LOAN: Trust deed.

Loan of **\$1,805,000.00**, to be secured by Deed(s) of Trust in favor of lender on property located at 1869 Avocado Avenue, Vista, CA 92083-7654 and 1415 Eckman Avenue, Chula Vista, CA 91911-5201 and 1843 J Avenue, National City, CA 91950-5803 and 855-863 Main Street, El Cajon, CA 92020-4013 and 9749 Campo Road, Spring Valley, CA 91977-1416, which is not expected to be used as Borrower's principal residence. (If it is, provide Rescission Statement.)

Deed(s) of Trust covers after-acquired property and may secure additional advances. The loan may also be secured by an assignment of proceeds from any required insurance protecting this property. FINANCE CHARGE accrues from date the loan funds.

I. Charges included but not part of FINANCE CHARGES:

1. Appraisal fees	\$0.00
2. Set up fees*	\$0.00
3. Recording fees/SB2	\$1,002.00
4. Messenger, FAX, or Federal Express	\$0.00
5. Escrow fees	\$425.00
6. Tax service	\$235.00
7. The Loan Company Fee: Documents and Credit*	\$695.00
8. Title Insurance	\$1,700.00
9. Wiring fee	\$35.00
10. Late fees on Loan #884 = \$1746.15 + 3 payments due - Nov./Dec 2017 & Jan. 2018.	\$20,037.15

TOTAL CHARGES

\$24,129.15

Property insurance, if required and written in connection with this loan, may be obtained by borrower through any person of his choice.

II. Other Charges which are part of FINANCE CHARGES:

///
///
///
///

JPL *[Signature]* *SR* _____

A. Bonus, brokerage, or commission contracted for or to be received by any person for negotiating, procuring or arranging or making such loan (PRE-PAID FINANCE CHARGE).	\$18,050.00
B. Interest for period of loan (at full rate of 8%)	<u>\$717,150.68</u>
TOTAL FINANCE CHARGE	<u>\$735,200.68</u>

On prepayment in full, unaccrued interest is canceled and there is a prepayment charge of **ZERO MONTHS INTEREST** on excess of twenty (20%) prepaid in a twelve month period.

III. Amount Financed:	
Amount of note (includes all charges in Item I)	\$1,805,000.00
Less: Prepaid FINANCE CHARGE (Item IIA)	\$18,050.00
Less: Prepaid Interest	<u>\$11,472.88</u>
TOTAL AMOUNT FINANCED:	<u>\$1,775,477.12</u>

IV. ANNUAL PERCENTAGE RATE: 8.25% or **\$8.25** dollars FINANCE CHARGE per year per \$100.00 of unpaid balance.

V. LOAN TERMS: 59 monthly installments of **\$13,244.46** each beginning per terms of note and a **BALLOON PAYMENT of \$1,729,254.66** PLUS any interest due to date of receipt of funds in this office.

TOTAL OF PAYMENTS:	<u>\$2,510,677.80</u>
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(Any payment which is more than twice the amount of a regular payment must be identified as a "balloon" payment; otherwise mark the word "final".)

VI. LATE CHARGE: If a monthly installment is not paid within 10 (ten) days after due date, a charge of \$1,324.45 must be paid by borrower.

VII. PREPAYMENT: If you pay off early, you WILL NOT have to pay a penalty. *W.M. S.R.*

VIII. INVESTMENT PROPERTY: I hereby warrant and represent the property securing this loan is held or will be held for investment purposes only; and is not now or intended to be my personal dwelling or on residential real property that includes or is intended to include my personal dwelling. *W.M. S.R.*

IX. ACCELERATION: If the property securing this loan is sold or otherwise transferred, the Creditor HAS the option to require immediate payment of the entire loan amount.

SEE YOUR CONTRACT DOCUMENTS FOR ANY ADDITIONAL INFORMATION ABOUT NONPAYMENT, DEFAULT, ANY REQUIRED REPAYMENT IN FULL BEFORE THE SCHEDULED DATE, AND PREPAYMENT REFUNDS AND PENALTIES.

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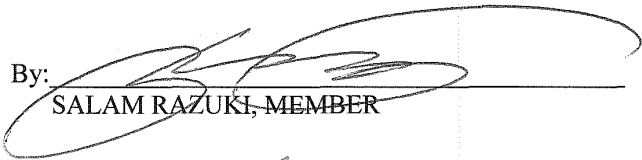
JPL *W.M.* *S.R.* *J*

READ BEFORE SIGNING

I have read and received a completed copy of this statement.

RM PROPERTY HOLDINGS, LLC, A CALIFORNIA
LIMITED LIABILITY COMPANY

DATE: 12/28/17

By: 
SALAM RAZUKI, MEMBER

DATE: 12/28/17

By: 
NINUS MALAN, MEMBER

MORTGAGE LOAN DISCLOSURE STATEMENT (BORROWER)

State of California

Department of Real Estate

BROKER: JOHN P. LLOYD
2356 Moore Street, Suite 203
San Diego, CA 92110-3091
CA DRE Broker License 01376920
NMLS ID# 345838

I. SUMMARY OF LOAN TERMS

A. PRINCIPAL AMOUNT OF LOAN	\$1,805,000.00
B. ESTIMATED DEDUCTION FROM PRINCIPAL AMOUNT:	
1. Costs and Expenses (III-A)	\$24,129.15
2. Brokerage Commission (III-B)	\$18,050.00
3. Liens and Other Amounts to be paid on Authorization of Borrower (III-C)	\$1,754,825.98
C. ESTIMATED CASH PAYABLE TO BORROWER (A less B)	<u>\$7,994.87</u>

II. GENERAL INFORMATION CONCERNING LOAN

A. If this loan is made, you will be required to pay the principal and interest at **EIGHT (8)** PERCENT per year, payable by **59 MONTHLY** payments of **\$13,244.46** and a BALLOON payment of **\$1,729,254.66** to pay off the loan in full, plus any interest due to date funds are received in this office.

- **NOTICE TO BORROWER: IF YOU DO NOT HAVE THE FUNDS TO PAY THE BALLOON PAYMENT WHEN IT COMES DUE, YOU MAY HAVE TO OBTAIN A NEW LOAN AGAINST YOUR PROPERTY TO MAKE THE BALLOON PAYMENT. IN THAT CASE, YOU MAY AGAIN HAVE TO PAY COMMISSIONS, FEES, AND EXPENSES FOR THE ARRANGING OF THE NEW LOAN. IN ADDITION, IF YOU ARE UNABLE TO MAKE THE MONTHLY PAYMENTS OR THE BALLOON PAYMENT, YOU MAY LOSE THE PROPERTY AND ALL OF YOUR EQUITY THROUGH FORECLOSURE. KEEP THIS IN MIND IN DECIDING UPON THE AMOUNT AND TERMS OF THIS LOAN.**

B. This loan will be evidenced by a promissory note and secured by a deed of trust in favor of THE LOAN COMPANY OF SAN DIEGO on property located at:

1) 1869 Avocado Avenue, Vista, CA 92083-7654

JPL 



- 2) 1415 Eckman Avenue, Chula Vista, CA 91911-5201
- 3) 1843 J Avenue, National City, CA 91950-5803
- 4) 855-863 Main Street, El Cajon, CA 92020-4013
- 5) 9749 Campo Road, Spring Valley, CA 91977-1416

C. Liens presently against the properties securing this loan (do not include loan being applied for) (lienholder's name, priority, nature of lien, amount owing):

- 1) \$950,000.00 - The Loan Company of San Diego
 \$0.00 -
 \$0.00 -
- 2) \$1,900,000.00 - The Loan Company of San Diego
 \$0.00 -
 \$0.00 -
- 3) \$1,900,000.00 - The Loan Company of San Diego
 \$0.00 -
 \$0.00 -
- 4) \$1,650,000.00 Metro United Bank
 \$0.00
 \$0.00
- 5) \$1,154,000.00 Neighborhood National Bank
 \$0.00
 \$0.00

D. Liens that will remain against the properties securing this loan after the loan being applied for is made or arranged (include loan being applied for) (lienholder's name, priority, nature of lien, amount owing):

- 1) \$1,805,000.00 - The Loan Company of San Diego
 \$0.00 -
 \$0.00 -
 \$0.00
- 2) \$1.00 - The Loan Company of San Diego
 \$0.00 -
 \$0.00 -
- 3) \$300,000.00 - The Loan Company of San Diego
 \$1.00 - The Loan Company of San Diego
 \$0.00
- 4) \$1,650,000.00 Metro United Bank
 \$1.00 The Loan Company of San Diego

JPL 



\$0.00

5)	\$1,154,000.00	Neighborhood National Bank
	\$1.00	The Loan Company of San Diego
	\$0.00	

E. If you wish to pay more than the scheduled payment at any time before it is due, you WILL NOT have to pay a PREPAYMENT PENALTY computed as follows:

ZERO MONTHS INTEREST ON EXCESS OF TWENTY (20%) PERCENT PREPAID IN A TWELVE MONTH PERIOD. *No. S.R.*

F. The purchase of credit life or credit disability insurance is not required of the borrower as a condition of making this loan.

III. DEDUCTIONS FROM LOAN PROCEEDS

A. ESTIMATED MAXIMUM COSTS AND EXPENSES of Arranging the Loan to be Paid Out of Loan Principal:

1. Appraisal Fee	\$0.00
2. Escrow Fee	\$425.00
3. Title Insurance	\$1,700.00
4. Setup Fee*	\$0.00
5. Recording Fee/SB2	\$1,002.00
6. Credit Investigation	\$0.00
7. The Loan Company Fee: Documents and Credit*	\$695.00
8. Fire Insurance Premium	\$0.00
9. Tax Service Fee	\$235.00
10. Wiring Fee	\$35.00
11. Loan #884 - Late Payment fees = \$1,746.15 + Nov., Dec. 2017 & Jan. 2018 regular payments due.	\$20,037.15

TOTAL COSTS AND EXPENSES (estimated) (*paid to broker controlled entity)	\$24,129.15
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B. LOAN BROKERAGE COMMISSION	\$18,050.00
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C. LIENS AND OTHER AMOUNTS to be paid out of the principal amount of the loan on authorization of the borrower are estimated to be as follows:

1. Beneficiary Demand Statement Fees	\$60.00
2. Reconveyance Fees	\$90.00
3. Discharge of liens against property securing loan	\$1,741,000.00
4. Estimated interest for first partial month	\$11,472.88
5. J Avenue - Property Taxes due	\$2,203.10

TOTAL TO BE PAID UPON AUTHORIZATION OF THE BORROWER:	\$1,754,825.98
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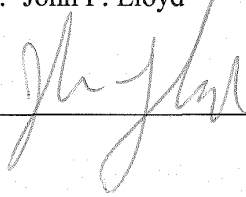
JPL *Nm*

S.R.

- **NOTICE TO BORROWER:** This disclosure statement may be used if the broker is acting as an agent in arranging the loan by a third person or if the loan will be made with funds owned or controlled by the broker . If the broker indicates in the above statement that the loan “may” be made out of broker-controlled funds, the broker must notify the borrower prior to the close of escrow if the funds to be received by the borrower are in fact broker-controlled funds.

Broker: John P. Lloyd

CA BRE License No. #01376920 / NMLS ID# 345838



DATE: 12/28/17

NOTICE TO BORROWER

DO NOT SIGN this statement until you have read and understand all of the information in it. All parts of the form must be complete before you sign.

The Broker will rely on the INFORMATION ON LIENS in Paragraph II-C which was supplied by you. Be sure that you have stated all liens accurately. If you contract with the broker to arrange this loan and if the loan cannot be made because you did not state these liens correctly, you may be liable for payment of commissions, fees and expenses.

The commission to be paid by you to the broker as shown in Paragraph III-B is customarily a percentage of the principal amount of the loan. The percentage charged as a commission may be increased with the length of the loan. Keep this in mind in deciding upon the term of repayment of the loan.

BORROWER HEREBY ACKNOWLEDGES THE RECEIPT OF A COPY OF THIS STATEMENT.

RM PROPERTY HOLDINGS, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY

DATE: 12/28/17

By: 
SALAM RAZUKI, MEMBER

DATE: 12/28/17

By: 
NINUS MALAN, MEMBER

JPL 



2356 Moore Street, Suite 203, San Diego, CA 92110-3091, (619) 293-7770, FAX (619) 296-8229

Corinthian Title Company
Attn: Barbara Justice
5375 Avenida Encinas, Suite E
Carlsbad, CA 92008
Email: barbara.justice@corinthiantitle.com

LENDER'S ESCROW INSTRUCTIONS

Date: December 28, 2017
Re: Escrow No. 06175440BJ
Real Estate Loan No. 1521
Borrower: RM PROPERTY HOLDINGS, LLC, A CALIFORNIA LIMITED LIABILITY
COMPANY

Enclosed are the following documents:


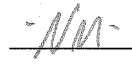
- A. Copy of a Promissory Note, dated December 19, 2017, in the face amount of \$1,805,000.00 executed by the borrower, bearing interest at the rate of EIGHT (8) percent per annum from the date of funding. We will endorse the Note to show interest to commence as of the date of funding.

Interest is to be paid through escrow from the date of funding through the last day of the month, immediately following close of escrow.

Thereafter, borrower to commence payments on the first day of the month following 30 days from close of escrow and continuing monthly thereafter until 1/1/2023, at which time the entire unpaid principal balance and all accrued interest shall be due and payable.

- B. Original Deed(s) of Trust, securing the above Note, on property commonly known as: 1869 Avocado Avenue, Vista, CA 92083-7654 and 1415 Eckman Avenue, Chula Vista, CA 91911-5201 and 1843 J Avenue, National City, CA 91950-5803 and 855-863 Main Street, El Cajon, CA 92020-4013 and 9749 Campo Road, Spring Valley, CA 91977-1416.
- C. Funds in the amount of \$1,805,000.00 (to be wired).
- D. REQUEST(s) FOR NOTICE UNDER SECTION 2924b CIVIL CODE on property(s) located at 855-863 Main Street, El Cajon, CA 92020-4013 & 9749 Campo Road, Spring Valley, CA 91977-1416.

JPL

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rmpropertyholdings,llc1521_Lender's Instructions.doc December 28, 2017 10:59 AM

Page 1 of 6

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You are authorized to disburse the above funds on or before five business days following funding, provided you hold for our account the following:

1. Interest payable to The Loan Company of San Diego, at the rate of EIGHT (8) percent per annum, calculated on the full principal balance of \$1,805,000.00 and **based on a 365 day year**, calculated from the date of funding through the end on the funding month.
2. Document preparation fee in the amount of \$695.00 payable to The Loan Company of San Diego.
3. A wiring fee in the amount of \$35.00, payable to The Loan Company of San Diego.
4. 1 points, in the amount of \$18,050.00, payable to The Loan Company of San Diego, calculated on the full principal balance of \$1,805,000.00. (Origination points = \$18,050.00, Prepayment penalty buyout points = \$0.00).
5. Tax service fee payable to LERETA, LLC in the amount of \$235.00.
6. A check made payable to The Loan Company of San Diego, in the amount of \$19,511.53, for loan #884 delinquent loan payments for November & December 2017 & January 2018 payment due.
7. Please record REQUEST(s) FOR NOTICE UNDER SECTION 2924b CIVIL CODE for property(s) located at 855-863 Main Street, El Cajon, CA 92020-4013, 9749 Campo Road, Spring Valley, CA 91977-1416.

*****PLEASE SEND ALL CHECKS REQUESTED ABOVE TO OUR OFFICE, UNLESS INSTRUCTED OTHERWISE.**

8. An ALTA LENDER'S POLICY of Title Insurance - including Endorsements 100 & 116, on property commonly known as 1869 Avocado Avenue, Vista, CA 92083-7654, with the usual company's exceptions, with liability not less than \$500,000.00, issued by a Title Company, showing said Deed of Trust to be a **first** lien recorded on property described therein, subject only to the following:

*****Please send us the Policy of Title Insurance in Electronic format; emailing it to Geno Altieri at galtieri@theloancompany.com.**

- a. General and special County and City taxes for the fiscal year 2017-2018, 2nd installment, only;

JPL *S.R.* *N.M.* _____



The Loan Company

- b. The lien of supplemental taxes, if any, assessed pursuant to the provisions of Chapter 3.5 (commencing with Section 75) of the Revenue and Taxation Code of the State of California;
- c. Any easements, rights of way, covenants, conditions, restriction, and/or reservations of record.
- d. In addition, Items No. 1 & 3 that are noted in that certain Preliminary Title Report dated November 21, 2017 and prepared by Corinthian Title Company. (Order No. 95614-PD).
9. An ALTA LENDER'S POLICY of Title Insurance - including Endorsements 100 & 116, on property commonly known as 1415 Eckman Avenue, Chula Vista, CA 91911-5201 with the usual company's exceptions, with liability not less than \$500,000.00, issued by a Title Company, showing said Deed of Trust to be a **first** lien recorded on property described therein, subject only to the following:
 - e. General and special County and City taxes for the fiscal year 2017-2018, 2nd installment, only;
 - f. The lien of supplemental taxes, if any, assessed pursuant to the provisions of Chapter 3.5 (commencing with Section 75) of the Revenue and Taxation Code of the State of California;
 - g. Any easements, rights of way, covenants, conditions, restriction, and/or reservations of record.
 - h. In addition, Items No. 1 & 3 that are noted in that certain Preliminary Title Report dated November 21, 2017 and prepared by Corinthian Title Company. (Order No. 95545-PD).
10. An ALTA LENDER'S POLICY of Title Insurance - including Endorsements 100 & 116, on property commonly known as 1843 J Avenue, National City, CA 91950-5803, with the usual company's exceptions, with liability not less than \$268,334.00, issued by a Title Company, showing said Deed of Trust to be a **second** lien recorded on property described therein, subject only to the following:
 - i. General and special County and City taxes for the fiscal year 2017-2018, 2nd installment, only;
 - j. The lien of supplemental taxes, if any, assessed pursuant to the provisions of Chapter 3.5 (commencing with Section 75) of the Revenue and Taxation Code of the State of California;

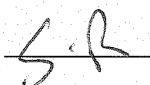

JPL



The Loan Company

- k. Any easements, rights of way, covenants, conditions, restriction, and/or reservations of record.
- l. In addition, Items No. 1, 4 & 5 that are noted in that certain Preliminary Title Report dated November 21, 2017 and prepared by Corinthian Title Company. (Order No. 95611-PD).
- m. Trust Deed to The Loan Company of San Diego, loan #1527 - *to Record Concurrently with this loan*, as instrument no. _____, in the amount of \$300,000.00.
- 11. An ALTA LENDER'S POLICY of Title Insurance - including Endorsements 100 & 116, on property commonly known as 855-863 Main Street, El Cajon, CA 92020-4013, with the usual company's exceptions, with liability not less than \$268,333.00, issued by a Title Company, showing said Deed of Trust to be a **second** lien recorded on property described therein, subject only to the following:
 - n. General and special County and City taxes for the fiscal year 2017-2018, 2nd installment, only;
 - o. The lien of supplemental taxes, if any, assessed pursuant to the provisions of Chapter 3.5 (commencing with Section 75) of the Revenue and Taxation Code of the State of California;
 - p. Any easements, rights of way, covenants, conditions, restriction, and/or reservations of record.
- 12. In addition, Items No. 1, 3, 4, 8, 12, 13, 14, 17, 18 & 21 that are noted in that certain Preliminary Title Report dated November 21, 2017 and prepared by Corinthian Title Company. (Order No. 95612-PD).
- 13. Trust Deed Recorded June 12, 2013, as instrument no. 2013-0370776, in the amount of \$1,650,000.00.
- 14. Item 20 will remain and be Subordinated to our loan of \$1,805,000.00.
- 15. An ALTA LENDER'S POLICY of Title Insurance - including Endorsements 100 & 116, on property commonly known as 9749 Campo Road, Spring Valley, CA 91977-1416, with the usual company's exceptions, with liability not less than 268,333.00, issued by a Title Company, showing said Deed of Trust to be a **second** lien recorded on property described therein, subject only to the following:
 - q. General and special County and City taxes for the fiscal year 2017-2018, 2nd installment, only;

JPL

  _____



The Loan Company

- r. The lien of supplemental taxes, if any, assessed pursuant to the provisions of Chapter 3.5 (commencing with Section 75) of the Revenue and Taxation Code of the State of California;
 - s. Any easements, rights of way, covenants, conditions, restriction, and/or reservations of record.
 - t. In addition, Items No. 4, 5, 6, 7, 8, 9, 11, 12, 13 & 14 that are noted in that certain Preliminary Title Report dated November 21, 2017 and prepared by Corinthian Title Company. (Order No. 95613-PD).
 - u. Trust Deed Recorded May 16, 2006, as instrument no. 2006-0345328 , in the amount of \$1,154,000.00.
16. An endorsement of fire insurance coverage, for ONE year, naming THE LOAN COMPANY OF SAN DIEGO, a California Limited Partnership, 2356 Moore Street Suite 203, San Diego, CA. 92110-3091 as **Mortgagee, Loss Payee and Additional Insured**, with liability not less than \$400,000.00 on 1869 Avocado Avenue, Vista, CA 92083-7654.
17. An endorsement of fire insurance coverage, for ONE year, naming THE LOAN COMPANY OF SAN DIEGO, a California Limited Partnership, 2356 Moore Street Suite 203, San Diego, CA. 92110-3091 as **Mortgagee, Loss Payee and Additional Insured**, with liability not less than \$520,000.00 on 1415 Eckman Avenue, Chula Vista, CA 91911-5201.
18. An endorsement of fire insurance coverage, for ONE year, naming THE LOAN COMPANY OF SAN DIEGO, a California Limited Partnership, 2356 Moore Street Suite 203, San Diego, CA. 92110-3091 as **Mortgagee, Loss Payee and Additional Insured**, with liability not less than \$450,000.00 on 1843 J Avenue, National City, CA 91950-5803.
19. An endorsement of fire insurance coverage, for ONE year, naming THE LOAN COMPANY OF SAN DIEGO, a California Limited Partnership, 2356 Moore Street Suite 203, San Diego, CA. 92110-3091 as **Mortgagee, Loss Payee and Additional Insured**, with liability not less than \$2,950,000.00 on 855-863 Main Street, El Cajon, CA 92020-4013.
20. An endorsement of fire insurance coverage, for ONE year, naming THE LOAN COMPANY OF SAN DIEGO, a California Limited Partnership, 2356 Moore Street Suite 203, San Diego, CA. 92110-3091 as **Mortgagee, Loss Payee and Additional Insured**, with liability not less than \$3,000,000.00 on 9749 Campo Road, Spring Valley, CA 91977-1416.

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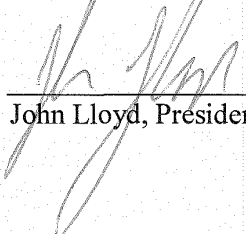


You are authorized to disburse the funds as follows:

1. Items One (1), Two (2), Three (3), Four (4), Five (5) and Six (6) above;
2. Normal closing costs, including ALTA policies;
3. The balance to be disbursed at Borrower's direction.

We are to be at no other expense in connection with this matter, and reserve the right to withdraw all of the enclosed documents/funds at any time.

THE LOAN COMPANY OF SAN DIEGO

By: 
John Lloyd, President

We approve the above Lender's Escrow Instructions, as to both form and content.

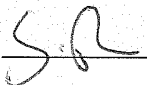
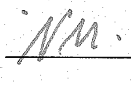
RM PROPERTY HOLDINGS, LLC, A
CALIFORNIA LIMITED LIABILITY
COMPANY

DATED: 12/28/17

By: 
SALAM RAZUKI, MEMBER

DATED: 12/28/17

By: 
NINUS MALAN, MEMBER

JPL   _____

**PROMISSORY NOTE
ADJUSTABLE INTEREST RATE
SECURED BY DEED OF TRUST**

\$1,805,000.00 San Diego, California December 19, 2017

1. **Obligation.** RM PROPERTY HOLDINGS, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY ("Maker"), for value received, hereby promises to pay to THE LOAN COMPANY OF SAN DIEGO, a California Limited Partnership ("Holder"), or order, at 2356 Moore Street, Suite 203, San Diego, California, or at such other place as the Holder hereof may in writing direct, the principal amount of One Million Eight Hundred Five Thousand Dollars And No Cents (\$1,805,000.00).

2. **Interest Rate.**

2.1. Initial Interest Rate. Maker further promises to pay to the Holder hereof interest on the outstanding principal balance of this Note from [date of funding] _____ (the "Effective Date") at the rate of EIGHT (8) percent per annum until paid in full.


2.2. Interest Rate Adjustment. On July 1, 2018 and semi-annually thereafter, the interest rate provided in Paragraph 2.1 above will be adjusted to 5.5 percentage points over the Eleventh District Cost of Funds. Any adjustment will be rounded up to the next eighth point; however, the rate shall not be adjusted below 8 percent or above 15 percent. The monthly installment amount provided in Paragraph 3.1 will be adjusted to provide for continuing the original principal amortization term of THIRTY years.

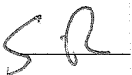
3. **Payment Schedule.**

3.1. Principal and Interest. Maker promises to pay principal and accrued interest, in equal monthly installments of Thirteen Thousand Two Hundred Forty Four Dollars And Forty Six Cents (\$13,244.46), on the first day of each calendar month, commencing with the first month following the Effective Date and continuing monthly thereafter until _____ (FIVE years from Effective Date), at which time the entire balance of principal and unpaid interest is due. Should the payment of principal and interest not be paid when due, the interest shall thereafter bear interest at the same rate as principal bears interest. The interest rate set forth in Paragraph 2 above, and the compounding of interest set forth in this Paragraph 3.1 shall continue in the event of breach.

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3.2. Prepayment. Privilege is reserved of making additional payments not exceeding twenty (20%) percent of the then unpaid balance of this Note in any 12-month period WITHOUT penalty, and of making payments in excess of twenty (20%) percent upon payment of an amount equal to ZERO months interest on the amount so prepaid. In any event, this prepayment penalty shall not exceed the interest due through the term of this Note. Maker agrees to pay said prepayment fee to the extent permitted by applicable law notwithstanding that Holder has declared all sums immediately due pursuant to the Acceleration Clause contained in this Note or Maker's other default under this Note or the Trust Deed securing this Note.

4. Default. At the option of the Holder hereof, this Note shall be immediately due and payable, without notice or demand, upon the occurrence at any time of any of the following events of default:

4.1. Default in the payment of principal or interest due hereunder, and such default continues for a period of ten (10) days after the due date thereof, or failure in the performance or observance of any of the terms or conditions of any deed of trust, security agreement or other agreement or instrument securing or pertaining to this Note;

4.2. The liquidation or dissolution of any party liable for the payment of this Note;


4.3. The making of an assignment for the benefit of creditors by any party liable for the payment of this Note, whether as a maker, endorser, guarantor, surety or otherwise, or the appointment of a receiver for all or substantially all of any such party's property or the filing by any such party of a petition in bankruptcy or other similar proceeding under law for the relief of debtors; or,


4.4. The filing against any party liable for the payment of this Note, whether as a maker, endorser, guarantor, surety or otherwise, of a petition in bankruptcy or other similar proceeding under law for relief of debtors, and such petition is not vacated or discharged within sixty (60) days after the filing thereof; or,

4.5. The occurrence of any event which would constitute a default under (i) any other liability or obligation of Maker to the Holder, (ii) any liability or obligation of any endorser or guarantor of this Note to the Holder, or (iii) the occurrence of any event which would constitute a default under any other liability of Maker to the holder of a security interest superior to the security interest securing this Note.

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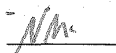
5. **Acceleration Clause.** Holder may, at Holder's option, declare immediately due and payable all sums due under this Note and the Deed of Trust securing this Note on the sale or transfer, without Holder's prior written consent, of all or any part of the Real Property which is the subject of the Deed of Trust securing this Note, or any interest in the Real Property. A "sale or transfer" means the conveyance of Real Property or any right, title or interest therein; whether legal or equitable; whether voluntary or involuntary; whether by outright sale, deed, installment sale contract, land contract, contract for deed, leasehold interest with a term greater than three (3) years; lease-option contract, or by sale, assignment, or transfer of any beneficial interest in or to any land trust holding title to the Real Property, or by any other method of conveyance of Real Property interest. If the Maker is a corporation or partnership, transfer also includes any change in ownership of more than twenty-five percent (25%) of the voting stock or partnership interests, as the case may be, of Maker.


Holder may declare all sums due if Maker has made any material misrepresentations or failed to disclose any material facts in order to induce Holder to enter into the loan transaction evidenced by this Promissory Note.

6. **Late Payment Charge.** If Holder fails to receive any payment due hereunder within ten (10) days after the date the payment is due and payable, a late charge to compensate Holder for damages Holder will suffer as a result shall be immediately due and payable. Maker recognizes that a default by Maker in making the payments agreed to be paid when due will result in Holder incurring additional expenses in servicing the loan, including, but not limited to, sending out notices of delinquency, computing interest, and segregating the delinquent sums from not-delinquent sums on all accounting, loan and data processing records, in loss to Holder of the use of the money due, and in frustration to Holder in meeting its other financial commitments. Maker agrees that if for any reason Maker fails to pay any amounts due under this Note so that Holder fail to receive such payments within ten (10) days after the same are due and payable, Holder shall be entitled to damages for the detriment caused thereby, but that it is extremely difficult and impractical to ascertain the extent of such damages. Maker therefore agrees that a sum equal to \$.10 for each \$1.00 of each payment that is not paid ten (10) days after its due date, is a reasonable estimate of the fair average compensation for the loss and damages Holder will suffer, that such amount shall be presumed to be the amount of damages sustained by Holder in such case, and that Maker agrees to pay Holder this sum on demand.

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7. **Additional Interest Charge.** While any default exists in the making of any payments required hereunder or in the performance or observance of any of the covenants or agreements of this Note or of any instruments now or hereafter evidencing or securing the indebtedness hereby, Maker further promises to pay, on each monthly installment date, additional interest on the principal balance of this Note then outstanding at a rate equal to four (4%) percent per annum. Said interest shall be in addition to all other interest or other charges due hereunder. Such additional interest shall be paid until reinstatement or completion of foreclosure, and any such additional interest which has accrued shall be paid at the time of and as a condition precedent to the curing of any default.

8. **Advances.**

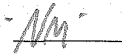
8.1 **Advances.** Advances made to protect the security for this Note, including but not limited to, principal, interest, late fees, costs of collection of a superior note, taxes and insurance, shall bear interest at the same rate as principal bears interest, from the date of such advances until paid in full. Said interest shall be compounded monthly.


8.2 **Broker's Commission on Advances.** In the event any advances are made to protect the security for this Note, Maker promises to pay to The Loan Company of San Diego, a commission equal to ten (10) points on any advances so made. Said points will be deducted at the time of such advance(s).

9. **Costs of Collection.** If Holder institutes any suit or action to enforce any of the terms of this Note or the Deed of Trust, Holder shall be entitled to recover such sums as the court may adjudge reasonable as attorneys' fees at trial and on any appeal. Whether or not any court action is involved, all reasonable expenses incurred by Holder which, in Holder's opinion are necessary at any time for the protection of its/their interests or the enforcement of its/their rights, shall become a part of the indebtedness payable on demand and shall bear interest at the rate of eighteen percent (18%) per annum (not to exceed the maximum permitted by law) from the date of expenditure until repaid. Expenses covered by this paragraph include, without limitation, however subject to any limits under applicable law, Holder's attorneys' fees whether or not there is a lawsuit, including attorneys' fees for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals and any anticipated post-judgment collection services, the cost of searching records, obtaining title reports (including foreclosure reports), surveyor's reports, appraisal fees, title insurance, and fees for the Trustee, to the extent permitted by applicable law. Maker also will pay any court

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costs, in addition to all other sums provided by law. In addition to the foregoing, Holder shall be entitled to attorneys' fees incurred in a post-judgment proceeding to enforce any judgment in connection with this Note or the Deed of Trust. This provision is separate and severable and shall survive the merger of this provision in any judgment.

10. **Waiver.** Presentment, demand, protest, notices of protest, dishonor and non-payment of this Note and all notices of every kind are hereby waived. No single or partial exercise of, or forbearance from exercising, any power hereunder or under any deed of trust, or security agreement or other agreement or instrument securing or pertaining to this Note shall preclude other or further exercises thereof or the exercise of any other power. The holder hereof shall at all times have the right to proceed against any portion of the security held herefor in such order and in such manner as the holder may determine in its sole discretion, without waiving any rights with respect to any other security. No delay or omission on the part of the holder hereof in exercising any right hereunder shall operate as a waiver of such right or of any other right under this Note. The release of any party liable on this Note shall not operate to release any other party liable hereon.

11. **Joint and Several Liability.** If Maker consists of more than one person or entity, the liability of each such person or entity signing this Note shall be joint and several.

12. **California Law.** This Note is made in the State of California and shall be governed by and construed and enforced in accordance with the laws of the State of California.

13. **Judicial Arbitration.** In the event of a dispute as between the parties to this agreement, the matter shall be submitted to the jurisdiction of the San Diego Superior Court (Central Division), San Diego, California. The parties to this agreement further waive a trial by jury, and agree to binding judicial arbitration by an active or retired judge or other appropriate arbitrator selected and appointed by the judge of the San Diego Superior Court to whom the matter is assigned upon the filing of a lawsuit.

14. **Maximum Rate.** All agreements which either are now or which shall become agreements between Maker and each holder hereof are expressly limited so that in no contingency or event whatever, whether by reason of deferment or advancement of the indebtedness represented by this Note, acceleration of the maturity date of this Note or otherwise, shall the amount paid or agreed to be paid to either holder hereof for the use, forbearance or detention of the indebtedness evidenced hereby

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exceed the maximum amount of interest permissible under the applicable law. If, from any circumstance whatsoever, fulfillment of any provision hereof or of any other agreement between Maker and either holder hereof, at the time performance of such provision shall be due, shall involve exceeding the maximum limit as prescribed by law, then, by that very fact, the obligation to be fulfilled shall be reduced so as not to exceed said limit.

15. **Use of Proceeds.** Maker represents and warrants to the Holder of this Note that the proceeds of the loan evidenced by this Note shall be used for business, commercial investment, or other similar purposes, and that no portion of the proceeds will be used for personal, family or household purposes.

16. **Authority.** The undersigned individuals signing this Note represent and warrant that the undersigned individuals are duly authorized and empowered to execute and deliver this Note on behalf of Maker.

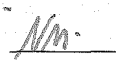
17. **Loan Not Usurious.** Maker acknowledges that this loan is made or arranged by a California licensed real estate broker, and, therefore, this loan is exempt by California Civil Code Section 1916.1 from the state's usury laws.

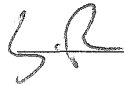
18. **Additional Security.** This Note is secured by a Deed of Trust on property commonly known as 1869 Avocado Avenue, Vista, CA 92083-7654 (primary security) and by a Deed of Trust on property commonly known as 1415 Eckman Avenue, Chula Vista, CA 91911-5201 and by a Deed of Trust on property commonly known as 1843 J Avenue, National City, CA 91950-5803 and by a Deed of Trust on property commonly known as 855-863 Main Street, El Cajon, CA 92020-4013 and by a Deed of Trust on property commonly known as 9749 Campo Road, Spring Valley, CA 91977-1416.

19. **CROSS-DEFAULT; OTHER OBLIGATIONS.** It shall constitute a default hereunder if Borrower, Guarantor or any affiliate of Borrower commits a breach or default (beyond any applicable notice and cure period) in the payment or performance of any other obligation of Borrower, Guarantor or such affiliate to Lender, or breaches any warranty or representation of Borrower, Guarantor or such affiliate under the provisions of any other instrument, agreement, guaranty, or document evidencing, supporting, or securing any other loan or credit extended by Lender, or by any affiliate of Lender, to Borrower, Guarantor or to such affiliate, including, but not limited to, **Loan #1250 - 9212 Mira Este Court, San Diego, CA 92126; Loan #1134 - 5230-5234 Landis Street, San Diego, CA 92105; Loan #1272 - 9212 Mira Este Court, San Diego, CA 92126, Loan #1014 - 225 3rd Avenue, Chula**

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Vista, CA 91910, Loan #884 - 5080 Logan Avenue, San Diego, CA 92113 & Loan #1527 - 3029 E. Broadway, #20, San Diego, CA 92102 and further including, without limitation, any and all term loans, or revolving credits extended by Lender from time to time to Borrower, Guarantor (or any person signing this Note on behalf of Borrower or Guarantor), or any other person or entity with which Borrower or Guarantor is affiliated.

20. **Acknowledgement of Judgment.** The Maker acknowledges there is judgment lien to debtor Dennise Gurinkiel for approximately \$15,915 attached to the property known as 1843 J Avenue, National City, CA. Holder acknowledges that the subject loan will funded and recorded subject to the lien, however, Maker agrees that this loan will be considered in default if the Gurinkiel lien is not removed by December 31, 2018.

"MAKER"

RM PROPERTY HOLDINGS, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY

By: 
SALAM RAZUKI, MEMBER

By: 
NINUS MALAN, MEMBER

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TITLE ORD. NO. 95614-PD
ESCROW NO.: 06175440BJ
RECORDING REQUESTED BY:

WHEN RECORDED MAIL TO:

The Loan Company of San Diego
2356 Moore St, Suite 203
San Diego, CA 92110

**DEED OF TRUST AND ASSIGNMENT OF RENTS
ADJUSTABLE INTEREST RATE**

By this DEED OF TRUST, dated 12/19/2017, between **RAZUKI INVESTMENTS, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY**, hereinafter called Trustor, whose address is 10605 Senda Acuaro, San Diego, CA 92130-8707, and **THE LOAN COMPANY OF SAN DIEGO**, herein called Trustee, whose address is 2356 Moore Street, Suite 203, San Diego, CA 92110, and **THE LOAN COMPANY OF SAN DIEGO, a California Limited Partnership**, herein called Beneficiary, whose address is 2356 Moore Street, Suite 203, San Diego, CA 92110. Trustor grants, transfers, and assigns to Trustee, in trust, with power of sale, that property in San Diego County, California, commonly known as: **1869 Avocado Avenue, Vista, CA 92083-7654**, and legally described as:

LEGAL DESCRIPTION ATTACHED HERETO AS EXHIBIT "A" AND MADE A PART HEREOF.

APN: 183-201-03-00

Beneficiary may, at Beneficiary's option, declare immediately due and payable all sums due under the Promissory Note secured by this Deed of Trust upon the sale or transfer, without Beneficiary's prior written consent, of all or any part of the real property which is the subject of this Deed of Trust, or any interest in such real property. A "sale or transfer" means the conveyance of real property or any right, title or interest therein; whether legal or equitable; whether voluntary or involuntary; whether by outright sale, deed, installment sale contract, land contract, contract for deed, leasehold interest with a term greater than three (3) years; lease-option contract, or by sale, assignment, or transfer of any beneficial interest in or to any land trust holding title to the real property, or by any other method of conveyance of real Property interest. If Trustor is a corporation or partnership, transfer also includes any change in ownership of more than twenty-five percent (25%) of the voting stock or partnership interests, as the case may be, of Trustor.

SIGNATURE (S) AND NOTARY SIGNATURE (S) ON PAGE (S) 5/6 OF DEED OF TRUST AND ASSIGNMENT OF RENTS.

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Trustor also assigns to Beneficiary all rents, issues and profits of said realty reserving the right to collect and use the same except during continuance of default hereunder and during continuance of such default authorizing Beneficiary to collect and enforce the same by any lawful means in the name of any party hereto.

This Deed of Trust is given and accepted for the purpose of securing: (1) Performance of each agreement of Trustor incorporated by reference or contained herein, (2) payment of the indebtedness evidenced by one Promissory Note of even date herewith in the principal sum of **\$1,805,000.00** payable to Beneficiary or order; (3) the payment of any money that may be advanced by the Beneficiary to Trustor, or his successors, with interest thereon.

A. TO PROTECT THE SECURITY HEREOF TRUSTOR AGREES:

(1) (a) To keep said property in good condition and repair; (b) Not to substantially alter, remove, or demolish the property or any building on the property, except when incident to the replacement of fixtures, equipment, machinery, or appliances with items of like kind; (c) To restore and repair promptly and in good and workmanlike manner to no less than the equivalent of its original condition, all or any part of the property that may be damaged or destroyed, including, but not limited to, damage from termites and dry rot, whether or not insurance proceeds are available to cover any part of the cost of such restoration and repair; (d) To pay when due all claims for labor performed and materials furnished in connection with the property and not permit any mechanic's or materialman's lien to arise against the property; (e) To comply with all laws affecting the property or requiring that any alterations or improvements be made to the property; (f) not to commit or permit waste on or to the property, or commit, suffer, or permit any act or violation of law to occur upon the property; (g) Not to abandon the property; (h) To cultivate, irrigate, fertilize, fumigate, and prune; (i) If the property is rental property, to generally operate and maintain the property in such manner as to realize the maximum rental potential of the property and to do all other things that the character or use of the property may reasonably render necessary to maintain the property in the same condition (reasonable wear and tear excepted) as it was at the date of this Deed of Trust.

(2) To provide and maintain and deliver to Beneficiary fire and extended coverage insurance satisfactory to and with loss payable to Beneficiary. The amount collected under any fire or other insurance policy may be applied by Beneficiary upon any indebtedness secured hereby and in such order as Beneficiary may determine, or Beneficiary may release all or any part thereof to Trustor. Such application or release shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice. At least thirty (30) days prior to the expiration of any such policy of insurance, Trustor will deliver to Beneficiary a policy renewing or extending such expiring insurance and written evidence demonstrating payment of the premium for such insurance.

(3) To appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee and to pay all costs and expenses including cost of evidence of title and attorney(s) fees in a reasonable sum, in any such action or proceeding in which Beneficiary or Trustee may appeal.

(4) To pay: at least ten days before delinquency, all taxes and assessments affecting said property, including assessments on appurtenant water stock; when due, all encumbrances, charges and

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liens with interest, on said property or any part thereof, which appear to be prior or superior hereto; all costs fees and expenses of this Trust.

(5) Should Trustor fail to make any payment or to do any act as herein provided, then Beneficiary or Trustee, but without obligation to do so and without notice to or demand upon Trustor and without releasing Trustor from any obligation hereof, may make or do the same in such manner and to such extent as either may deem necessary to protect and security hereof. Beneficiary or Trustee being authorized to enter upon said property for such purposes, appear in and defend any action or proceeding purporting to affect the security hereof, or the rights or powers of Beneficiary or Trustor's, pay, purchase, contest or compromise any encumbrance, charge or lien which in the judgment of either appears to be prior or superior hereto; and in exercising any such powers pay necessary expenses, employ counsel and pay his reasonable fees.

(6) The Trustor agrees to immediately pay any sums advanced or paid by the Beneficiary or Trustee under any provisions of this Deed of Trust. Until so repaid, all such sums shall be added to, and become a part of, the indebtedness secured by this Deed of Trust and bear interest from the date of advancement or payment by the Beneficiary or Trustee at the same rate as such indebtedness, unless payment of interest at such rate will be contrary to applicable law, in which event such sums shall bear interest at the highest rate then allowed by applicable law.

B. IT IS MUTUALLY AGREED THAT:

(1) Any award of damages in connection with any condemnation for public use of or injury to said property or any part thereof is hereby assigned to Beneficiary, who may apply or release such moneys received by him in the same manner and with the same effort as provided for disposition of proceeds of fire or either insurance.


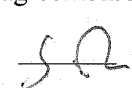
(2) By accepting payment of any sum secured hereby after its due date Beneficiary does not waive his right either to require payment when due of all other sums so secured or to declare default for failure so to pay.

(3) At any time or from time to time, without liability therefore and without notice, upon written request of Beneficiary and presentation of this Deed and said Note for endorsement, and without affecting the personal liability of any person for payment of the indebtedness secured hereby, Trustee may reconvey any part of said property, consent to the making of any map thereof, join in granting any easement thereon, or join in any agreement extending or subordinating the lien or charge hereof.

(4) Upon written request of Beneficiary stating that all sums secured hereby have been paid, and upon surrender of this Deed and said Note to Trustee for cancellation and retention and upon payment of its fees, Trustee shall reconvey without warranty, the property then held hereunder. The recitals in such reconveyance of any matters or facts shall be conclusive proof of the truthfulness thereof. The grantee in such reconveyance may be described as the person or persons legally entitled thereto.

(5.1) Upon default by Trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, Beneficiary may declare all sums secured hereby

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immediately due and payable by delivery to Trustee of written declaration of default and demand for sale and of written notice of default and of election to cause said property to be sold, which notice Trustee shall cause to be duly filed for record. Beneficiary also shall deposit with Trustee this Deed, said Note and all documents evidencing expenditures secured hereby.

(5.2) Trustee shall give notice of sale as then required by law and without demand on Trustor, at least three months having elapsed after recordation of such notice of default shall sell said property at the time and place of sale fixed by it in said notice of sale either as a whole or in separate parcels and in such order as it may determine at public auction to the highest bidder for cash in lawful money of the United States payable at time of sale. Trustee may postpone sale of all or any portion of said property by public announcement at such time and place of sale and from time to time thereafter may postpone such sale by public announcement at the time fixed by the preceding postponement. Trustee shall deliver to such purchaser its deed conveying the property so sold but without any covenant or warranty expressed or implied. The recitals in such deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person, including Trustor, Trustee, or Beneficiary as hereinafter defined may purchase at such sale.

(5.3) After deducting all costs, fees and expenses of Trustee and of this Trust, including cost of evidence of title in connection with sale, Trustee shall apply the proceeds of sale as payment of: all sums expended under the terms hereof, not then repaid, with accrued interest at the same rate as provided for in the Note secured by this Deed of Trust; all other sums then secured hereby; and the remainder, if any, to the person or persons legally entitled thereof.

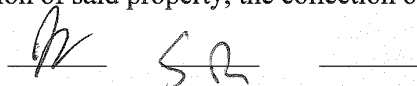
(6) This Deed applies to, inures to the benefit of, and binds all parties hereto, their legal representatives and successors in interest. The term Beneficiary shall include any future owner and holder, including pledges, of the Note secured hereby. In this Deed, whenever the context so requires the masculine gender includes the feminine and/or neuter and the singular number includes the plural.

(7) Trustee accepts this Trust when this Deed, duly executed and acknowledged, is made a public record as provided by law. Trustee is not obligated to notify any party hereto of pending sale under any other Deed of Trust or of any action or proceeding in which Trustor, Beneficiary or Trustee shall be a party unless brought by Trustee.

(8) The Trusts created hereby are irrevocable by Trustor.

(9.1) As additional security, Trustor hereby gives to and confers upon Beneficiary the right, power and authority, during the continuance of these Trusts, to collect the rents, issues and profits of said property, reserving unto Trustor the right, prior to any default by Trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, to collect and retain such rents, issues and profits as they become due and payable. Upon any such default, Beneficiary may at any time without notice, either in person, by agent, or by a receiver to be appointed by a court, and without regard to the adequacy of any security for the indebtedness hereby secured, enter upon and take possession of said property or any part thereof, in his own name sue for or otherwise collect such rents, issues and profits, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including reasonable attorney's fees, upon any indebtedness secured hereby, and in such order as Beneficiary may determine. The entering upon and taking possession of said property, the collection of such rents, issues and profits and the application thereof

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as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

(9.2) If the rents on the property are not sufficient to meet the costs, if any, of taking control of and managing the property and collecting the rents, any funds expended by Beneficiary for such purposes shall become the indebtedness of Trustor to Beneficiary secured by this instrument. Such amounts shall be payable upon notice from Beneficiary to Trustor requesting such payment and shall bear interest from the date of disbursement at the rate stated in the Note unless payment of interest at such rate would be contrary to applicable law, in which event such amount will bear interest at the highest rate that may be collected from Trustor under applicable law.

(10) The undersigned Trustor requests that a copy of any notice of default and any notice of sale hereunder be mailed to him at his address hereinabove set forth. At the date of the request therefore, Beneficiary may charge the amount permitted by law for any statement regarding the obligations secured hereby.

(11) Beneficiary, at Beneficiary's option, may from time to time, by written instrument, substitute a successor or successors to any Trustee names in this Deed of Trust or acting under this Deed of Trust, which instrument, when executed and acknowledged by Beneficiary and recorded in the office of the Recorder of the county or counties in which the Property is located, shall constitute conclusive proof of the proper substitution of such successor Trustee or Trustees, who shall, without conveyance from the predecessor Trustee, succeed to all right, title, estate, powers, and duties of such predecessor Trustee, including, without limitation, the power to reconvey the Property. To be effective, such instrument must contain the name of the original Borrower, Trustee, and Beneficiary under this Deed of Trust, the book and page at which, and the county or counties in which, this Deed of Trust is recorded, and the name and address of the substitute Trustee. If any notice of default has been recorded under this Deed of Trust, this power of substitution cannot be exercised until all costs, fees, and expenses of the then-acting Trustee have been paid. Upon such payment, the then-acting Trustee shall endorse receipt thereof upon the instrument of substitution. The procedure in this Deed of Trust for substitution of Trustees shall not be exclusive of other provisions for substitution provided by applicable law.

**RAZUKI INVESTMENTS, LLC, A CALIFORNIA
LIMITED LIABILITY COMPANY**

By: 

SALAM RAZUKI, MEMBER

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EXHIBIT A
LEGAL DESCRIPTION

The land referred to herein below is situated in the County of SAN DIEGO, State of CALIFORNIA, and is described as follows:

PARCEL 1:

PARCEL "B" OF PARCEL MAP NO. 3450, IN THE CITY OF VISTA, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, JANUARY 31, 1975.

PARCEL 2:

AN EASEMENT AND RIGHT OF WAY FOR ROAD AND UTILITY PURPOSES OVER, UNDER, ALONG AND ACROSS A STRIP OF LAND LYING WITHIN PARCEL "C" AND "D" OF PARCEL MAP NO. 3450, IN THE CITY OF VISTA, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, JANUARY 31, 1975, DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHERLY CORNER COMMON TO SAID PARCELS "C" AND "D" BEING THE CENTER OF A 40.00 FOOT RADIUS CIRCLE IN THE CUL-DE-SAC, AT THE SOUTHEASTERLY END OF AVOCADO DRIVE, SHOWN ON SAID PARCEL MAP; THENCE ALONG THE BOUNDARY OF SAID PARCEL "C" AS FOLLOWS:

SOUTH 04° 15' 30" EAST, 40.00 FEET; SOUTH 39° 33' 30" EAST, 222.90 FEET; SOUTH 08° 26' 00" EAST, 58.04 FEET; AND SOUTH 81° 34' 00" WEST, 20.00 FEET TO THE WESTERLY LINE OF THE EASTERLY 20.00 FEET OF SAID PARCEL "C"; THENCE ALONG SAID WESTERLY LINE; NORTH 08° 26' 00" WEST, 31.50 FEET, MORE OR LESS TO A LINE THAT IS PARALLEL WITH AND 30.00 FEET SOUTHWESTERLY MEASURED AT RIGHT ANGLES FROM THE NORTHEASTERLY LINE OF SAID PARCEL "C"; THENCE ALONG SAID PARALLEL LINE NORTH 39° 33' 30" WEST, 283.00 FEET, MORE OR LESS, TO THE NORTHWESTERLY LINE OF SAID PARCEL "D"; THENCE ALONG SAID WESTERLY LINE NORTH 38° 19' 06" EAST, 20.77 FEET TO A POINT IN THE ARC OF THE AFOREMENTIONED 40.00 FOOT CURVE A RADIAL OF SAID CURVE BEARS SOUTH 85° 20' 00" WEST TO SAID POINT; THENCE ALONG SAID RADIAL LINE NORTH 85° 20' 00" EAST, 40.00 FEET TO THE POINT OF BEGINNING.

Assessor's Parcel Number: 183-201-03-00

Commonly known as:

1869 Avocado Avenue
Vista, CA 92083-7654

Loan#1521

TITLE ORD. NO. 95545-PD
ESCROW NO.: 06175440BJ
RECORDING REQUESTED BY:

WHEN RECORDED MAIL TO:

The Loan Company of San Diego
2356 Moore St, Suite 203
San Diego, CA 92110

**DEED OF TRUST AND ASSIGNMENT OF RENTS
ADJUSTABLE INTEREST RATE**

By this DEED OF TRUST, dated **December 19, 2017**, between **SALAM RAZUKI, A MARRIED MAN AS HIS SOLE AND SEPARATE PROPERTY** hereinafter called Trustor, whose address is 10605 Senda Acuaro, San Diego, CA 92130-8707, and **THE LOAN COMPANY OF SAN DIEGO**, herein called Trustee, whose address is 2356 Moore Street, Suite 203, San Diego, CA 92110, and **THE LOAN COMPANY OF SAN DIEGO, a California Limited Partnership**, herein called Beneficiary, whose address is 2356 Moore Street, Suite 203, San Diego, CA 92110. Trustor grants, transfers, and assigns to Trustee, in trust, with power of sale, that property in San Diego County, California, commonly known as: **1415 Eckman Avenue, Chula Vista, CA 91911-5201**, and legally described as:

LOT 91 OF CASTLE VIEW, IN THE CITY OF CHULA VISTA, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 5000, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, JUNE 26, 1962.

APN: 620-340-26-00

Beneficiary may, at Beneficiary's option, declare immediately due and payable all sums due under the Promissory Note secured by this Deed of Trust upon the sale or transfer, without Beneficiary's prior written consent, of all or any part of the real property which is the subject of this Deed of Trust, or any interest in such real property. A "sale or transfer" means the conveyance of real property or any right, title or interest therein; whether legal or equitable; whether voluntary or involuntary; whether by outright sale, deed, installment sale contract, land contract, contract for deed, leasehold interest with a term greater than three (3) years; lease-option contract, or by sale, assignment, or transfer of any beneficial interest in or to any land trust holding title to the real property, or by any other method of conveyance of real Property interest. If Trustor is a corporation or partnership, transfer also includes any change in ownership of more than twenty-five percent (25%) of the voting stock or partnership interests, as the case may be, of Trustor.

SIGNATURE (S) AND NOTARY SIGNATURE (S) ON PAGE (S) 5/6 OF DEED OF TRUST AND ASSIGNMENT OF RENTS.

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Trustor also assigns to Beneficiary all rents, issues and profits of said realty reserving the right to collect and use the same except during continuance of default hereunder and during continuance of such default authorizing Beneficiary to collect and enforce the same by any lawful means in the name of any party hereto.

This Deed of Trust is given and accepted for the purpose of securing: (1) Performance of each agreement of Trustor incorporated by reference or contained herein, (2) payment of the indebtedness evidenced by one Promissory Note of even date herewith in the principal sum of **\$1,805,000.00** payable to Beneficiary or order; (3) the payment of any money that may be advanced by the Beneficiary to Trustor, or his successors, with interest thereon.

A. TO PROTECT THE SECURITY HEREOF TRUSTOR AGREES:

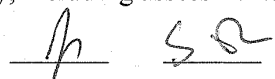
(1) (a) To keep said property in good condition and repair; (b) Not to substantially alter, remove, or demolish the property or any building on the property, except when incident to the replacement of fixtures, equipment, machinery, or appliances with items of like kind; (c) To restore and repair promptly and in good and workmanlike manner to no less than the equivalent of its original condition, all or any part of the property that may be damaged or destroyed, including, but not limited to, damage from termites and dry rot, whether or not insurance proceeds are available to cover any part of the cost of such restoration and repair; (d) To pay when due all claims for labor performed and materials furnished in connection with the property and not permit any mechanic's or materialman's lien to arise against the property; (e) To comply with all laws affecting the property or requiring that any alterations or improvements be made to the property; (f) not to commit or permit waste on or to the property, or commit, suffer, or permit any act or violation of law to occur upon the property; (g) Not to abandon the property; (h) To cultivate, irrigate, fertilize, fumigate, and prune; (i) If the property is rental property, to generally operate and maintain the property in such manner as to realize the maximum rental potential of the property and to do all other things that the character or use of the property may reasonably render necessary to maintain the property in the same condition (reasonable wear and tear excepted) as it was at the date of this Deed of Trust.

(2) To provide and maintain and deliver to Beneficiary fire and extended coverage insurance satisfactory to and with loss payable to Beneficiary. The amount collected under any fire or other insurance policy may be applied by Beneficiary upon any indebtedness secured hereby and in such order as Beneficiary may determine, or Beneficiary may release all or any part thereof to Trustor. Such application or release shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice. At least thirty (30) days prior to the expiration of any such policy of insurance, Trustor will deliver to Beneficiary a policy renewing or extending such expiring insurance and written evidence demonstrating payment of the premium for such insurance.

(3) To appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee and to pay all costs and expenses including cost of evidence of title and attorney(s) fees in a reasonable sum, in any such action or proceeding in which Beneficiary or Trustee may appeal.

(4) To pay: at least ten days before delinquency, all taxes and assessments affecting said property, including assessments on appurtenant water stock; when due, all encumbrances, charges and

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liens with interest, on said property or any part thereof, which appear to be prior or superior hereto; all costs fees and expenses of this Trust.

(5) Should Trustor fail to make any payment or to do any act as herein provided, then Beneficiary or Trustee, but without obligation to do so and without notice to or demand upon Trustor and without releasing Trustor from any obligation hereof, may make or do the same in such manner and to such extent as either may deem necessary to protect and security hereof. Beneficiary or Trustee being authorized to enter upon said property for such purposes, appear in and defend any action or proceeding purporting to affect the security hereof, or the rights or powers of Beneficiary or Trustor's, pay, purchase, contest or compromise any encumbrance, charge or lien which in the judgment of either appears to be prior or superior hereto; and in exercising any such powers pay necessary expenses, employ counsel and pay his reasonable fees.

(6) The Trustor agrees to immediately pay any sums advanced or paid by the Beneficiary or Trustee under any provisions of this Deed of Trust. Until so repaid, all such sums shall be added to, and become a part of, the indebtedness secured by this Deed of Trust and bear interest from the date of advancement or payment by the Beneficiary or Trustee at the same rate as such indebtedness, unless payment of interest at such rate will be contrary to applicable law, in which event such sums shall bear interest at the highest rate then allowed by applicable law.

B. IT IS MUTUALLY AGREED THAT:

(1) Any award of damages in connection with any condemnation for public use of or injury to said property or any part thereof is hereby assigned to Beneficiary, who may apply or release such moneys received by him in the same manner and with the same effort as provided for disposition of proceeds of fire or either insurance.

(2) By accepting payment of any sum secured hereby after its due date Beneficiary does not waive his right either to require payment when due of all other sums so secured or to declare default for failure so to pay.

(3) At any time or from time to time, without liability therefore and without notice, upon written request of Beneficiary and presentation of this Deed and said Note for endorsement, and without affecting the personal liability of any person for payment of the indebtedness secured hereby, Trustee may reconvey any part of said property, consent to the making of any map thereof, join in granting any easement thereon, or join in any agreement extending or subordinating the lien or charge hereof.

(4) Upon written request of Beneficiary stating that all sums secured hereby have been paid, and upon surrender of this Deed and said Note to Trustee for cancellation and retention and upon payment of its fees, Trustee shall reconvey without warranty, the property then held hereunder. The recitals in such reconveyance of any matters or facts shall be conclusive proof of the truthfulness thereof. The grantee in such reconveyance may be described as the person or persons legally entitled thereto.

(5.1) Upon default by Trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, Beneficiary may declare all sums secured hereby

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immediately due and payable by delivery to Trustee of written declaration of default and demand for sale and of written notice of default and of election to cause said property to be sold, which notice Trustee shall cause to be duly filed for record. Beneficiary also shall deposit with Trustee this Deed, said Note and all documents evidencing expenditures secured hereby.

(5.2) Trustee shall give notice of sale as then required by law and without demand on Trustor, at least three months having elapsed after recordation of such notice of default shall sell said property at the time and place of sale fixed by it in said notice of sale either as a whole or in separate parcels and in such order as it may determine at public auction to the highest bidder for cash in lawful money of the United States payable at time of sale. Trustee may postpone sale of all or any portion of said property by public announcement at such time and place of sale and from time to time thereafter may postpone such sale by public announcement at the time fixed by the preceding postponement. Trustee shall deliver to such purchaser its deed conveying the property so sold but without any covenant or warranty expressed or implied. The recitals in such deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person, including Trustor, Trustee, or Beneficiary as hereinafter defined may purchase at such sale.

(5.3) After deducting all costs, fees and expenses of Trustee and of this Trust, including cost of evidence of title in connection with sale, Trustee shall apply the proceeds of sale as payment of: all sums expended under the terms hereof, not then repaid, with accrued interest at the same rate as provided for in the Note secured by this Deed of Trust; all other sums then secured hereby; and the remainder, if any, to the person or persons legally entitled thereof.

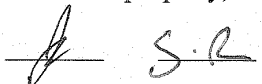
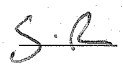
(6) This Deed applies to, inures to the benefit of, and binds all parties hereto, their legal representatives and successors in interest. The term Beneficiary shall include any future owner and holder, including pledges, of the Note secured hereby. In this Deed, whenever the context so requires the masculine gender includes the feminine and/or neuter and the singular number includes the plural.

(7) Trustee accepts this Trust when this Deed, duly executed and acknowledged, is made a public record as provided by law. Trustee is not obligated to notify any party hereto of pending sale under any other Deed of Trust or of any action or proceeding in which Trustor, Beneficiary or Trustee shall be a party unless brought by Trustee.

(8) The Trusts created hereby are irrevocable by Trustor.

(9.1) As additional security, Trustor hereby gives to and confers upon Beneficiary the right, power and authority, during the continuance of these Trusts, to collect the rents, issues and profits of said property, reserving unto Trustor the right, prior to any default by Trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, to collect and retain such rents, issues and profits as they become due and payable. Upon any such default, Beneficiary may at any time without notice, either in person, by agent, or by a receiver to be appointed by a court, and without regard to the adequacy of any security for the indebtedness hereby secured, enter upon and take possession of said property or any part thereof, in his own name sue for or otherwise collect such rents, issues and profits, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including reasonable attorney's fees, upon any indebtedness secured hereby, and in such order as Beneficiary may determine. The entering upon and taking possession of said property, the collection of such rents, issues and profits and the application thereof

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Page 4 of 6

as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

(9.2) If the rents on the property are not sufficient to meet the costs, if any, of taking control of and managing the property and collecting the rents, any funds expended by Beneficiary for such purposes shall become the indebtedness of Trustor to Beneficiary secured by this instrument. Such amounts shall be payable upon notice from Beneficiary to Trustor requesting such payment and shall bear interest from the date of disbursement at the rate stated in the Note unless payment of interest at such rate would be contrary to applicable law, in which event such amount will bear interest at the highest rate that may be collected from Trustor under applicable law.

(10) The undersigned Trustor requests that a copy of any notice of default and any notice of sale hereunder be mailed to him at his address hereinabove set forth. At the date of the request therefore, Beneficiary may charge the amount permitted by law for any statement regarding the obligations secured hereby.

(11) Beneficiary, at Beneficiary's option, may from time to time, by written instrument, substitute a successor or successors to any Trustee names in this Deed of Trust or acting under this Deed of Trust, which instrument, when executed and acknowledged by Beneficiary and recorded in the office of the Recorder of the county or counties in which the Property is located, shall constitute conclusive proof of the proper substitution of such successor Trustee or Trustees, who shall, without conveyance from the predecessor Trustee, succeed to all right, title, estate, powers, and duties of such predecessor Trustee, including, without limitation, the power to reconvey the Property. To be effective, such instrument must contain the name of the original Borrower, Trustee, and Beneficiary under this Deed of Trust, the book and page at which, and the county or counties in which, this Deed of Trust is recorded, and the name and address of the substitute Trustee. If any notice of default has been recorded under this Deed of Trust, this power of substitution cannot be exercised until all costs, fees, and expenses of the then-acting Trustee have been paid. Upon such payment, the then-acting Trustee shall endorse receipt thereof upon the instrument of substitution. The procedure in this Deed of Trust for substitution of Trustees shall not be exclusive of other provisions for substitution provided by applicable law.

By:


SALAM RAZUKI

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TITLE ORD. NO. 95611-PD
ESCROW NO.: 06175440BJ
RECORDING REQUESTED BY:

WHEN RECORDED MAIL TO:

The Loan Company of San Diego
2356 Moore St, Suite 203
San Diego, CA 92110

**DEED OF TRUST AND ASSIGNMENT OF RENTS
ADJUSTABLE INTEREST RATE**



By this DEED OF TRUST, dated **12/19/2017**, between **AMERICAN LENDING AND HOLDINGS, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY**, hereinafter called Trustor, whose address is 10605 Senda Acuario, San Diego, CA 92130-8707, and **THE LOAN COMPANY OF SAN DIEGO**, herein called Trustee, whose address is 2356 Moore Street, Suite 203, San Diego, CA 92110, and **THE LOAN COMPANY OF SAN DIEGO, a California Limited Partnership**, herein called Beneficiary, whose address is 2356 Moore Street, Suite 203, San Diego, CA 92110. Trustor grants, transfers, and assigns to Trustee, in trust, with power of sale, that property in San Diego County, California, commonly known as: **1843 J Avenue, National City, CA 91950-5803**, and legally described as:

LEGAL DESCRIPTION ATTACHED HERETO AS EXHIBIT "A" AND MADE A PART HEREOF.

APN: 561-191-15-00

Beneficiary may, at Beneficiary's option, declare immediately due and payable all sums due under the Promissory Note secured by this Deed of Trust upon the sale or transfer, without Beneficiary's prior written consent, of all or any part of the real property which is the subject of this Deed of Trust, or any interest in such real property. A "sale or transfer" means the conveyance of real property or any right, title or interest therein; whether legal or equitable; whether voluntary or involuntary; whether by outright sale, deed, installment sale contract, land contract, contract for deed, leasehold interest with a term greater than three (3) years; lease-option contract, or by sale, assignment, or transfer of any beneficial interest in or to any land trust holding title to the real property, or by any other method of conveyance of real Property interest. If Trustor is a corporation or partnership, transfer also includes any change in ownership of more than twenty-five percent (25%) of the voting stock or partnership interests, as the case may be, of Trustor.

SIGNATURE (S) AND NOTARY SIGNATURE (S) ON PAGE (S) 5+6 OF DEED OF TRUST AND ASSIGNMENT OF RENTS.

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Trustor also assigns to Beneficiary all rents, issues and profits of said realty reserving the right to collect and use the same except during continuance of default hereunder and during continuance of such default authorizing Beneficiary to collect and enforce the same by any lawful means in the name of any party hereto.

This Deed of Trust is given and accepted for the purpose of securing: (1) Performance of each agreement of Trustor incorporated by reference or contained herein, (2) payment of the indebtedness evidenced by one Promissory Note of even date herewith in the principal sum of **\$1,805,000.00** payable to Beneficiary or order; (3) the payment of any money that may be advanced by the Beneficiary to Trustor, or his successors, with interest thereon.

A. TO PROTECT THE SECURITY HEREOF TRUSTOR AGREES:

(1) (a) To keep said property in good condition and repair; (b) Not to substantially alter, remove, or demolish the property or any building on the property, except when incident to the replacement of fixtures, equipment, machinery, or appliances with items of like kind; (c) To restore and repair promptly and in good and workmanlike manner to no less than the equivalent of its original condition, all or any part of the property that may be damaged or destroyed, including, but not limited to, damage from termites and dry rot, whether or not insurance proceeds are available to cover any part of the cost of such restoration and repair; (d) To pay when due all claims for labor performed and materials furnished in connection with the property and not permit any mechanic's or materialman's lien to arise against the property; (e) To comply with all laws affecting the property or requiring that any alterations or improvements be made to the property; (f) not to commit or permit waste on or to the property, or commit, suffer, or permit any act or violation of law to occur upon the property; (g) Not to abandon the property; (h) To cultivate, irrigate, fertilize, fumigate, and prune; (i) If the property is rental property, to generally operate and maintain the property in such manner as to realize the maximum rental potential of the property and to do all other things that the character or use of the property may reasonably render necessary to maintain the property in the same condition (reasonable wear and tear excepted) as it was at the date of this Deed of Trust.

(2) To provide and maintain and deliver to Beneficiary fire and extended coverage insurance satisfactory to and with loss payable to Beneficiary. The amount collected under any fire or other insurance policy may be applied by Beneficiary upon any indebtedness secured hereby and in such order as Beneficiary may determine, or Beneficiary may release all or any part thereof to Trustor. Such application or release shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice. At least thirty (30) days prior to the expiration of any such policy of insurance, Trustor will deliver to Beneficiary a policy renewing or extending such expiring insurance and written evidence demonstrating payment of the premium for such insurance.

(3) To appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee and to pay all costs and expenses including cost of evidence of title and attorney(s) fees in a reasonable sum, in any such action or proceeding in which Beneficiary or Trustee may appeal.

(4) To pay: at least ten days before delinquency, all taxes and assessments affecting said property, including assessments on appurtenant water stock; when due, all encumbrances, charges and

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liens with interest, on said property or any part thereof, which appear to be prior or superior hereto; all costs fees and expenses of this Trust.

(5) Should Trustor fail to make any payment or to do any act as herein provided, then Beneficiary or Trustee, but without obligation to do so and without notice to or demand upon Trustor and without releasing Trustor from any obligation hereof, may make or do the same in such manner and to such extent as either may deem necessary to protect and security hereof. Beneficiary or Trustee being authorized to enter upon said property for such purposes, appear in and defend any action or proceeding purporting to affect the security hereof, or the rights or powers of Beneficiary or Trustor's, pay, purchase, contest or compromise any encumbrance, charge or lien which in the judgment of either appears to be prior or superior hereto; and in exercising any such powers pay necessary expenses, employ counsel and pay his reasonable fees.

(6) The Trustor agrees to immediately pay any sums advanced or paid by the Beneficiary or Trustee under any provisions of this Deed of Trust. Until so repaid, all such sums shall be added to, and become a part of, the indebtedness secured by this Deed of Trust and bear interest from the date of advancement or payment by the Beneficiary or Trustee at the same rate as such indebtedness, unless payment of interest at such rate will be contrary to applicable law, in which event such sums shall bear interest at the highest rate then allowed by applicable law.

B. IT IS MUTUALLY AGREED THAT:

(1) Any award of damages in connection with any condemnation for public use of or injury to said property or any part thereof is hereby assigned to Beneficiary, who may apply or release such moneys received by him in the same manner and with the same effort as provided for disposition of proceeds of fire or either insurance.

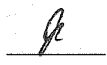

(2) By accepting payment of any sum secured hereby after its due date Beneficiary does not waive his right either to require payment when due of all other sums so secured or to declare default for failure so to pay.

(3) At any time or from time to time, without liability therefore and without notice, upon written request of Beneficiary and presentation of this Deed and said Note for endorsement, and without affecting the personal liability of any person for payment of the indebtedness secured hereby, Trustee may reconvey any part of said property, consent to the making of any map thereof, join in granting any easement thereon, or join in any agreement extending or subordinating the lien or charge hereof.

(4) Upon written request of Beneficiary stating that all sums secured hereby have been paid, and upon surrender of this Deed and said Note to Trustee for cancellation and retention and upon payment of its fees, Trustee shall reconvey without warranty, the property then held hereunder. The recitals in such reconveyance of any matters or facts shall be conclusive proof of the truthfulness thereof. The grantee in such reconveyance may be described as the person or persons legally entitled thereto.

(5.1) Upon default by Trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, Beneficiary may declare all sums secured hereby

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immediately due and payable by delivery to Trustee of written declaration of default and demand for sale and of written notice of default and of election to cause said property to be sold, which notice Trustee shall cause to be duly filed for record. Beneficiary also shall deposit with Trustee this Deed, said Note and all documents evidencing expenditures secured hereby.

(5.2) Trustee shall give notice of sale as then required by law and without demand on Trustor, at least three months having elapsed after recordation of such notice of default shall sell said property at the time and place of sale fixed by it in said notice of sale either as a whole or in separate parcels and in such order as it may determine at public auction to the highest bidder for cash in lawful money of the United States payable at time of sale. Trustee may postpone sale of all or any portion of said property by public announcement at such time and place of sale and from time to time thereafter may postpone such sale by public announcement at the time fixed by the preceding postponement. Trustee shall deliver to such purchaser its deed conveying the property so sold but without any covenant or warranty expressed or implied. The recitals in such deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person, including Trustor, Trustee, or Beneficiary as hereinafter defined may purchase at such sale.

(5.3) After deducting all costs, fees and expenses of Trustee and of this Trust, including cost of evidence of title in connection with sale, Trustee shall apply the proceeds of sale as payment of: all sums expended under the terms hereof, not then repaid, with accrued interest at the same rate as provided for in the Note secured by this Deed of Trust; all other sums then secured hereby; and the remainder, if any, to the person or persons legally entitled thereof.



(6) This Deed applies to, inures to the benefit of, and binds all parties hereto, their legal representatives and successors in interest. The term Beneficiary shall include any future owner and holder, including pledges, of the Note secured hereby. In this Deed, whenever the context so requires the masculine gender includes the feminine and/or neuter and the singular number includes the plural.

(7) Trustee accepts this Trust when this Deed, duly executed and acknowledged, is made a public record as provided by law. Trustee is not obligated to notify any party hereto of pending sale under any other Deed of Trust or of any action or proceeding in which Trustor, Beneficiary or Trustee shall be a party unless brought by Trustee.

(8) The Trusts created hereby are irrevocable by Trustor.

(9.1) As additional security, Trustor hereby gives to and confers upon Beneficiary the right, power and authority, during the continuance of these Trusts, to collect the rents, issues and profits of said property, reserving unto Trustor the right, prior to any default by Trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, to collect and retain such rents, issues and profits as they become due and payable. Upon any such default, Beneficiary may at any time without notice, either in person, by agent, or by a receiver to be appointed by a court, and without regard to the adequacy of any security for the indebtedness hereby secured, enter upon and take possession of said property or any part thereof, in his own name sue for or otherwise collect such rents, issues and profits, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including reasonable attorney's fees, upon any indebtedness secured hereby, and in such order as Beneficiary may determine. The entering upon and taking possession of said property, the collection of such rents, issues and profits and the application thereof

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as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

(9.2) If the rents on the property are not sufficient to meet the costs, if any, of taking control of and managing the property and collecting the rents, any funds expended by Beneficiary for such purposes shall become the indebtedness of Trustor to Beneficiary secured by this instrument. Such amounts shall be payable upon notice from Beneficiary to Trustor requesting such payment and shall bear interest from the date of disbursement at the rate stated in the Note unless payment of interest at such rate would be contrary to applicable law, in which event such amount will bear interest at the highest rate that may be collected from Trustor under applicable law.

(10) The undersigned Trustor requests that a copy of any notice of default and any notice of sale hereunder be mailed to him at his address hereinabove set forth. At the date of the request therefore, Beneficiary may charge the amount permitted by law for any statement regarding the obligations secured hereby.

(11) Beneficiary, at Beneficiary's option, may from time to time, by written instrument, substitute a successor or successors to any Trustee names in this Deed of Trust or acting under this Deed of Trust, which instrument, when executed and acknowledged by Beneficiary and recorded in the office of the Recorder of the county or counties in which the Property is located, shall constitute conclusive proof of the proper substitution of such successor Trustee or Trustees, who shall, without conveyance from the predecessor Trustee, succeed to all right, title, estate, powers, and duties of such predecessor Trustee, including, without limitation, the power to reconvey the Property. To be effective, such instrument must contain the name of the original Borrower, Trustee, and Beneficiary under this Deed of Trust, the book and page at which, and the county or counties in which, this Deed of Trust is recorded, and the name and address of the substitute Trustee. If any notice of default has been recorded under this Deed of Trust, this power of substitution cannot be exercised until all costs, fees, and expenses of the then-acting Trustee have been paid. Upon such payment, the then-acting Trustee shall endorse receipt thereof upon the instrument of substitution. The procedure in this Deed of Trust for substitution of Trustees shall not be exclusive of other provisions for substitution provided by applicable law.

**AMERICAN LENDING AND HOLDINGS, LLC,
A CALIFORNIA LIMITED LIABILITY
COMPANY**

By: 
NINUS MALAN, MANAGER

JPL  

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.

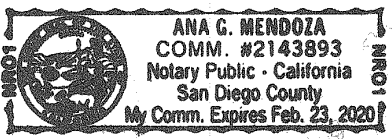
State of California)
) SS
County of San Diego)

On 12/28/2017 before me, Ana G. Mendoza, a Notary Public in and for said County and State, personally appeared **NINUS MALAN**, 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)



JPL _____

EXHIBIT A
LEGAL DESCRIPTION

The land referred to herein below is situated in the County of SAN DIEGO, State of CALIFORNIA, and is described as follows:

LOTS 9 AND 10, IN BLOCK 3 OF FRANK P. REED'S SUBDIVISION OF THE NORTH HALF OF 20 ACRE LOT 2, IN QUARTER SECTION 133, RANCHO DE LA NACION, IN THE CITY OF NATIONAL CITY, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 90, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, JULY 8, 1887.

TOGETHER WITH THAT PORTION OF THE EASTERLY 10 FEET OF "J" STREET LYING WESTERLY OF SAID LAND, AS CLOSED TO PUBLIC USE BY RESOLUTION NO. 8365 BY THE CITY COUNCIL OF THE CITY OF NATIONAL CITY, A COPY OF SAID RESOLUTION BEING RECORDED IN THE OFFICE OF THE COUNTY RECORDER OF SAID SAN DIEGO COUNTY, MAY 3, 1963, SERIES 4, BOOK 1963 AS FILE NO. 77008 OFFICIAL RECORDS.

EXCEPTING THEREFROM THE NORTHERLY HALF OF 19TH STREET ADJOINING SAID LOT 10 ON THE SOUTH, AS VACATED MAY 19, 1914 BY RESOLUTION NO. 417, OF THE BOARD OF TRUSTEES OF THE CITY OF NATIONAL CITY.

Assessor's Parcel Number: **561-191-15-00**

Commonly known as:

1843 J Avenue
National City, CA 91950-5803

Loan# 1521

TITLE ORD. NO. 95612-PD
ESCROW NO.: 06175440BJ
RECORDING REQUESTED BY:

WHEN RECORDED MAIL TO:

The Loan Company of San Diego
2356 Moore St, Suite 203
San Diego, CA 92110

**DEED OF TRUST AND ASSIGNMENT OF RENTS
ADJUSTABLE INTEREST RATE**

By this DEED OF TRUST, dated **12/19/2017**, between **STONECREST PLAZA, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY**, hereinafter called Trustor, whose address is 10605 Senda Acuaro, San Diego, CA 92130-8707, and **THE LOAN COMPANY OF SAN DIEGO**, herein called Trustee, whose address is 2356 Moore Street, Suite 203, San Diego, CA 92110, and **THE LOAN COMPANY OF SAN DIEGO, a California Limited Partnership**, herein called Beneficiary, whose address is 2356 Moore Street, Suite 203, San Diego, CA 92110. Trustor grants, transfers, and assigns to Trustee, in trust, with power of sale, that property in San Diego County, California, commonly known as: **855-863 Main Street, El Cajon, CA 92020-4013**, and legally described as:

LEGAL DESCRIPTION ATTACHED HERETO AS EXHIBIT "A" AND MADE A PART HEREOF.

APN: 488-134-30-00

Beneficiary may, at Beneficiary's option, declare immediately due and payable all sums due under the Promissory Note secured by this Deed of Trust upon the sale or transfer, without Beneficiary's prior written consent, of all or any part of the real property which is the subject of this Deed of Trust, or any interest in such real property. A "sale or transfer" means the conveyance of real property or any right, title or interest therein; whether legal or equitable; whether voluntary or involuntary; whether by outright sale, deed, installment sale contract, land contract, contract for deed, leasehold interest with a term greater than three (3) years; lease-option contract, or by sale, assignment, or transfer of any beneficial interest in or to any land trust holding title to the real property, or by any other method of conveyance of real Property interest. If Trustor is a corporation or partnership, transfer also includes any change in ownership of more than twenty-five percent (25%) of the voting stock or partnership interests, as the case may be, of Trustor.

SIGNATURE (S) AND NOTARY SIGNATURE (S) ON PAGE (S) 516 OF DEED OF TRUST AND ASSIGNMENT OF RENTS.

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Trustor also assigns to Beneficiary all rents, issues and profits of said realty reserving the right to collect and use the same except during continuance of default hereunder and during continuance of such default authorizing Beneficiary to collect and enforce the same by any lawful means in the name of any party hereto.

This Deed of Trust is given and accepted for the purpose of securing: (1) Performance of each agreement of Trustor incorporated by reference or contained herein, (2) payment of the indebtedness evidenced by one Promissory Note of even date herewith in the principal sum of **\$1,805,000.00** payable to Beneficiary or order; (3) the payment of any money that may be advanced by the Beneficiary to Trustor, or his successors, with interest thereon.

A. TO PROTECT THE SECURITY HEREOF TRUSTOR AGREES:

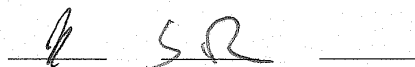
(1) (a) To keep said property in good condition and repair; (b) Not to substantially alter, remove, or demolish the property or any building on the property, except when incident to the replacement of fixtures, equipment, machinery, or appliances with items of like kind; (c) To restore and repair promptly and in good and workmanlike manner to no less than the equivalent of its original condition, all or any part of the property that may be damaged or destroyed, including, but not limited to, damage from termites and dry rot, whether or not insurance proceeds are available to cover any part of the cost of such restoration and repair; (d) To pay when due all claims for labor performed and materials furnished in connection with the property and not permit any mechanic's or materialman's lien to arise against the property; (e) To comply with all laws affecting the property or requiring that any alterations or improvements be made to the property; (f) not to commit or permit waste on or to the property, or commit, suffer, or permit any act or violation of law to occur upon the property; (g) Not to abandon the property; (h) To cultivate, irrigate, fertilize, fumigate, and prune; (i) If the property is rental property, to generally operate and maintain the property in such manner as to realize the maximum rental potential of the property and to do all other things that the character or use of the property may reasonably render necessary to maintain the property in the same condition (reasonable wear and tear excepted) as it was at the date of this Deed of Trust.

(2) To provide and maintain and deliver to Beneficiary fire and extended coverage insurance satisfactory to and with loss payable to Beneficiary. The amount collected under any fire or other insurance policy may be applied by Beneficiary upon any indebtedness secured hereby and in such order as Beneficiary may determine, or Beneficiary may release all or any part thereof to Trustor. Such application or release shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice. At least thirty (30) days prior to the expiration of any such policy of insurance, Trustor will deliver to Beneficiary a policy renewing or extending such expiring insurance and written evidence demonstrating payment of the premium for such insurance.

(3) To appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee and to pay all costs and expenses including cost of evidence of title and attorney(s) fees in a reasonable sum, in any such action or proceeding in which Beneficiary or Trustee may appeal.

(4) To pay: at least ten days before delinquency, all taxes and assessments affecting said property, including assessments on appurtenant water stock; when due, all encumbrances, charges and

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liens with interest, on said property or any part thereof, which appear to be prior or superior hereto; all costs fees and expenses of this Trust.

(5) Should Trustor fail to make any payment or to do any act as herein provided, then Beneficiary or Trustee, but without obligation to do so and without notice to or demand upon Trustor and without releasing Trustor from any obligation hereof, may make or do the same in such manner and to such extent as either may deem necessary to protect and security hereof. Beneficiary or Trustee being authorized to enter upon said property for such purposes, appear in and defend any action or proceeding purporting to affect the security hereof, or the rights or powers of Beneficiary or Trustor's, pay, purchase, contest or compromise any encumbrance, charge or lien which in the judgment of either appears to be prior or superior hereto; and in exercising any such powers pay necessary expenses, employ counsel and pay his reasonable fees.

(6) The Trustor agrees to immediately pay any sums advanced or paid by the Beneficiary or Trustee under any provisions of this Deed of Trust. Until so repaid, all such sums shall be added to, and become a part of, the indebtedness secured by this Deed of Trust and bear interest from the date of advancement or payment by the Beneficiary or Trustee at the same rate as such indebtedness, unless payment of interest at such rate will be contrary to applicable law, in which event such sums shall bear interest at the highest rate then allowed by applicable law.

B. IT IS MUTUALLY AGREED THAT:

(1) Any award of damages in connection with any condemnation for public use of or injury to said property or any part thereof is hereby assigned to Beneficiary, who may apply or release such moneys received by him in the same manner and with the same effort as provided for disposition of proceeds of fire or either insurance.

(2) By accepting payment of any sum secured hereby after its due date Beneficiary does not waive his right either to require payment when due of all other sums so secured or to declare default for failure so to pay.

(3) At any time or from time to time, without liability therefore and without notice, upon written request of Beneficiary and presentation of this Deed and said Note for endorsement, and without affecting the personal liability of any person for payment of the indebtedness secured hereby, Trustee may reconvey any part of said property, consent to the making of any map thereof, join in granting any easement thereon, or join in any agreement extending or subordinating the lien or charge hereof.

(4) Upon written request of Beneficiary stating that all sums secured hereby have been paid, and upon surrender of this Deed and said Note to Trustee for cancellation and retention and upon payment of its fees, Trustee shall reconvey without warranty, the property then held hereunder. The recitals in such reconveyance of any matters or facts shall be conclusive proof of the truthfulness thereof. The grantee in such reconveyance may be described as the person or persons legally entitled thereto.

(5.1) Upon default by Trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, Beneficiary may declare all sums secured hereby

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immediately due and payable by delivery to Trustee of written declaration of default and demand for sale and of written notice of default and of election to cause said property to be sold, which notice Trustee shall cause to be duly filed for record. Beneficiary also shall deposit with Trustee this Deed, said Note and all documents evidencing expenditures secured hereby.

(5.2) Trustee shall give notice of sale as then required by law and without demand on Trustor, at least three months having elapsed after recordation of such notice of default shall sell said property at the time and place of sale fixed by it in said notice of sale either as a whole or in separate parcels and in such order as it may determine at public auction to the highest bidder for cash in lawful money of the United States payable at time of sale. Trustee may postpone sale of all or any portion of said property by public announcement at such time and place of sale and from time to time thereafter may postpone such sale by public announcement at the time fixed by the preceding postponement. Trustee shall deliver to such purchaser its deed conveying the property so sold but without any covenant or warranty expressed or implied. The recitals in such deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person, including Trustor, Trustee, or Beneficiary as hereinafter defined may purchase at such sale.

(5.3) After deducting all costs, fees and expenses of Trustee and of this Trust, including cost of evidence of title in connection with sale, Trustee shall apply the proceeds of sale as payment of: all sums expended under the terms hereof, not then repaid, with accrued interest at the same rate as provided for in the Note secured by this Deed of Trust; all other sums then secured hereby; and the remainder, if any, to the person or persons legally entitled thereof.

(6) This Deed applies to, inures to the benefit of, and binds all parties hereto, their legal representatives and successors in interest. The term Beneficiary shall include any future owner and holder, including pledges, of the Note secured hereby. In this Deed, whenever the context so requires the masculine gender includes the feminine and/or neuter and the singular number includes the plural.

(7) Trustee accepts this Trust when this Deed, duly executed and acknowledged, is made a public record as provided by law. Trustee is not obligated to notify any party hereto of pending sale under any other Deed of Trust or of any action or proceeding in which Trustor, Beneficiary or Trustee shall be a party unless brought by Trustee.

(8) The Trusts created hereby are irrevocable by Trustor.

(9.1) As additional security, Trustor hereby gives to and confers upon Beneficiary the right, power and authority, during the continuance of these Trusts, to collect the rents, issues and profits of said property, reserving unto Trustor the right, prior to any default by Trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, to collect and retain such rents, issues and profits as they become due and payable. Upon any such default, Beneficiary may at any time without notice, either in person, by agent, or by a receiver to be appointed by a court, and without regard to the adequacy of any security for the indebtedness hereby secured, enter upon and take possession of said property or any part thereof, in his own name sue for or otherwise collect such rents, issues and profits, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including reasonable attorney's fees, upon any indebtedness secured hereby, and in such order as Beneficiary may determine. The entering upon and taking possession of said property, the collection of such rents, issues and profits and the application thereof

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as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

(9.2) If the rents on the property are not sufficient to meet the costs, if any, of taking control of and managing the property and collecting the rents, any funds expended by Beneficiary for such purposes shall become the indebtedness of Trustor to Beneficiary secured by this instrument. Such amounts shall be payable upon notice from Beneficiary to Trustor requesting such payment and shall bear interest from the date of disbursement at the rate stated in the Note unless payment of interest at such rate would be contrary to applicable law, in which event such amount will bear interest at the highest rate that may be collected from Trustor under applicable law.

(10) The undersigned Trustor requests that a copy of any notice of default and any notice of sale hereunder be mailed to him at his address hereinabove set forth. At the date of the request therefore, Beneficiary may charge the amount permitted by law for any statement regarding the obligations secured hereby.

(11) Beneficiary, at Beneficiary's option, may from time to time, by written instrument, substitute a successor or successors to any Trustee names in this Deed of Trust or acting under this Deed of Trust, which instrument, when executed and acknowledged by Beneficiary and recorded in the office of the Recorder of the county or counties in which the Property is located, shall constitute conclusive proof of the proper substitution of such successor Trustee or Trustees, who shall, without conveyance from the predecessor Trustee, succeed to all right, title, estate, powers, and duties of such predecessor Trustee, including, without limitation, the power to reconvey the Property. To be effective, such instrument must contain the name of the original Borrower, Trustee, and Beneficiary under this Deed of Trust, the book and page at which, and the county or counties in which, this Deed of Trust is recorded, and the name and address of the substitute Trustee. If any notice of default has been recorded under this Deed of Trust, this power of substitution cannot be exercised until all costs, fees, and expenses of the then-acting Trustee have been paid. Upon such payment, the then-acting Trustee shall endorse receipt thereof upon the instrument of substitution. The procedure in this Deed of Trust for substitution of Trustees shall not be exclusive of other provisions for substitution provided by applicable law.

**STONECREST PLAZA, LLC, A CALIFORNIA
LIMITED LIABILITY COMPANY**

By: _____


SALAM RAZUKI, MEMBER

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EXHIBIT A
LEGAL DESCRIPTION

The land referred to herein below is situated in the County of SAN DIEGO, State of CALIFORNIA, and is described as follows:

THE EAST 153.8 FEET OF LOT 33 OF SUBDIVISION NO. 1 OF THE CHASE RANCHO, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 1327, SHEET NO. 2 FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAID SAN DIEGO COUNTY APRIL 4, 1911; ALSO THE WEST 10 FEET OF THE UNNAMED STREET LYING EAST OF AND ADJOINING LOT THIRTY-THREE (33) ON THE EAST, AS CLOSED TO PUBLIC USE JANUARY 6, 1920 BY ORDER OF THE BOARD OF SUPERVISORS OF SAID COUNTY, A CERTIFIED COPY OF WHICH ORDER WAS RECORDED JANUARY 12, 1920 IN BOOK 751, PAGE 92 OF DEEDS.

EXCEPTING THEREFROM THAT PORTION BEING DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEAST CORNER OF SAID LOT 33; THENCE EASTERLY ALONG THE EASTERLY PROLONGATION OF THE SOUTH LINE OF SAID LOT A DISTANCE OF 10 FEET TO THE EASTERLY LINE OF SAID WEST 10.00 FEET OF MOLLISON AVENUE; THENCE NORTH ALONG SAID EAST LINE TO A POINT THAT IS SOUTH 90.00 FEET FROM THE EASTERLY PROLONGATION OF THE NORTH LINE OF SAID LOT 33, BEING THE MOST SOUTHERLY CORNER OF THAT PORTION OF MOLLISON AVENUE VACATED MAY 12, 1947; THENCE NORTH ALONG THE BOUNDARY THEREOF, 50.00 FEET TO THE BEGINNING OF A TANGENT 25.00 FOOT RADIUS CURVE CONCAVE SOUTHWESTERLY; THENCE NORTHWESTERLY ALONG THE ARC OF SAID CURVE, BEING ALONG SAID BOUNDARY 39.27 FEET TO ITS POINT OF TANGENCY WITH THE EASTERLY PROLONGATION OF THE SOUTHERLY LINE OF LAND DESCRIBED IN DEED TO THE STATE OF CALIFORNIA, RECORDED MAY 18, 1929 AS DOCUMENT NO. 29344 OF DEEDS; THENCE SOUTHEASTERLY ALONG THE ARC OF A 10.00 FOOT RADIUS CURVE CONCAVE SOUTHWESTERLY WHICH IS TANGENT TO THE EASTERLY PROLONGATION OF SAID SOUTHERLY LINE TO A POINT OF TANGENCY WITH THE NORTHERLY PROLONGATION OF A LINE WHICH IS PARALLEL WITH AND 2.00 FEET WESTERLY OF, MEASURED AT RIGHT ANGLES, TO THE EAST LINE OF SAID LOT 33; THENCE SOUTH ALONG SAID NORTHERLY PROLONGATION AND SAID PARALLEL LINE TO THE SOUTH LINE OF SAID LOT 33; THENCE EAST ALONG SAID SOUTH LINE 2.00 FEET TO THE POINT OF BEGINNING.

Assessor's Parcel Number: **488-134-30-00**

Commonly known as:

855-863 Main Street
El Cajon, CA 92020-4013

Loan#1521

TITLE ORD. NO. 95613-PD
ESCROW NO.: 06175440BJ
RECORDING REQUESTED BY:

WHEN RECORDED MAIL TO:

The Loan Company of San Diego
2356 Moore St, Suite 203
San Diego, CA 92110

**DEED OF TRUST AND ASSIGNMENT OF RENTS
ADJUSTABLE INTEREST RATE**

By this DEED OF TRUST, dated **12/19/2017**, between **RAZUKI INVESTMENTS LLC, A CALIFORNIA LIMITED LIABILITY COMPANY**, hereinafter called Trustor, whose address is 10605 Senda Acuario, San Diego, CA 92130-8707, and **THE LOAN COMPANY OF SAN DIEGO**, herein called Trustee, whose address is 2356 Moore Street, Suite 203, San Diego, CA 92110, and **THE LOAN COMPANY OF SAN DIEGO, a California Limited Partnership**, herein called Beneficiary, whose address is 2356 Moore Street, Suite 203, San Diego, CA 92110. Trustor grants, transfers, and assigns to Trustee, in trust, with power of sale, that property in San Diego County, California, commonly known as: **9749 Campo Road, Spring Valley, CA 91977-1416**, and legally described as:

LEGAL DESCRIPTION ATTACHED HERETO AS EXHIBIT "A" AND MADE A PART HEREOF.

APN: 500-261-32-00

Beneficiary may, at Beneficiary's option, declare immediately due and payable all sums due under the Promissory Note secured by this Deed of Trust upon the sale or transfer, without Beneficiary's prior written consent, of all or any part of the real property which is the subject of this Deed of Trust, or any interest in such real property. A "sale or transfer" means the conveyance of real property or any right, title or interest therein; whether legal or equitable; whether voluntary or involuntary; whether by outright sale, deed, installment sale contract, land contract, contract for deed, leasehold interest with a term greater than three (3) years; lease-option contract, or by sale, assignment, or transfer of any beneficial interest in or to any land trust holding title to the real property, or by any other method of conveyance of real Property interest. If Trustor is a corporation or partnership, transfer also includes any change in ownership of more than twenty-five percent (25%) of the voting stock or partnership interests, as the case may be, of Trustor.

SIGNATURE (S) AND NOTARY SIGNATURE (S) ON PAGE (S) 516 OF DEED OF TRUST AND ASSIGNMENT OF RENTS.

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Trustor also assigns to Beneficiary all rents, issues and profits of said realty reserving the right to collect and use the same except during continuance of default hereunder and during continuance of such default authorizing Beneficiary to collect and enforce the same by any lawful means in the name of any party hereto.

This Deed of Trust is given and accepted for the purpose of securing: (1) Performance of each agreement of Trustor incorporated by reference or contained herein, (2) payment of the indebtedness evidenced by one Promissory Note of even date herewith in the principal sum of **\$1,805,000.00** payable to Beneficiary or order; (3) the payment of any money that may be advanced by the Beneficiary to Trustor, or his successors, with interest thereon.

A. TO PROTECT THE SECURITY HEREOF TRUSTOR AGREES:


(1) (a) To keep said property in good condition and repair; (b) Not to substantially alter, remove, or demolish the property or any building on the property, except when incident to the replacement of fixtures, equipment, machinery, or appliances with items of like kind; (c) To restore and repair promptly and in good and workmanlike manner to no less than the equivalent of its original condition, all or any part of the property that may be damaged or destroyed, including, but not limited to, damage from termites and dry rot, whether or not insurance proceeds are available to cover any part of the cost of such restoration and repair; (d) To pay when due all claims for labor performed and materials furnished in connection with the property and not permit any mechanic's or materialman's lien to arise against the property; (e) To comply with all laws affecting the property or requiring that any alterations or improvements be made to the property; (f) not to commit or permit waste on or to the property, or commit, suffer, or permit any act or violation of law to occur upon the property; (g) Not to abandon the property; (h) To cultivate, irrigate, fertilize, fumigate, and prune; (i) If the property is rental property, to generally operate and maintain the property in such manner as to realize the maximum rental potential of the property and to do all other things that the character or use of the property may reasonably render necessary to maintain the property in the same condition (reasonable wear and tear excepted) as it was at the date of this Deed of Trust.

(2) To provide and maintain and deliver to Beneficiary fire and extended coverage insurance satisfactory to and with loss payable to Beneficiary. The amount collected under any fire or other insurance policy may be applied by Beneficiary upon any indebtedness secured hereby and in such order as Beneficiary may determine, or Beneficiary may release all or any part thereof to Trustor. Such application or release shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice. At least thirty (30) days prior to the expiration of any such policy of insurance, Trustor will deliver to Beneficiary a policy renewing or extending such expiring insurance and written evidence demonstrating payment of the premium for such insurance.

(3) To appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee and to pay all costs and expenses including cost of evidence of title and attorney(s) fees in a reasonable sum, in any such action or proceeding in which Beneficiary or Trustee may appeal.

(4) To pay: at least ten days before delinquency, all taxes and assessments affecting said property, including assessments on appurtenant water stock; when due, all encumbrances, charges and

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liens with interest, on said property or any part thereof, which appear to be prior or superior hereto; all costs fees and expenses of this Trust.

(5) Should Trustor fail to make any payment or to do any act as herein provided, then Beneficiary or Trustee, but without obligation to do so and without notice to or demand upon Trustor and without releasing Trustor from any obligation hereof, may make or do the same in such manner and to such extent as either may deem necessary to protect and security hereof. Beneficiary or Trustee being authorized to enter upon said property for such purposes, appear in and defend any action or proceeding purporting to affect the security hereof, or the rights or powers of Beneficiary or Trustor's, pay, purchase, contest or compromise any encumbrance, charge or lien which in the judgment of either appears to be prior or superior hereto; and in exercising any such powers pay necessary expenses, employ counsel and pay his reasonable fees.

(6) The Trustor agrees to immediately pay any sums advanced or paid by the Beneficiary or Trustee under any provisions of this Deed of Trust. Until so repaid, all such sums shall be added to, and become a part of, the indebtedness secured by this Deed of Trust and bear interest from the date of advancement or payment by the Beneficiary or Trustee at the same rate as such indebtedness, unless payment of interest at such rate will be contrary to applicable law, in which event such sums shall bear interest at the highest rate then allowed by applicable law.

B. IT IS MUTUALLY AGREED THAT:

(1) Any award of damages in connection with any condemnation for public use of or injury to said property or any part thereof is hereby assigned to Beneficiary, who may apply or release such moneys received by him in the same manner and with the same effort as provided for disposition of proceeds of fire or either insurance.

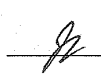
(2) By accepting payment of any sum secured hereby after its due date Beneficiary does not waive his right either to require payment when due of all other sums so secured or to declare default for failure so to pay.

(3) At any time or from time to time, without liability therefore and without notice, upon written request of Beneficiary and presentation of this Deed and said Note for endorsement, and without affecting the personal liability of any person for payment of the indebtedness secured hereby, Trustee may reconvey any part of said property, consent to the making of any map thereof, join in granting any easement thereon, or join in any agreement extending or subordinating the lien or charge hereof.

(4) Upon written request of Beneficiary stating that all sums secured hereby have been paid, and upon surrender of this Deed and said Note to Trustee for cancellation and retention and upon payment of its fees, Trustee shall reconvey without warranty, the property then held hereunder. The recitals in such reconveyance of any matters or facts shall be conclusive proof of the truthfulness thereof. The grantee in such reconveyance may be described as the person or persons legally entitled thereto.

(5.1) Upon default by Trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, Beneficiary may declare all sums secured hereby

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immediately due and payable by delivery to Trustee of written declaration of default and demand for sale and of written notice of default and of election to cause said property to be sold, which notice Trustee shall cause to be duly filed for record. Beneficiary also shall deposit with Trustee this Deed, said Note and all documents evidencing expenditures secured hereby.

(5.2) Trustee shall give notice of sale as then required by law and without demand on Trustor, at least three months having elapsed after recordation of such notice of default shall sell said property at the time and place of sale fixed by it in said notice of sale either as a whole or in separate parcels and in such order as it may determine at public auction to the highest bidder for cash in lawful money of the United States payable at time of sale. Trustee may postpone sale of all or any portion of said property by public announcement at such time and place of sale and from time to time thereafter may postpone such sale by public announcement at the time fixed by the preceding postponement. Trustee shall deliver to such purchaser its deed conveying the property so sold but without any covenant or warranty expressed or implied. The recitals in such deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person, including Trustor, Trustee, or Beneficiary as hereinafter defined may purchase at such sale.

(5.3) After deducting all costs, fees and expenses of Trustee and of this Trust, including cost of evidence of title in connection with sale, Trustee shall apply the proceeds of sale as payment of: all sums expended under the terms hereof, not then repaid, with accrued interest at the same rate as provided for in the Note secured by this Deed of Trust; all other sums then secured hereby; and the remainder, if any, to the person or persons legally entitled thereof.

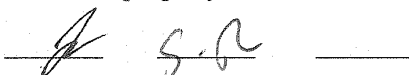
(6) This Deed applies to, inures to the benefit of, and binds all parties hereto, their legal representatives and successors in interest. The term Beneficiary shall include any future owner and holder, including pledges, of the Note secured hereby. In this Deed, whenever the context so requires the masculine gender includes the feminine and/or neuter and the singular number includes the plural.

(7) Trustee accepts this Trust when this Deed, duly executed and acknowledged, is made a public record as provided by law. Trustee is not obligated to notify any party hereto of pending sale under any other Deed of Trust or of any action or proceeding in which Trustor, Beneficiary or Trustee shall be a party unless brought by Trustee.

(8) The Trusts created hereby are irrevocable by Trustor.

(9.1) As additional security, Trustor hereby gives to and confers upon Beneficiary the right, power and authority, during the continuance of these Trusts, to collect the rents, issues and profits of said property, reserving unto Trustor the right, prior to any default by Trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, to collect and retain such rents, issues and profits as they become due and payable. Upon any such default, Beneficiary may at any time without notice, either in person, by agent, or by a receiver to be appointed by a court, and without regard to the adequacy of any security for the indebtedness hereby secured, enter upon and take possession of said property or any part thereof, in his own name sue for or otherwise collect such rents, issues and profits, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including reasonable attorney's fees, upon any indebtedness secured hereby, and in such order as Beneficiary may determine. The entering upon and taking possession of said property, the collection of such rents, issues and profits and the application thereof

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rmpropertyholdings,llc1521_TrustDeed5 revised 2017.doc December 26, 2017 9:07 AM

Page 4 of 6

as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

(9.2) If the rents on the property are not sufficient to meet the costs, if any, of taking control of and managing the property and collecting the rents, any funds expended by Beneficiary for such purposes shall become the indebtedness of Trustor to Beneficiary secured by this instrument. Such amounts shall be payable upon notice from Beneficiary to Trustor requesting such payment and shall bear interest from the date of disbursement at the rate stated in the Note unless payment of interest at such rate would be contrary to applicable law, in which event such amount will bear interest at the highest rate that may be collected from Trustor under applicable law.

(10) The undersigned Trustor requests that a copy of any notice of default and any notice of sale hereunder be mailed to him at his address hereinabove set forth. At the date of the request therefore, Beneficiary may charge the amount permitted by law for any statement regarding the obligations secured hereby.

(11) Beneficiary, at Beneficiary's option, may from time to time, by written instrument, substitute a successor or successors to any Trustee names in this Deed of Trust or acting under this Deed of Trust, which instrument, when executed and acknowledged by Beneficiary and recorded in the office of the Recorder of the county or counties in which the Property is located, shall constitute conclusive proof of the proper substitution of such successor Trustee or Trustees, who shall, without conveyance from the predecessor Trustee, succeed to all right, title, estate, powers, and duties of such predecessor Trustee, including, without limitation, the power to reconvey the Property. To be effective, such instrument must contain the name of the original Borrower, Trustee, and Beneficiary under this Deed of Trust, the book and page at which, and the county or counties in which, this Deed of Trust is recorded, and the name and address of the substitute Trustee. If any notice of default has been recorded under this Deed of Trust, this power of substitution cannot be exercised until all costs, fees, and expenses of the then-acting Trustee have been paid. Upon such payment, the then-acting Trustee shall endorse receipt thereof upon the instrument of substitution. The procedure in this Deed of Trust for substitution of Trustees shall not be exclusive of other provisions for substitution provided by applicable law.

**RAZUKI INVESTMENTS LLC, A CALIFORNIA
LIMITED LIABILITY COMPANY**

By: 

SALAM RAZUKI, MANAGER

JPL 

EXHIBIT A
LEGAL DESCRIPTION

The land referred to herein below is situated in the County of SAN DIEGO, State of CALIFORNIA, and is described as follows:

PARCEL 1:

THE SOUTHERLY 135.00 FEET OF THE NORTHERLY 185.00 FEET OF THE EASTERLY 150.00 FEET OF THAT PORTION OF THE SOUTHWEST QUARTER OF THE SOUTHEASTERLY QUARTER OF SECTION 28, TOWNSHIP 16 SOUTH, RANGE 1 WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE NORTH LINE OF SAID SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER WHICH IS DISTANT THEREON SOUTH 89° 13' 30" EAST, 904.27 FEET FROM THE NORTHWEST CORNER OF SAID SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER, BEING THE NORTHWEST CORNER OF THAT PARCEL OF LAND DESCRIBED IN DEED TO C. H. CRUZAT AND WIFE, RECORDED APRIL 21, 1934 AS FILE NO. 24856, IN BOOK 275, PAGE 494, OF OFFICIAL RECORDS; THENCE ALONG THE SAID NORTH LINE OF THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER, NORTH 89° 13' 30" WEST, 174.24 FEET; THENCE PARALLEL WITH THE WEST LINE OF SAID LAND DESCRIBED IN DEED TO CRUZAT, SOUTH 500 FEET, MORE OR LESS TO THE SOUTHERLY LINE OF THAT PARCEL OF LAND DESCRIBED IN DEED TO LEONARD LUJAN AND WIFE, RECORDED MARCH 26, 1943 AS FIFE NO, 17382, IN BOOK 1482, PAGE 138, OF OFFICIAL RECORDS; THENCE ALONG SAID SOUTHERLY LINE, SOUTH 89° 13' 30" EAST, 174.24 FEET TO THE SOUTHWESTERLY CORNER OF SAID LAND DESCRIBED IN DEED TO CRUZAT; THENCE ALONG SAID WEST LINE OF SAID CRUZAT'S LAND, NORTH 500 FEET, MORE OR LESS, TO THE POINT OF BEGINNING.

PARCEL 2:

AN EASEMENT FOR INGRESS AND EGRESS FOR ROAD PURPOSES OVER, ALONG AND ACROSS ALL OF THE SOUTHERLY 135.00 FEET OF THE NORTHERLY 185.00 FEET OF THAT PORTION OF THE SOUTHWEST QUARTER OF THE SOUTHEASTERLY QUARTER OF SECTION 28, TOWNSHIP 16 SOUTH, RANGE 1 WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE NORTH LINE OF SAID SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER WHICH IS DISTANT THEREON SOUTH 89° 13' 30" EAST, 904.27 FEET FROM THE NORTHWEST CORNER OF SAID SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER, BEING THE NORTHWEST CORNER OF THAT PARCEL OF LAND DESCRIBED IN DEED TO C.H. CRUZAT AND WIFE, RECORDED APRIL 21, 1934 AS FILE NO. 24856, IN BOOK 275, PAGE 494, OF OFFICIAL RECORDS; THENCE ALONG THE SAID NORTH LINE OF THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER, NORTH 89° 13' 30" WEST, 174.24 FEET; THENCE PARALLEL WITH THE WEST LINE OF SAID LAND DESCRIBED IN DEED TO CRUZAT, SOUTH 500 FEET, MORE OR LESS, TO THE SOUTHERLY LINE OF THAT PARCEL OF LAND DESCRIBED IN DEED TO LEONARD LUJAN AND WIFE, RECORDED MARCH 26, 1943 AS FILE NO. 17382, IN BOOK 1482, PAGE 138, OF OFFICIAL RECORDS; THENCE ALONG SAID SOUTHERLY LINE, SOUTH 89° 13' 30" EAST, 174.24 FEET TO THE SOUTHWESTERLY CORNER OF SAID LAND DESCRIBED IN DEED TO CRUZAT; THENCE ALONG SAID WEST LINE OF CRUZAT'S LAND, NORTH 500 FEET, MORE OR LESS, TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM THE EASTERLY 150.00 FEET THEREOF.

Assessor's Parcel Number: **500-261-32-00**

Commonly known as:

9749 Campo Road
Spring Valley, CA 91977-1416

Loan#1521

RECORDING REQUESTED BY:
The Loan Company of San Diego
2356 Moore St, Suite 203
San Diego, CA 92110

WHEN RECORDED MAIL TO:
The Loan Company of San Diego
2356 Moore St, Suite 203
San Diego, CA 92110

**REQUEST FOR NOTICE
UNDER SECTION 2924b CIVIL CODE**

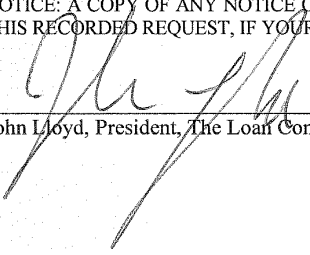
In accordance with Section 2924b, Civil Code, request is hereby made that a copy of any Notice of Default and a copy of any Notice of Sale under the **Deed of Trust recorded on June 12, 2013 as instrument number #2013-0370776 of official Records of San Diego County**, and describing land therein as:

See Exhibit "A" attached and made a part hereof.

Executed by: Stonecrest Plaza, LLC as Trustor, in Which Metro United Bank as Beneficiary and Metro United Bank as Trustee, be mailed to:

The Loan Company of San Diego
2356 Moore Street Suite 203
San Diego, CA 92110

NOTICE: A COPY OF ANY NOTICE OF DEFAULT AND OF ANY NOTICE OF SALE WILL BE SENT ONLY TO THE ADDRESS CONTAINED IN THIS RECORDED REQUEST, IF YOUR ADDRESS CHANGES, A NEW REQUEST MUST BE RECORDED.



John Lloyd, President, The Loan Company

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.

STATE OF CALIFORNIA }
COUNTY OF San Diego }

On 12/26/17, before me, Darcy M. Peters, a Notary Public, personally appeared **John Lloyd**, who proved to me on the basis of satisfactory evidence to 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.

Darcy M. Peters
Notary Public in and for said County and State

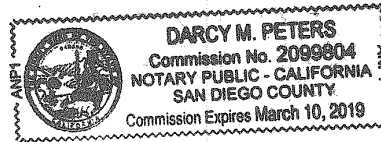


EXHIBIT A
LEGAL DESCRIPTION

The land referred to herein below is situated in the County of SAN DIEGO, State of CALIFORNIA, and is described as follows:

THE EAST 153.8 FEET OF LOT 33 OF SUBDIVISION NO. 1 OF THE CHASE RANCHO, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 1327, SHEET NO. 2 FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAID SAN DIEGO COUNTY APRIL 4, 1911; ALSO THE WEST 10 FEET OF THE UNNAMED STREET LYING EAST OF AND ADJOINING LOT THIRTY-THREE (33) ON THE EAST, AS CLOSED TO PUBLIC USE JANUARY 6, 1920 BY ORDER OF THE BOARD OF SUPERVISORS OF SAID COUNTY, A CERTIFIED COPY OF WHICH ORDER WAS RECORDED JANUARY 12, 1920 IN BOOK 751, PAGE 92 OF DEEDS.

EXCEPTING THEREFROM THAT PORTION BEING DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEAST CORNER OF SAID LOT 33; THENCE EASTERLY ALONG THE EASTERLY PROLONGATION OF THE SOUTH LINE OF SAID LOT A DISTANCE OF 10 FEET TO THE EASTERLY LINE OF SAID WEST 10.00 FEET OF MOLLISON AVENUE; THENCE NORTH ALONG SAID EAST LINE TO A POINT THAT IS SOUTH 90.00 FEET FROM THE EASTERLY PROLONGATION OF THE NORTH LINE OF SAID LOT 33, BEING THE MOST SOUTHERLY CORNER OF THAT PORTION OF MOLLISON AVENUE VACATED MAY 12, 1947; THENCE NORTH ALONG THE BOUNDARY THEREOF, 50.00 FEET TO THE BEGINNING OF A TANGENT 25.00 FOOT RADIUS CURVE CONCAVE SOUTHWESTERLY; THENCE NORTHWESTERLY ALONG THE ARC OF SAID CURVE, BEING ALONG SAID BOUNDARY 39.27 FEET TO ITS POINT OF TANGENCY WITH THE EASTERLY PROLONGATION OF THE SOUTHERLY LINE OF LAND DESCRIBED IN DEED TO THE STATE OF CALIFORNIA, RECORDED MAY 18, 1929 AS DOCUMENT NO. 29344 OF DEEDS; THENCE SOUTHEASTERLY ALONG THE ARC OF A 10.00 FOOT RADIUS CURVE CONCAVE SOUTHWESTERLY WHICH IS TANGENT TO THE EASTERLY PROLONGATION OF SAID SOUTHERLY LINE TO A POINT OF TANGENCY WITH THE NORTHERLY PROLONGATION OF A LINE WHICH IS PARALLEL WITH AND 2.00 FEET WESTERLY OF, MEASURED AT RIGHT ANGLES, TO THE EAST LINE OF SAID LOT 33; THENCE SOUTH ALONG SAID NORTHERLY PROLONGATION AND SAID PARALLEL LINE TO THE SOUTH LINE OF SAID LOT 33; THENCE EAST ALONG SAID SOUTH LINE 2.00 FEET TO THE POINT OF BEGINNING.

Assessor's Parcel Number: 488-134-30-00

Commonly known as:

855-863 Main Street
El Cajon, CA 92020-4013

Loan#1521

RECORDING REQUESTED BY:
The Loan Company of San Diego
2356 Moore St, Suite 203
San Diego, CA 92110

WHEN RECORDED MAIL TO:
The Loan Company of San Diego
2356 Moore St, Suite 203
San Diego, CA 92110

**REQUEST FOR NOTICE
UNDER SECTION 2924b CIVIL CODE**

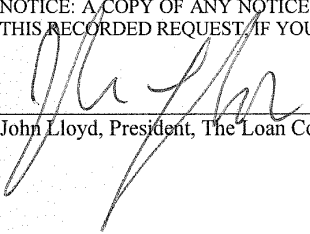
In accordance with Section 2924b, Civil Code, request is hereby made that a copy of any Notice of Default and a copy of any Notice of Sale under the **Deed of Trust recorded on May 16, 2006, as instrument number #2006-0345328 of official Records of San Diego County**, and describing land therein as:

See Exhibit "A" attached and made a part hereof.

Executed by: Razuki Investments, LLC, A California Limited Liability Company as Trustor, in Which Neighborhood National Bank as Beneficiary and Neighborhood National Bank, a National Banking Association as Trustee, be mailed to:

The Loan Company of San Diego
2356 Moore Street Suite 203
San Diego, CA 92110

NOTICE: A COPY OF ANY NOTICE OF DEFAULT AND OF ANY NOTICE OF SALE WILL BE SENT ONLY TO THE ADDRESS CONTAINED IN THIS RECORDED REQUEST. IF YOUR ADDRESS CHANGES, A NEW REQUEST MUST BE RECORDED.



John Lloyd, President, The Loan Company

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.

STATE OF CALIFORNIA }
COUNTY OF SAN DIEGO }

On 12/26/17, before me, Darcy M. Peters, a Notary Public, personally appeared **John Lloyd**, who proved to me on the basis of satisfactory evidence to 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.

Darcy M. Peters
Notary Public in and for said County and State



EXHIBIT A
LEGAL DESCRIPTION

The land referred to herein below is situated in the County of SAN DIEGO, State of CALIFORNIA, and is described as follows:

PARCEL 1:

THE SOUTHERLY 135.00 FEET OF THE NORTHERLY 185.00 FEET OF THE EASTERLY 150.00 FEET OF THAT PORTION OF THE SOUTHWEST QUARTER OF THE SOUTHEASTERLY QUARTER OF SECTION 28, TOWNSHIP 16 SOUTH, RANGE 1 WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE NORTH LINE OF SAID SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER WHICH IS DISTANT THEREON SOUTH 89° 13' 30" EAST, 904.27 FEET FROM THE NORTHWEST CORNER OF SAID SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER, BEING THE NORTHWEST CORNER OF THAT PARCEL OF LAND DESCRIBED IN DEED TO C. H. CRUZAT AND WIFE, RECORDED APRIL 21, 1934 AS FILE NO. 24856, IN BOOK 275, PAGE 494, OF OFFICIAL RECORDS; THENCE ALONG THE SAID NORTH LINE OF THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER, NORTH 89° 13' 30" WEST, 174.24 FEET; THENCE PARALLEL WITH THE WEST LINE OF SAID LAND DESCRIBED IN DEED TO CRUZAT, SOUTH 500 FEET, MORE OR LESS TO THE SOUTHERLY LINE OF THAT PARCEL OF LAND DESCRIBED IN DEED TO LEONARD LUJAN AND WIFE, RECORDED MARCH 26, 1943 AS FIFE NO, 17382, IN BOOK 1482, PAGE 138, OF OFFICIAL RECORDS; THENCE ALONG SAID SOUTHERLY LINE, SOUTH 89° 13' 30" EAST, 174.24 FEET TO THE SOUTHWESTERLY CORNER OF SAID LAND DESCRIBED IN DEED TO CRUZAT; THENCE ALONG SAID WEST LINE OF SAID CRUZAT'S LAND, NORTH 500 FEET, MORE OR LESS, TO THE POINT OF BEGINNING.

PARCEL 2:

AN EASEMENT FOR INGRESS AND EGRESS FOR ROAD PURPOSES OVER, ALONG AND ACROSS ALL OF THE SOUTHERLY 135.00 FEET OF THE NORTHERLY 185.00 FEET OF THAT PORTION OF THE SOUTHWEST QUARTER OF THE SOUTHEASTERLY QUARTER OF SECTION 28, TOWNSHIP 16 SOUTH, RANGE 1 WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, DESCRIBED AS FOLLOWS:

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EXCEPTING THEREFROM THE EASTERLY 150.00 FEET THEREOF.

Assessor's Parcel Number: **500-261-32-00**

Commonly known as:

9749 Campo Road
Spring Valley, CA 91977-1416

Loan#1521

GUARANTY

This Guaranty (the "Guaranty") is made as of 12/19/2017, by **SALAM RAZUKI**, whose address is 10605 Senda Acuario, San Diego, CA, 92130-8707, ("Guarantor (s)") in favor of THE LOAN COMPANY OF SAN DIEGO, A CALIFORNIA LIMITED PARTNERSHIP ("Holder"), whose address is 2356 Moore Street, Suite 203, San Diego, CA 92110.

INTRODUCTION

In order to induce Holder to loan to RM PROPERTY HOLDINGS, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY, ("Borrower") the sum of One Million Eight Hundred Five Thousand Dollars And No Cents (\$1,805,000.00) to be evidenced by a Promissory Note ("Note") dated 12/19/2017 to be executed by Borrower and payable to Holder, Guarantors unconditionally and irrevocably, jointly and severally, guarantee to Holder and to its successors, endorsees, and assigns, the full and prompt payment of indebtedness by Borrower to Holder including the full and prompt payment of the Note in accordance with its terms, when due, by acceleration or otherwise, including any post-petition interest on pre-petition debt in the event of any bankruptcy proceedings, and the full, prompt, and complete performance of all obligations of Borrower set forth in the Deed of Trust and Assignment of Rents, or any other agreement now or hereafter securing performance under the Note (the Note and each document securing performance under the Note are collectively referred to herein as the "Loan Documents").

1. MODIFICATION, WAIVER, OR RELEASE OF SECURITY

Guarantors shall continue to be liable under this Guaranty, and its provisions shall remain in full force and effect notwithstanding:

a. Any modification, alteration, agreement, or stipulation between the Borrower and Holder, or their respective successors and assigns, with respect to the Loan Documents including, but not limited to, that which might alter, modify, increase, reduce, compromise, renew, extend, and/or refinance the obligations of Borrower; any such modification, alteration, agreement, or stipulation after receipt by Holder of written notice of revocation shall not be deemed a "future transaction" within the meaning of So. Cal. First National Bank v. Olson, 41 Cal. App. 3d 234 (1974) but rather part of the original "single" transaction and shall not act to discharge Guarantors; or

b. Holder's waiver of or failure to enforce any of the terms, covenants, or conditions contained in the Loan Documents, or any modification of the Loan Documents; or

c. Any release of any real or personal property or other security then held by Holder for the performance of the obligations hereby guaranteed; or

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d. Any release, waiver, or substitution of collateral or security.

2. GUARANTY OF PAYMENT, NONCOLLECTIBILITY

The liability of Guarantors on this Guaranty is a guaranty of payment and performance and not of collectibility, and is not conditional or contingent on the genuineness, validity, regularity, or enforceability of the Loan Documents or other instruments relating to the obligations hereby guaranteed or the pursuit by Holder of any remedies that it now has or may hereafter have with respect thereto.

3. EFFECTS OF BANKRUPTCY

The liability of the Guarantors under this Guaranty shall in no way be affected by:

a. The release or discharge of Borrower in any creditor proceeding, receivership, bankruptcy, or other proceeding;

b. The impairment, limitation, or modification of the liability of Borrower or the estate of Borrower, or of any remedy for the enforcement of Borrower's liability, resulting from the operation of any present or future provision of the Bankruptcy Code (Title 11 of the United States code, as amended; 11 USC Section 101-1301) or any bankruptcy, insolvency, debtor relief statute (state or federal), or any other statute, or from the decision of any court;

c. The rejection or disaffirmance of the indebtedness, or any portion of the indebtedness, in any such proceeding; or

d. The cessation, from any cause whatsoever, whether consensual or by operation of law, of the liability of Borrower to Holder.

4. CLAIMS IN BANKRUPTCY

Guarantors will file all claims against Borrower in any bankruptcy or other proceeding in which the filing of claims is required by law on any indebtedness of Borrower to the Guarantors, and will assign to Holder all rights of Guarantors on any such indebtedness. If Guarantors do not file any such claim, Holder, as attorney-in-fact for Guarantors, is authorized but is not required to do so in the name of Guarantors, or, in Holder's discretion, to assign the claim and to file a proof of claim in the name of Holder's nominee. In all such cases, whether in bankruptcy or otherwise, the person or persons authorized to pay such claim shall pay to Holder the full amount of any such claim, and, to the full extent necessary for that purpose, Guarantors assign to Holder all of Guarantors' rights to any such payments or distributions to which Guarantors would otherwise be entitled.

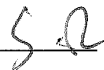
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5. WAIVER OF DEFENSES: NOTICE; DEMAND; STATUTES OF LIMITATION

Guarantors hereby waive:

- a. Diligence and demand of payment;
- b. All notices to Guarantors, to any Borrower, or to any other person, including, but not limited to, notices of the acceptance of this Guaranty, or the creation, renewal, extension, modification, or accrual of any obligations contained in the Loan Documents, notices of defaults by Borrower, or notice of any other matters relating thereto;
- c. All demands whatsoever;
- d. Any statute of limitations affecting liability under this Guaranty or the enforcement of this Guaranty to the full extent permitted by law;
- e. Any duty on the part of Holder to disclose to Guarantors any facts it may now or hereafter know about Borrower, regardless of whether Holder has reason to believe that any such facts materially increase the risk beyond that which Guarantors intend to assume, or has reason to believe that such facts are unknown to Guarantors, or has reasonable opportunity to communicate such facts to Guarantors, it being understood and agreed that Guarantors are fully responsible for being and keeping informed of the financial condition of Borrower and of all circumstances bearing on the risk of nonpayment of any indebtedness hereby guaranteed;
- f. All principles or provisions of the law that conflict with the terms of this Guaranty. Moreover, Guarantors agree that its obligations shall not be affected by any circumstances that constitute a legal or equitable discharge of a Guarantor or surety;
- g. Any duty on the part of the Holder to perfect any security interest;
- h. Any right to the protection of any security;
- i. Any defense of impairment of collateral or security;
- j. Any personal defenses of Borrower including, but not limited to, failure of consideration, accord and satisfaction; and
- k. Written notice of acceptance of the Guarantee.

JPL



6. WAIVER OF DEFENSES: EXHAUSTION OF SECURITY;
PROCEEDING AGAINST BORROWER; EXERCISE OF RIGHTS
AND REMEDIES UNDER LOAN DOCUMENTS

Guarantors agree that Holder may enforce this Guaranty separately from the underlying primary obligation without the necessity of resorting to or exhausting any security or collateral; and Guarantors waive the right to require Holder to proceed against any Borrower, to foreclose any lien on any real or personal property, to exercise any right or remedy under the Loan Documents, to pursue any other remedy, or to enforce any other right.

7. WAIVER OF DEFENSES: SUBROGATION RIGHTS; SURETYSHIP
DEFENSES; ANTIDEFICIENCY LEGISLATION

7.1 Guarantors further agree that nothing contained in this Guaranty shall prevent Holder from suing on the Note or from exercising any rights available to it thereunder or under any of the Loan Documents, and that the exercise of any of the aforesaid rights shall not constitute a legal or equitable discharge of Guarantors. Guarantors understand that the exercise by Holder of certain rights and remedies contained in the Loan Documents may affect or eliminate Guarantors' right of subrogation against Borrower and that Guarantors may therefore succeed to a partially or totally nonreimbursable liability hereunder; nevertheless, Guarantors hereby authorize and empower Holder to exercise, in its sole discretion, any rights and remedies, or any combination thereof, which may then be available, since it is the intent and purpose of Guarantors that the obligations hereunder shall be absolute, independent, and unconditional under any and all circumstances.

7.2 Guarantors waive all rights and defenses that the Guarantors may have because the Borrower's debt is secured by real property. This means, among other things:

(1) The creditor may collect from the Guarantors without first foreclosing on any real or personal property collateral pledged by the Borrower.

(2) If the creditor forecloses on any real property collateral pledged by the Borrower:

(A) The amount of the debt may be reduced only by the price for which that collateral is sold at the foreclosure sale, even if the collateral is worth more than the sale price.

(B) The creditor may collect from the Guarantors even if the creditor, by foreclosing on the real property collateral, has destroyed any right the Guarantors may have to collect from the Borrower.

JPL 

This is an unconditional and irrevocable waiver of any rights and defenses the Guarantors may have because the Borrower's debt is secured by real property. These rights and defenses include, but are not limited to, any rights or defenses based upon Section 580a, 580b, 580d, or 726 of the Code of Civil Procedure.

8. SUBORDINATION OF GUARANTORS' RIGHTS

Until all the terms, covenants, and conditions of the Loan Documents on the Borrower's part to be performed and observed are fully performed and observed, Guarantors:

a. Shall have no right of subrogation against Borrower by reason of any payments or acts of performance by Guarantors in compliance with the obligations of Guarantors under this Guaranty;

b. Waive any right to enforce any remedy that Guarantors shall have against Borrower by reason of any one or more payments or acts of performance in compliance with the obligations of Guarantors under this Guaranty; and

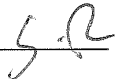
c. Subordinate any liability or indebtedness of Borrower held by Guarantors to the obligations of Borrower to Holder under any of the Loan Documents or any other instrument of indebtedness.

9. APPLICATION OF PAYMENTS; REFUNDS

With or without notice to Guarantors, Holder, in its sole discretion and at any time and from time to time and in such manner and on such terms as it deems fit may:

a. Apply any or all payments or recoveries from Borrower, from Guarantors, or from any other Guarantor or endorser under this or any other instrument, or realized from any security, in such manner, order, or priority as Holder sees fit, to the indebtedness of Borrower to Holder under the Loan Documents, whether such indebtedness is guaranteed by this Guaranty or is otherwise secured or is due at the time of such application; and

b. Refund to Borrower any payment received by Holder on any indebtedness hereby guaranteed and payment of the amount refunded shall be fully guaranteed hereby. Any recovery realized from any other Guarantors under this or any other instrument shall be first credited on that portion of the indebtedness of Borrower to Holder that exceeds the maximum liability, if any, of Guarantors under this Guaranty.

JPL  _____

10. MISCELLANEOUS PROVISIONS

10.1 Notice

Whenever the parties hereto desire to give or serve any notice, demand, or request with respect to this Guaranty, each such communication shall be in writing and shall be effective only if it is delivered by personal service or mailed by registered or certified mail, postage prepaid, return receipt requested, addressed as set forth in the first paragraph of this Guaranty. Such communications sent shall be effective when they are received by the addressee thereof; but if sent by registered or certified mail, they shall be effective three (3) days after being deposited in the United States Mail. Each party hereto may change its address for such communications by giving notice to the other party in conformity with this paragraph.

10.2 Successors and Assigns; Joint and Several Liability; Gender; Singular Includes Plural

This Guaranty shall be binding on Guarantors, the Guarantors' heirs, representatives, administrators, executors, successors, and assigns and shall inure to the benefit of and shall be enforceable by Holder, its successors, and assigns. Should this Guaranty be signed by more than one party, all obligations herein contained shall be deemed to be the joint and several obligations of each party executing this Guaranty. As used herein, the singular shall include the plural, and the masculine shall include the feminine and neuter, and vice versa, if the context so requires.

10.3 Nonwaiver

No provision of this Guaranty or right of Holder under this Guaranty can be waived, or can Guarantors be released from their obligations under this Guaranty except by a writing duly executed by Holder or an authorized representative of Holder. Guarantors shall continue to be liable under the terms of this Guaranty notwithstanding the transfer by Borrower of all or any portion of the property encumbered by the Loan Documents.

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JPL  _____

10.4 Attorneys' Fees

Guarantors shall forthwith pay to Holder the amount of all fees and costs incurred by Holder including attorney's and accountant's fees and costs under and pursuant to this Guaranty, or in the defense or enforcement of Holder's interests (whether or not Holder files a lawsuit against Guarantors) in the event Holder retains counsel, or incurs costs in order to: obtain legal advice; enforce, or seek to enforce, any of its rights; commence, intervene in, respond to, or defend any action, proceeding, appeal, or arbitration proceeding; file or prosecute a claim in any action or proceeding (including, without limitation, any probate claim, bankruptcy claim, third party claim, or secured creditor claim); or represent Holder in any litigation with respect to Guarantors' affairs and whether incurred in connection with the involvement of Holder as creditor or otherwise. If either Guarantors or Holder file any lawsuit against the other predicated on this Guaranty, the prevailing party in such action shall be entitled to recover its attorneys' fees.

10.5 Choice of Law

This Guaranty shall be governed by and construed in accordance with the laws of the State of California. In the event of any dispute or controversy between Holder and Guarantors arising under this Guaranty, the parties agree that venue shall be deemed to be exclusively in San Diego County, California.

10.6 Severability

Every provision of this Guaranty is intended to be severable. In the event any term or provision hereof is declared to be illegal or invalid, for any reason whatsoever, by a court of competent jurisdiction, such illegality or invalidity shall not affect the balance of the terms and provisions hereof, which terms and provisions shall remain binding and enforceable.

10.7 Time is of the Essence

Time is of the essence under this Guaranty and any amendment, modification, or revision of this Guaranty.

JPL 

10.8 Integration

This writing is intended by the parties to be an integrated and final expression of this Guaranty Agreement and also is intended to be a complete and exclusive statement of the terms of that agreement. No course of prior dealing between the parties, no usage of trade, and no parole or extrinsic evidence of any nature shall be used to supplement, modify, or vary any of the terms hereof. There are no conditions to the full effectiveness of this Guaranty Agreement.

10.9 Release

Holder may release any Guarantors without obtaining the consent of any other Guarantors and without affecting or impairing the obligations of any other Guarantors.

10.10 Revival

The liability of the Guarantors and the effectiveness of this Guaranty is revived and reinstated if for any reason the Holder is required to disgorge any payment previously received by the Holder that was guaranteed under this Guaranty.

10.11 Independent Counsel

GUARANTORS ACKNOWLEDGE THAT THEY HAVE BEEN TOLD THAT THEY SHOULD HAVE INDEPENDENT COUNSEL TO ADVISE EACH OF THEM WITH RESPECT TO THIS GUARANTY AND THE LOAN DOCUMENTS AND THAT NEITHER HOLDER NOR HOLDER'S AGENTS, EMPLOYEES, NOR HOLDER'S ATTORNEY ADVISED OR REPRESENTED EITHER GUARANTOR IN CONNECTION WITH THIS GUARANTY OR THE LOAN DOCUMENTS.

11. ADDITIONAL CREDIT

Additional credit under the Loan Documents may be granted from time to time at the request of Borrower and without further authorization from or notice to Guarantors. Holder need not inquire into the power of Borrower or the authority of its partners or agents acting or purporting to act in its behalf. Each credit granted to Borrower pursuant to the Loan Documents shall be deemed to have been granted at the instance and request of Guarantors and in consideration of and reliance on this Guaranty.

JPL  _____

12. REVOCATION

This Guaranty may be revoked or terminated only by written notice by either Guarantor to the Holder and to the other Guarantor. Guarantors shall remain liable under this Guaranty and the terms of this Guaranty shall remain in full force and effect for all obligations incurred prior to the effective date of the written notice of revocation and termination, together with all interest, costs, expenses, attorney's fees relating thereto, and all extensions, modifications, renewals and refinances thereof.

13. LIABILITY OF GUARANTORS

The liability of Guarantors under this Guaranty shall continue until the expiration of all periods within which any amount at any time paid on account of the obligations guaranteed hereby may be required to be restored or returned by Lender upon the bankruptcy, insolvency or reorganization of Borrower, any other Guarantors or any other person. In the event that any amount at any time paid on account of the obligations guaranteed hereby is required to be restored or returned by Lender as a result of any such bankruptcy, insolvency or reorganization, Guarantors shall be liable under this Guaranty with respect to such amount as if such amount was never paid.

14. INDEBTEDNESS

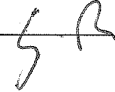
The word "indebtedness" is used herein in its most comprehensive sense and includes any and all advances, debts, obligations and liabilities of Borrower heretofore, now, or hereafter made, incurred or created, whether voluntary or involuntary and however arising, whether direct or acquired by Holder by assignment or succession, whether due or not due, absolute or contingent, liquidated or unliquidated, determined or undetermined, and whether Borrower may be liable individually or jointly with others, or whether recovery upon such indebtedness be or hereafter become barred by any statute of limitations, or whether such indebtedness may be or hereafter become otherwise unenforceable.

IN WITNESS WHEREOF, Guarantors has executed this Guaranty as of the year and date first written above.

Guarantors:



SALAM RAZUKI

JPL 

GUARANTY

This Guaranty (the "Guaranty") is made as of 12/19/2017, by **NINUS MALAN**, whose address is 3029 Broadway, Unit #20, San Diego, CA 92102, ("Guarantor (s)") in favor of THE LOAN COMPANY OF SAN DIEGO, A CALIFORNIA LIMITED PARTNERSHIP ("Holder"), whose address is 2356 Moore Street, Suite 203, San Diego, CA 92110.

INTRODUCTION

In order to induce Holder to loan to RM PROPERTY HOLDINGS, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY, ("Borrower") the sum of One Million Eight Hundred Five Thousand Dollars And No Cents (\$1,805,000.00) to be evidenced by a Promissory Note ("Note") dated 12/19/2017 to be executed by Borrower and payable to Holder, Guarantors unconditionally and irrevocably, jointly and severally, guarantee to Holder and to its successors, endorsees, and assigns, the full and prompt payment of indebtedness by Borrower to Holder including the full and prompt payment of the Note in accordance with its terms, when due, by acceleration or otherwise, including any post-petition interest on pre-petition debt in the event of any bankruptcy proceedings, and the full, prompt, and complete performance of all obligations of Borrower set forth in the Deed of Trust and Assignment of Rents, or any other agreement now or hereafter securing performance under the Note (the Note and each document securing performance under the Note are collectively referred to herein as the "Loan Documents").

1. MODIFICATION, WAIVER, OR RELEASE OF SECURITY

Guarantors shall continue to be liable under this Guaranty, and its provisions shall remain in full force and effect notwithstanding:

a. Any modification, alteration, agreement, or stipulation between the Borrower and Holder, or their respective successors and assigns, with respect to the Loan Documents including, but not limited to, that which might alter, modify, increase, reduce, compromise, renew, extend, and/or refinance the obligations of Borrower; any such modification, alteration, agreement, or stipulation after receipt by Holder of written notice of revocation shall not be deemed a "future transaction" within the meaning of So. Cal. First National Bank v. Olson, 41 Cal. App. 3d 234 (1974) but rather part of the original "single" transaction and shall not act to discharge Guarantors; or

b. Holder's waiver of or failure to enforce any of the terms, covenants, or conditions contained in the Loan Documents, or any modification of the Loan Documents; or

c. Any release of any real or personal property or other security then held by Holder for the performance of the obligations hereby guaranteed; or

JPL  _____

- d. Any release, waiver, or substitution of collateral or security.

2. GUARANTY OF PAYMENT, NONCOLLECTIBILITY

The liability of Guarantors on this Guaranty is a guaranty of payment and performance and not of collectibility, and is not conditional or contingent on the genuineness, validity, regularity, or enforceability of the Loan Documents or other instruments relating to the obligations hereby guaranteed or the pursuit by Holder of any remedies that it now has or may hereafter have with respect thereto.

3. EFFECTS OF BANKRUPTCY

The liability of the Guarantors under this Guaranty shall in no way be affected by:

- a. The release or discharge of Borrower in any creditor proceeding, receivership, bankruptcy, or other proceeding;
- b. The impairment, limitation, or modification of the liability of Borrower or the estate of Borrower, or of any remedy for the enforcement of Borrower's liability, resulting from the operation of any present or future provision of the Bankruptcy Code (Title 11 of the United States code, as amended; 11 USC Section 101-1301) or any bankruptcy, insolvency, debtor relief statute (state or federal), or any other statute, or from the decision of any court;
- c. The rejection or disaffirmance of the indebtedness, or any portion of the indebtedness, in any such proceeding; or
- d. The cessation, from any cause whatsoever, whether consensual or by operation of law, of the liability of Borrower to Holder.

4. CLAIMS IN BANKRUPTCY

Guarantors will file all claims against Borrower in any bankruptcy or other proceeding in which the filing of claims is required by law on any indebtedness of Borrower to the Guarantors, and will assign to Holder all rights of Guarantors on any such indebtedness. If Guarantors do not file any such claim, Holder, as attorney-in-fact for Guarantors, is authorized but is not required to do so in the name of Guarantors, or, in Holder's discretion, to assign the claim and to file a proof of claim in the name of Holder's nominee. In all such cases, whether in bankruptcy or otherwise, the person or persons authorized to pay such claim shall pay to Holder the full amount of any such claim, and, to the full extent necessary for that purpose, Guarantors assign to Holder all of Guarantors' rights to any such payments or distributions to which Guarantors would otherwise be entitled.

JPL 

5. WAIVER OF DEFENSES: NOTICE; DEMAND; STATUTES OF LIMITATION

Guarantors hereby waive:

- a. Diligence and demand of payment;
- b. All notices to Guarantors, to any Borrower, or to any other person, including, but not limited to, notices of the acceptance of this Guaranty, or the creation, renewal, extension, modification, or accrual of any obligations contained in the Loan Documents, notices of defaults by Borrower, or notice of any other matters relating thereto;
- c. All demands whatsoever;
- d. Any statute of limitations affecting liability under this Guaranty or the enforcement of this Guaranty to the full extent permitted by law;
- e. Any duty on the part of Holder to disclose to Guarantors any facts it may now or hereafter know about Borrower, regardless of whether Holder has reason to believe that any such facts materially increase the risk beyond that which Guarantors intend to assume, or has reason to believe that such facts are unknown to Guarantors, or has reasonable opportunity to communicate such facts to Guarantors, it being understood and agreed that Guarantors are fully responsible for being and keeping informed of the financial condition of Borrower and of all circumstances bearing on the risk of nonpayment of any indebtedness hereby guaranteed;
- f. All principles or provisions of the law that conflict with the terms of this Guaranty. Moreover, Guarantors agree that its obligations shall not be affected by any circumstances that constitute a legal or equitable discharge of a Guarantor or surety;
- g. Any duty on the part of the Holder to perfect any security interest;
- h. Any right to the protection of any security;
- i. Any defense of impairment of collateral or security;
- j. Any personal defenses of Borrower including, but not limited to, failure of consideration, accord and satisfaction; and
- k. Written notice of acceptance of the Guarantee.

JPL  _____

6. WAIVER OF DEFENSES: EXHAUSTION OF SECURITY;
PROCEEDING AGAINST BORROWER; EXERCISE OF RIGHTS
AND REMEDIES UNDER LOAN DOCUMENTS

Guarantors agree that Holder may enforce this Guaranty separately from the underlying primary obligation without the necessity of resorting to or exhausting any security or collateral; and Guarantors waive the right to require Holder to proceed against any Borrower, to foreclose any lien on any real or personal property, to exercise any right or remedy under the Loan Documents, to pursue any other remedy, or to enforce any other right.

7. WAIVER OF DEFENSES: SUBROGATION RIGHTS; SURETYSHIP
DEFENSES; ANTIDEFICIENCY LEGISLATION

7.1 Guarantors further agree that nothing contained in this Guaranty shall prevent Holder from suing on the Note or from exercising any rights available to it thereunder or under any of the Loan Documents, and that the exercise of any of the aforesaid rights shall not constitute a legal or equitable discharge of Guarantors. Guarantors understand that the exercise by Holder of certain rights and remedies contained in the Loan Documents may affect or eliminate Guarantors' right of subrogation against Borrower and that Guarantors may therefore succeed to a partially or totally nonreimbursable liability hereunder; nevertheless, Guarantors hereby authorize and empower Holder to exercise, in its sole discretion, any rights and remedies, or any combination thereof, which may then be available, since it is the intent and purpose of Guarantors that the obligations hereunder shall be absolute, independent, and unconditional under any and all circumstances.

7.2 Guarantors waive all rights and defenses that the Guarantors may have because the Borrower's debt is secured by real property. This means, among other things:

(1) The creditor may collect from the Guarantors without first foreclosing on any real or personal property collateral pledged by the Borrower.

(2) If the creditor forecloses on any real property collateral pledged by the Borrower:

(A) The amount of the debt may be reduced only by the price for which that collateral is sold at the foreclosure sale, even if the collateral is worth more than the sale price.

(B) The creditor may collect from the Guarantors even if the creditor, by foreclosing on the real property collateral, has destroyed any right the Guarantors may have to collect from the Borrower.

JPL 

This is an unconditional and irrevocable waiver of any rights and defenses the Guarantors may have because the Borrower's debt is secured by real property. These rights and defenses include, but are not limited to, any rights or defenses based upon Section 580a, 580b, 580d, or 726 of the Code of Civil Procedure.

8. SUBORDINATION OF GUARANTORS' RIGHTS

Until all the terms, covenants, and conditions of the Loan Documents on the Borrower's part to be performed and observed are fully performed and observed, Guarantors:

a. Shall have no right of subrogation against Borrower by reason of any payments of acts of performance by Guarantors in compliance with the obligations of Guarantors under this Guaranty;

b. Waive any right to enforce any remedy that Guarantors shall have against Borrower by reason of any one or more payments or acts of performance in compliance with the obligations of Guarantors under this Guaranty; and

c. Subordinate any liability or indebtedness of Borrower held by Guarantors to the obligations of Borrower to Holder under any of the Loan Documents or any other instrument of indebtedness.

9. APPLICATION OF PAYMENTS; REFUNDS

With or without notice to Guarantors, Holder, in its sole discretion and at any time and from time to time and in such manner and on such terms as it deems fit may:

a. Apply any or all payments or recoveries from Borrower, from Guarantors, or from any other Guarantor or endorser under this or any other instrument, or realized from any security, in such manner, order, or priority as Holder sees fit, to the indebtedness of Borrower to Holder under the Loan Documents, whether such indebtedness is guaranteed by this Guaranty or is otherwise secured or is due at the time of such application; and

b. Refund to Borrower any payment received by Holder on any indebtedness hereby guaranteed and payment of the amount refunded shall be fully guaranteed hereby. Any recovery realized from any other Guarantors under this or any other instrument shall be first credited on that portion of the indebtedness of Borrower to Holder that exceeds the maximum liability, if any, of Guarantors under this Guaranty.

JPL  _____

10.4 Attorneys' Fees

Guarantors shall forthwith pay to Holder the amount of all fees and costs incurred by Holder including attorney's and accountant's fees and costs under and pursuant to this Guaranty, or in the defense or enforcement of Holder's interests (whether or not Holder files a lawsuit against Guarantors) in the event Holder retains counsel, or incurs costs in order to: obtain legal advice; enforce, or seek to enforce, any of its rights; commence, intervene in, respond to, or defend any action, proceeding, appeal, or arbitration proceeding; file or prosecute a claim in any action or proceeding (including, without limitation, any probate claim, bankruptcy claim, third party claim, or secured creditor claim); or represent Holder in any litigation with respect to Guarantors' affairs and whether incurred in connection with the involvement of Holder as creditor or otherwise. If either Guarantors or Holder file any lawsuit against the other predicated on this Guaranty, the prevailing party in such action shall be entitled to recover its attorneys' fees.

10.5 Choice of Law

This Guaranty shall be governed by and construed in accordance with the laws of the State of California. In the event of any dispute or controversy between Holder and Guarantors arising under this Guaranty, the parties agree that venue shall be deemed to be exclusively in San Diego County, California.

10.6 Severability

Every provision of this Guaranty is intended to be severable. In the event any term or provision hereof is declared to be illegal or invalid, for any reason whatsoever, by a court of competent jurisdiction, such illegality or invalidity shall not affect the balance of the terms and provisions hereof, which terms and provisions shall remain binding and enforceable.

10.7 Time is of the Essence

Time is of the essence under this Guaranty and any amendment, modification, or revision of this Guaranty.

JPL *N/M* _____

10.8 Integration

This writing is intended by the parties to be an integrated and final expression of this Guaranty Agreement and also is intended to be a complete and exclusive statement of the terms of that agreement. No course of prior dealing between the parties, no usage of trade, and no parole or extrinsic evidence of any nature shall be used to supplement, modify, or vary any of the terms hereof. There are no conditions to the full effectiveness of this Guaranty Agreement.

10.9 Release

Holder may release any Guarantors without obtaining the consent of any other Guarantors and without affecting or impairing the obligations of any other Guarantors.

10.10 Revival

The liability of the Guarantors and the effectiveness of this Guaranty is revived and reinstated if for any reason the Holder is required to disgorge any payment previously received by the Holder that was guaranteed under this Guaranty.

10.11 Independent Counsel

GUARANTORS ACKNOWLEDGE THAT THEY HAVE BEEN TOLD THAT THEY SHOULD HAVE INDEPENDENT COUNSEL TO ADVISE EACH OF THEM WITH RESPECT TO THIS GUARANTY AND THE LOAN DOCUMENTS AND THAT NEITHER HOLDER NOR HOLDER'S AGENTS, EMPLOYEES, NOR HOLDER'S ATTORNEY ADVISED OR REPRESENTED EITHER GUARANTOR IN CONNECTION WITH THIS GUARANTY OR THE LOAN DOCUMENTS.

11. ADDITIONAL CREDIT

Additional credit under the Loan Documents may be granted from time to time at the request of Borrower and without further authorization from or notice to Guarantors. Holder need not inquire into the power of Borrower or the authority of its partners or agents acting or purporting to act in its behalf. Each credit granted to Borrower pursuant to the Loan Documents shall be deemed to have been granted at the instance and request of Guarantors and in consideration of and reliance on this Guaranty.

JPL  _____

12. REVOCATION

This Guaranty may be revoked or terminated only by written notice by either Guarantor to the Holder and to the other Guarantor. Guarantors shall remain liable under this Guaranty and the terms of this Guaranty shall remain in full force and effect for all obligations incurred prior to the effective date of the written notice of revocation and termination, together with all interest, costs, expenses, attorney's fees relating thereto, and all extensions, modifications, renewals and refinances thereof.

13. LIABILITY OF GUARANTORS

The liability of Guarantors under this Guaranty shall continue until the expiration of all periods within which any amount at any time paid on account of the obligations guaranteed hereby may be required to be restored or returned by Lender upon the bankruptcy, insolvency or reorganization of Borrower, any other Guarantors or any other person. In the event that any amount at any time paid on account of the obligations guaranteed hereby is required to be restored or returned by Lender as a result of any such bankruptcy, insolvency or reorganization, Guarantors shall be liable under this Guaranty with respect to such amount as if such amount was never paid.

14. INDEBTEDNESS

The word "indebtedness" is used herein in its most comprehensive sense and includes any and all advances, debts, obligations and liabilities of Borrower heretofore, now, or hereafter made, incurred or created, whether voluntary or involuntary and however arising, whether direct or acquired by Holder by assignment or succession, whether due or not due, absolute or contingent, liquidated or unliquidated, determined or undetermined, and whether Borrower may be liable individually or jointly with others, or whether recovery upon such indebtedness be or hereafter become barred by any statute of limitations, or whether such indebtedness may be or hereafter become otherwise unenforceable.

IN WITNESS WHEREOF, Guarantors has executed this Guaranty as of the year and date first written above.

Guarantors:



NINUS MALAN

JPL  _____

Borrower Contact Information

RM PROPERTY HOLDINGS, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY

Loan# 1521

How did you hear about The Loan Company? friend

**I understand that I must keep "active" Building Insurance coverage on the property(s) secured by this real estate loan - until this loan is "paid in full". I understand that I must notify The Loan Company of San Diego of any changes - especially and particularly who my current Insurance Agent/Company is at the time NM (initials).*

For all Borrower Loan Correspondence, use the following mailing address:

**Borrower Mailing Address: 10605 Senda Acuario
San Diego, CA 92130-8707**

(Name) Primary Contact for the loan: Ninus malan

Email Address & Best Phone Number: 619-750-2024
Circle One: Cell - Office - Home

Mailing address for primary contact if different than
Borrower mailing address above: _____

Primary Contact - Preference for receiving correspondence?

Circle One: Email - mail - or both _____

RM PROPERTY HOLDINGS, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY

By: [Signature]
SALAM RAZUKI, MEMBER

By: [Signature]
NINUS MALAN, MEMBER

STATEMENT OF INTENT OF LOAN PROCEEDS

To: The Loan Company of San Diego:

Borrower: RM PROPERTY HOLDINGS, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY

Re: Loan Number: 1521

Property Address: 1869 Avocado Avenue, Vista, CA 92083-7654

It is my intent to use the proceeds of this loan to: (in your own words your reason to borrow funds)


Refinance investment property loan

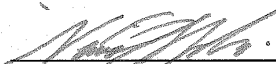
It is my intent to repay the loan by: (in your own words your plan to repay this loan)

Refinance from Bank

Sincerely,

RM PROPERTY HOLDINGS, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY

 _____ 12/28/17
SALAM RAZUKI, MEMBER Date

 _____ 12/28/17
NINUS MALAN, MEMBER Date

RM PROPERTY HOLDINGS, LLC LOAN#1521 AMORTIZATION SCHEDULE

Loan Number: 1521

Principal: \$1,805,000.00 amortized over 30 Years at 8% (Ordinary Interest)
Issued: 1/3/2018 with first payment on 3/1/2018
Payment: Monthly (Principal + Interest)
Points: 1%
Prepaid Interest: \$11,472.88

Payor: RM PROPERTY HOLDINGS, LLC

ADJUSTABLE RATE, START AT 8%, MINIMUM 8%, MAXIMUM 15%, MARGIN 5.50%,
 FIRST INTEREST ADJUSTMENT DATE IS 02/01/2019, AND EACH 6 MONTHS THEREAFTER,
 30 YEAR AMORTIZATION, 5 YEAR TERM, NO PREPAYMENT PENALTY,
 PAYMENT DUE ON THE FIRST, LATE ON THE TENTH, 10% LATE CHARGE,
 RMPR1521

APR % 8.2455%	FINANCE CHARGE \$735,200.68	Amount Financed \$1,775,477.12	Total of Payments \$2,510,677.80
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Number of Payments 59	Amount of Payments \$13,244.46	When Payments Are Due Monthly beginning 3/1/2018
1	\$1,729,254.66	2/1/2023

PMT #	Date	Payment Amount	Principal Payment	Interest Payment	Principal Balance	Memo
	2/1/2018			\$11,472.88	\$1,805,000.00	
1	3/1/2018	\$13,244.46	\$1,211.13	\$12,033.33	\$1,803,788.87	[]
2	4/1/2018	\$13,244.46	\$1,219.20	\$12,025.26	\$1,802,569.67	[]
3	5/1/2018	\$13,244.46	\$1,227.33	\$12,017.13	\$1,801,342.34	[]
4	6/1/2018	\$13,244.46	\$1,235.51	\$12,008.95	\$1,800,106.83	[]
5	7/1/2018	\$13,244.46	\$1,243.75	\$12,000.71	\$1,798,863.08	[]
6	8/1/2018	\$13,244.46	\$1,252.04	\$11,992.42	\$1,797,611.04	[]
7	9/1/2018	\$13,244.46	\$1,260.39	\$11,984.07	\$1,796,350.65	[]
8	10/1/2018	\$13,244.46	\$1,268.79	\$11,975.67	\$1,795,081.86	[]
9	11/1/2018	\$13,244.46	\$1,277.25	\$11,967.21	\$1,793,804.61	[]
10	12/1/2018	\$13,244.46	\$1,285.76	\$11,958.70	\$1,792,518.85	[]
	2018 Totals	\$132,444.60	\$12,481.15	\$131,436.33		
	Paid To Date	\$132,444.60	\$12,481.15	\$131,436.33		
11	1/1/2019	\$13,244.46	\$1,294.33	\$11,950.13	\$1,791,224.52	[]
12	2/1/2019	\$13,244.46	\$1,302.96	\$11,941.50	\$1,789,921.56	[]
13	3/1/2019	\$13,244.46	\$1,311.65	\$11,932.81	\$1,788,609.91	[]
14	4/1/2019	\$13,244.46	\$1,320.39	\$11,924.07	\$1,787,289.52	[]
15	5/1/2019	\$13,244.46	\$1,329.20	\$11,915.26	\$1,785,960.32	[]
16	6/1/2019	\$13,244.46	\$1,338.06	\$11,906.40	\$1,784,622.26	[]
17	7/1/2019	\$13,244.46	\$1,346.98	\$11,897.48	\$1,783,275.28	[]
18	8/1/2019	\$13,244.46	\$1,355.96	\$11,888.50	\$1,781,919.32	[]
19	9/1/2019	\$13,244.46	\$1,365.00	\$11,879.46	\$1,780,554.32	[]
20	10/1/2019	\$13,244.46	\$1,374.10	\$11,870.36	\$1,779,180.22	[]
21	11/1/2019	\$13,244.46	\$1,383.26	\$11,861.20	\$1,777,796.96	[]
22	12/1/2019	\$13,244.46	\$1,392.48	\$11,851.98	\$1,776,404.48	[]
	2019 Totals	\$158,933.52	\$16,114.37	\$142,819.15		
	Paid To Date	\$291,378.12	\$28,595.52	\$274,255.48		
23	1/1/2020	\$13,244.46	\$1,401.76	\$11,842.70	\$1,775,002.72	[]
24	2/1/2020	\$13,244.46	\$1,411.11	\$11,833.35	\$1,773,591.61	[]

RM PROPERTY HOLDINGS, LLC LOAN#1521 AMORTIZATION SCHEDULE

PMT #	Date	Payment Amount	Principal Payment	Interest Payment	Principal Balance	Memo
25	3/1/2020	\$13,244.46	\$1,420.52	\$11,823.94	\$1,772,171.09	[]
26	4/1/2020	\$13,244.46	\$1,429.99	\$11,814.47	\$1,770,741.10	[]
27	5/1/2020	\$13,244.46	\$1,439.52	\$11,804.94	\$1,769,301.58	[]
28	6/1/2020	\$13,244.46	\$1,449.12	\$11,795.34	\$1,767,852.46	[]
29	7/1/2020	\$13,244.46	\$1,458.78	\$11,785.68	\$1,766,393.68	[]
30	8/1/2020	\$13,244.46	\$1,468.50	\$11,775.96	\$1,764,925.18	[]
31	9/1/2020	\$13,244.46	\$1,478.29	\$11,766.17	\$1,763,446.89	[]
32	10/1/2020	\$13,244.46	\$1,488.15	\$11,756.31	\$1,761,958.74	[]
33	11/1/2020	\$13,244.46	\$1,498.07	\$11,746.39	\$1,760,460.67	[]
34	12/1/2020	\$13,244.46	\$1,508.06	\$11,736.40	\$1,758,952.61	[]
2020 Totals		\$158,933.52	\$17,451.87	\$141,481.65		
Paid To Date		\$450,311.64	\$46,047.39	\$415,737.13		
35	1/1/2021	\$13,244.46	\$1,518.11	\$11,726.35	\$1,757,434.50	[]
36	2/1/2021	\$13,244.46	\$1,528.23	\$11,716.23	\$1,755,906.27	[]
37	3/1/2021	\$13,244.46	\$1,538.42	\$11,706.04	\$1,754,367.85	[]
38	4/1/2021	\$13,244.46	\$1,548.67	\$11,695.79	\$1,752,819.18	[]
39	5/1/2021	\$13,244.46	\$1,559.00	\$11,685.46	\$1,751,260.18	[]
40	6/1/2021	\$13,244.46	\$1,569.39	\$11,675.07	\$1,749,690.79	[]
41	7/1/2021	\$13,244.46	\$1,579.85	\$11,664.61	\$1,748,110.94	[]
42	8/1/2021	\$13,244.46	\$1,590.39	\$11,654.07	\$1,746,520.55	[]
43	9/1/2021	\$13,244.46	\$1,600.99	\$11,643.47	\$1,744,919.56	[]
44	10/1/2021	\$13,244.46	\$1,611.66	\$11,632.80	\$1,743,307.90	[]
45	11/1/2021	\$13,244.46	\$1,622.41	\$11,622.05	\$1,741,685.49	[]
46	12/1/2021	\$13,244.46	\$1,633.22	\$11,611.24	\$1,740,052.27	[]
2021 Totals		\$158,933.52	\$18,900.34	\$140,033.18		
Paid To Date		\$609,245.16	\$64,947.73	\$555,770.31		
47	1/1/2022	\$13,244.46	\$1,644.11	\$11,600.35	\$1,738,408.16	[]
48	2/1/2022	\$13,244.46	\$1,655.07	\$11,589.39	\$1,736,753.09	[]
49	3/1/2022	\$13,244.46	\$1,666.11	\$11,578.35	\$1,735,086.98	[]
50	4/1/2022	\$13,244.46	\$1,677.21	\$11,567.25	\$1,733,409.77	[]
51	5/1/2022	\$13,244.46	\$1,688.39	\$11,556.07	\$1,731,721.38	[]
52	6/1/2022	\$13,244.46	\$1,699.65	\$11,544.81	\$1,730,021.73	[]
53	7/1/2022	\$13,244.46	\$1,710.98	\$11,533.48	\$1,728,310.75	[]
54	8/1/2022	\$13,244.46	\$1,722.39	\$11,522.07	\$1,726,588.36	[]
55	9/1/2022	\$13,244.46	\$1,733.87	\$11,510.59	\$1,724,854.49	[]
56	10/1/2022	\$13,244.46	\$1,745.43	\$11,499.03	\$1,723,109.06	[]
57	11/1/2022	\$13,244.46	\$1,757.07	\$11,487.39	\$1,721,351.99	[]
58	12/1/2022	\$13,244.46	\$1,768.78	\$11,475.68	\$1,719,583.21	[]
2022 Totals		\$158,933.52	\$20,469.06	\$138,464.46		
Paid To Date		\$768,178.68	\$85,416.79	\$694,234.77		
59	1/1/2023	\$13,244.46	\$1,780.57	\$11,463.89	\$1,717,802.64	[]
60	2/1/2023	\$1,729,254.66	\$1,717,802.64	\$11,452.02	\$0.00	[]
2023 Totals		\$1,742,499.12	\$1,719,583.21	\$22,915.91		
Paid To Date		\$2,510,677.80	\$1,805,000.00	\$717,150.68		

RM PROPERTY HOLDINGS, LLC LOAN#1521 AMORTIZATION SCHEDULE

Total payments made: 60

Interest charge per diem on balance of \$1,717,802.64 is \$376.50

Total interest: \$717,150.68

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Page: 3

Exhibit K
to cross-complaint

BUREAU OF SECURITY AND INVESTIGATIVE SERVICES



ISSUANCE DATE
JULY 16 2013
EXPIRATION DATE
JUNE 30 2017
CURRENT DATE / TIME
AUGUST 17 2018
8 16:51 AM

LICENSING DETAILS FOR: 349713

NAME: AGUILAR, JORGE EMILIO
LICENSE TYPE: FIREARM PERMIT
PRIMARY STATUS: CANCELLED
QUALIFICATION: 9 MILLIMETER

ADDRESS OF RECORD
SAN DIEGO CA 92128
SAN DIEGO COUNTY
MAP

LICENSE RELATIONSHIPS

QUALIFYING FIREARM PERMIT
LICENSE/REGISTRATION ROLE: EXPOSED FIREARM PERMIT
RELATED PARTY ROLE: BUSINESS OR PROFESSIONAL LICENSE
NAME: AGUILAR, JORGE EMILIO
LICENSE/REGISTRATION TYPE: SECURITY GUARD
LICENSE NUMBER: 1829907 PRIMARY STATUS: CANCELLED

ADDRESS :
SAN DIEGO CA 92128-3852
SAN DIEGO COUNTY
MAP

BUREAU OF SECURITY AND INVESTIGATIVE SERVICES

ISSUANCE DATE
JULY 15, 2013
EXPIRATION DATE
JULY 31, 2017
CURRENT DATE / TIME
AUGUST 17, 2018
8:16:49 AM



LICENSING DETAILS FOR: 1829907

NAME: AGUILAR, JORGE EMILIO
LICENSE TYPE: SECURITY GUARD
PRIMARY STATUS: CANCELLED
ADDRESS OF RECORD
SAN DIEGO CA, 92128-3852
SAN DIEGO COUNTY
MAP

LICENSE RELATIONSHIPS

QUALIFYING FIREARM PERMIT
LICENSE/REGISTRATION ROLE: BUSINESS OR PROFESSIONAL LICENSE
RELATED PARTY ROLE: EXPOSED FIREARM PERMIT
NAME: AGUILAR, JORGE EMILIO
LICENSE/REGISTRATION TYPE: EXPOSED FIREARM PERMIT
LICENSE NUMBER: 349713 **PRIMARY STATUS:** CANCELLED
ADDRESS :
SAN DIEGO CA, 92128
SAN DIEGO COUNTY
MAP

Exhibit L
to cross-complaint

**AGREEMENT OF COMPROMISE, SETTLEMENT,
AND MUTUAL GENERAL RELEASE**

This AGREEMENT OF COMPROMISE, SETTLEMENT, AND MUTUAL GENERAL RELEASE ("Agreement") is entered into by and between SALAM RAZUKI (hereinafter collectively "RAZUKI"), on the one hand, and and NINUS MALAN (hereinafter "MALAN"), on the other. The persons to this Agreement may sometimes be referred to collectively as the "Parties" or separately as "Party". This Agreement is entered into with reference to the recitals set forth in the Article titled "Recitals" below and constitutes (i) a settlement agreement between the Parties and (ii) a mutual release of all liabilities of the Parties arising out of the matters described below and except as expressly otherwise noted herein.

**ARTICLE I.
RECITALS**

This Agreement is entered into with reference to the following facts:

1.1 RAZUKI and MALAN have engaged in several business transactions, dealings, agreements (oral and written), promises, loans, payments, related to the acquisition of real property and interests in various medical marijuana businesses. Specifically, RAZUKI and MALAN have each invested certain sums of capital for the acquisition of the following assets (collectively hereinafter referred to as the "Partnership Assets"):

(a) MALAN'S one hundred percent (100%) membership interest in SAN DIEGO UNITED HOLDING GROUP LLC, a California Limited Liability Company, and record owner of the following properties:

- i. The real property commonly known as 8859 BALBOA AVE., STE.. A, SAN DIEGO, CA 92123.
- ii. The real property commonly known as 8859 BALBOA AVE., STE.. B, SAN DIEGO, CA 92123.
- iii. The real property commonly known as 8859 BALBOA AVE., STE.. C, SAN DIEGO, CA 92123.
- iv. The real property commonly known as 8859 BALBOA AVE., STE.. D, SAN DIEGO, CA 92123.
- v. The real property commonly known as 8859 BALBOA AVE., STE.. E, SAN DIEGO, CA 92123.
- vi. The real property commonly known as 8861 BALBOA, STE. B, SAN DIEGO, CA 92123.
- vii. The real property commonly known as 8863 BALBOA, STE. E,

SAN DIEGO, CA 92123.

(b) One hundred percent (100%) membership interest in FLIP MANAGEMENT LLC, a California Limited Liability Company.

(c) MALAN'S fifty percent (50%) membership interest in MIRA ESTE PROPERTIES LLC, a California Limited Liability Company, and record owner of the real property commonly known as 9212 MIRA ESTE CT., SAN DIEGO, CA 92126.

(d) MALAN'S Fifty percent (50%) membership interest in ROSELLE PROPERTIES, LLC, a California Limited Liability Company, and record owner of the real property commonly known as 10685 ROSELLE ST., SAN DIEGO, CA 92121.

(e) RAZUKI'S twenty percent (20%) membership interest in SUNRISE PROPERTY INVESTMENTS, LLC, a California Limited Liability Company, the record owner of the real property located 3385 SUNRISE STREET, SAN DIEGO, CA 92012.

(f) RAZUKI'S twenty seven percent (27%) membership interest in SUPER 5 CONSULTING GROUP, LLC, a California Limited Liability Company, which is the operator of a medical marijuana dispensary located at 3385 SUNRISE STREET, SAN DIEGO, CA 92012.

1.2 RAZUKI and MALAN have an understanding such that regardless of which Party or entity holds title and ownership to the Partnership Assets, RAZUKI is entitled to a seventy-five percent (75%) interest in the capital, profits, and losses of each Partnership Asset and MALAN is entitled to a twenty five percent (25%) interest, and no Party is entitled to receive any profits whatsoever until, and unless the Parties have first been repaid their investment in full (hereinafter referred to as the "Partnership Agreement").

1.3 RAZUKI and MALAN have now formed RM PROPERTY HOLDINGS, LLC, a California Limited Liability Company (the "Company"), whereby RAZUKI and MALAN have agreed to transfer title to the Partnership Assets to the Company, and forever resolve any and all matters, claims or controversies that each Party may have against each other related to the Partnership Agreement as stated in this Agreement.

1.4 RAZUKI and MALAN have not recouped their financial investments in the Partnership Assets.

1.5 The Parties consider it to be in their best interests, in light of the cost of litigation, and to their best advantage, to forever dismiss, settle, adjust and compromise all claims and defenses which have been, or could have been asserted relative to their Partnership Agreement.

1.6 All claims are denied and contested, and nothing contained herein should be construed as an admission by any Party hereto of any liability of any kind to any other Party hereto or to any other person.

1.7 The Parties now wish to settle the dispute between them and forever release,

discharge, and terminate any and all liabilities arising out of, or existing or emanating from their Partnership Agreement, including all demands and causes of action, whether state, federal, or administrative, and whether actually raised or could have been raised by way of complaint, supplemental complaint, or cross-complaint except as expressly otherwise set forth within this Agreement. In order to effectuate this release, the Parties hereto enter into this Agreement.

NOW THEREFORE, in consideration of the mutual promises and covenants, and upon the conditions contained herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

ARTICLE II TERMS OF SETTLEMENT

2.1 Transfer of Partnership Assets to the Company. The Parties shall use their best efforts to effectuate the transfer of the Partnership Assets to the Company within thirty (30) days, and shall execute any and all further documents as may be necessary to carry out the same.

2.2 Financial Accounting. The Parties agree to work in good faith to calculate each of their respective cash investment amounts in the Partnership Assets within thirty (30) days and shall execute an amendment or exhibit to this Agreement to memorialize the same. Once executed, the exhibit or amendment shall be incorporated and become a part of this Agreement as though set forth originally (the "Accounting"). For avoidance of doubt, the amount agreed to in the Accounting shall be the amount of cash capital investment that must be first repaid to the Parties by the Company before either Party receives any profits therein (each referred to as the "Partners' Cash Investment").

2.3 The Company's Operating Agreement. The Parties hereby reaffirm and acknowledge the terms of the Operating Agreement provide for repayment of the Partners' Cash Investment prior to any distribution of profits and losses. The Parties further reaffirm that once the Partners' Cash Contribution has been repaid by the Company, then RAZUKI shall receive seventy five percent (75%) of the profits and losses of the Company and MALAN shall receive twenty five percent (25%), all as set forth under the terms of the Operating Agreement. It is the Parties' intention that once the Partnership Assets have been transferred to the Company and the Accounting has been agreed upon, then all other business matters shall be governed and controlled by the terms of the Operating Agreement and the Parties shall thereafter be released from all further liability to each other arising under their Partnership Agreement as set forth below.

ARTICLE III MUTUAL GENERAL RELEASE OF ALL CLAIMS

3.1 General Release. In consideration of the terms and provisions of this Agreement, the Parties hereto, on behalf of themselves, successors, and assigns, hereby forever relieve, release, and discharge each other, and their respective successors and assigns, and all of their respective present and former attorneys, accountants, agents, employees, representatives,

administrators, insurers, partners, directors, officers, shareholders, and heirs of and from any and all claims, debts, liabilities, demands, obligations, promises, acts, agreements, costs, and expenses, including but not limited to attorney's fees, damages, actions, and causes of action of whatsoever kind or nature, specifically including those related to in any way, directly or indirectly, to any alleged past, present, or future claims for violations of any state, federal, or administrative code or statute, or any type of tort or conversion, or indemnification, contribution, or declaratory relief based on any type of allocation of fault, whether now known or unknown, suspected or unsuspected, based on, arising out of, or in connection with anything whatsoever done, omitted, or suffered to be done at any time, relating to, or in any matter connected with, directly or indirectly, the matters, facts or claims related to their Partnership Agreement as set forth in the Article of this Agreement titled "Recitals". This Agreement shall not be interpreted to bar any claims for the enforcement of the provisions of this Agreement or any provision of the Company's Operating Agreement. Furthermore, this release and settlement shall only be effective upon (i) the transfer to the Company of the Partnership Assets pursuant to section 2.1 above, and (ii) execution of an amendment or exhibit related to the Accounting. Thereafter, the Parties shall forever be barred from bringing any claims related to the Partnership Agreement as set forth herein, and all claims or controversies shall be governed by the terms of the Company's Operating Agreement.

3.2 Waiver under Section 1542 of the California Civil Code. The Parties hereto expressly waive any and all rights under Section 1542 of the Civil Code of the State of California, which provides as follows:

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

In connection with such waiver and relinquishment, the Parties acknowledge that it may hereafter discover claims presently unknown or unsuspected, or facts in addition to or different from those which it now knows or believes to be true. Nevertheless, it is the intention of the Parties, through this Agreement, and with the advice of counsel, if any, to fully, finally, and forever settle this dispute. Pursuant to that intention, the Parties expressly consent that this release shall have the same full force and effect as to unknown and unsuspected claims, demands, and causes of action, if any, as to those terms and provisions relating to claims, demands, and causes of action hereinabove specified.

3.3 Representations and Warranties. The Parties hereby represent and warrant to, and agree with each other as follows:

(a) The Parties hereto, and each of them, represent and declare that in executing this Agreement they have relied solely upon their own judgment, belief and knowledge, and the advice and recommendations of their own independently selected counsel, if any, concerning the nature, extent, and duration of their rights and claims, and that they have not been influenced to any extent whatsoever in executing the same by any representations or statements covering any matters made by the other party hereto or by any person representing him or it.

(b) Except as expressly stated in this Agreement, neither of the Parties have made any statements or representations regarding any fact relied upon in entering into this Agreement, and the Parties specifically do not rely on any statements, representations, or promises in executing this Agreement, or in making the settlement provided for herein, except as expressly stated in this Agreement;

(c) The Parties, and their attorneys, if desired, have made such investigation of the facts pertaining to this Agreement and all of the matters pertaining thereto, as they deem necessary;

(d) The terms of this Agreement are contractual, not a mere recital, and are the result of negotiations between the Parties;

(e) The Recitals to this Agreement are expressly made a part hereof;

(f) This Agreement has been carefully read by the Parties hereto, and if they choose, by their attorneys; it is signed freely by each person executing this Agreement and each person executing this Agreement is empowered to do so.

(g) In entering into this Agreement, the Parties recognize that no facts or representations are absolutely certain. The Parties acknowledge that they are aware that they may, after execution of this Agreement, discover facts different from or in addition to those they now know or believe to be true with respect to the liabilities, actions or causes of action to be released. Accordingly, the Parties each assume their own risk of any incomplete disclosure or mistake. If the Parties, or each of them, should subsequently discover that any fact it relied upon in entering into this Agreement was untrue, or that any understanding of the facts or of the law was incorrect, such party shall not be entitled to set aside this Agreement by reason thereof. This Agreement is intended to be final and binding between the Parties hereto, and is further intended to be effective as a final accord and satisfaction between the Parties. The Parties are relying on the finality of this Agreement as a material factor inducing the Parties' execution of this Agreement.

(h) The consideration specified herein is given for the purpose of (i) settling and compromising all claims and disputes which have arisen between the Parties, and (ii) releasing the Parties by operation of this Agreement from any an all claims and liabilities, past, present, and future, that have or may arisen out of the matters described in the Article titled "Recitals". Neither the payment nor tender of consideration, nor anything herein, shall be construed as an admission by any of the Parties, their agents, servants or employees , of any liability of any kind to the other.

(i) The Parties represent and warrant that they have not heretofore transferred or assigned or purported to transfer or assign to any person, firm, or corporation any claim, demand, damage, debt, liability, account, action or cause of action herein to be released.

(j) The Parties acknowledge the adequacy of the consideration given for the release

of all Parties in this Agreement and understands that irrespective of whether the consideration is expressly described herein, adequate consideration exists for the release of all Parties under this Agreement.

3.4 Non-Disparagement. The Parties further agree not to make any statement or take any action, directly or indirectly, that harms, or could harm, the other Party's business interests, reputation or good will, including any statements that may be made to any past, current, or prospective employees, vendors, or any other third parties whatsoever. Accordingly, the Parties shall not make any statements, written or oral, which disparage the other; however, this provision shall not prevent the any Party from truthfully responding to any inquiry required by law or pursuant to a court order.

ARTICLE IV GENERAL PROVISIONS

4.1 Integration. This Agreement constitutes a single, integrated, written contract expressing the entire Agreement of the Parties hereto relative to the subject matter hereof. No covenants, agreements, representations, or warranties of any kind whatsoever have been made by any Party hereto, except as specifically set forth in this Agreement. All prior discussions and negotiations, if any, are superseded by this Agreement.

4.2 No Construction Against Drafter. Each party to this Agreement and its legal counsel have reviewed and revised this Agreement. The rule of construction that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement or of any amendments or exhibits to this Agreement. This Agreement shall not be deemed prepared or drafted by one party or another, or its attorneys, and will be construed accordingly.

4.3 Modification. No modification, waiver, amendment, discharge, or any change of this Agreement shall be valid unless the same is in writing and signed by the party against which the enforcement of such modification, waiver, amendment, discharge, or change is or may be sought.

4.4 Heirs, Successors, and Assigns. This Agreement shall inure to the benefit of, and shall be binding upon, the heirs, successors, and assigns of the Parties hereto, and each of them.

4.5 Severability. In the event that any term, covenant, condition, or provision of this Agreement should be held to be void, voidable, or unenforceable, the remaining portions hereof shall remain in full force and effect.

4.6 Governing Law. This Agreement shall be construed in accordance with, and be governed by the laws of California.

4.7 Venue and Jurisdiction. In the event that any action, suit, or other proceeding arising from this Agreement is instituted, the parties agree that venue for such action shall be in San Diego County, and that personal jurisdiction and subject matter jurisdiction shall be

exercised by the Superior Court of the State of California, in and for the County of San Diego, Central Division.

4.8 Execution in Counterparts. This Agreement may be executed and delivered in two or more counterparts, each of which, when so executed and delivered, shall be an original, but such counterparts shall together constitute but one and the same Agreement. This Agreement shall be deemed to be executed on the last date any such counterpart is executed.

4.9 Facsimile Signatures. This Agreement may be executed and a copy of such executed Agreement transmitted by facsimile, which when received can be used as an original of the Agreement for all purposes.

4.10 Costs and Attorney's Fees. The Parties hereto agree to bear his or its own costs and attorney's fees, and each party hereby waives any statute, rule of court, or other law, awarding costs, fees, or expenses relating to any litigation. Said waiver shall be effective with respect to the statutes, rules of court, or other laws or provisions of the United States and/or of each state, including, without limitation, the State of California. However, in the event that any action, suit, or other proceeding is instituted to interpret and/or enforce this Agreement, or arising out of a breach of this Agreement, the prevailing party shall recover all of such party's reasonable attorney's fees and costs incurred in each and every action, suit, or other proceeding, including any and all appeals or petitions therefrom.

4.11 Waiver. Any waiver of a default under this Agreement must be in writing and shall not be a waiver of any other default concerning the same or any other provision of this Agreement. No delay or omission in the exercise of any right or remedy shall impair such right or remedy or be construed as a waiver. Consent to or approval of any act shall not be deemed to waive or render unnecessary consent to or approval of any other or a subsequent act.

4.12 Confidentiality. The terms of this Agreement are confidential. The Parties expressly understand and agree that it shall constitute a breach of this Agreement to disclose or communicate the terms of this settlement or to disseminate this Agreement to any third party (unless required by Court order or operation of law or to the Parties' respective attorneys, accountants or tax advisers).

4.13 Time of Essence. The Parties hereto agree and confirm that time is of the essence for execution, completion, and full performance of the terms and conditions of this agreement.

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IN WITNESS WHEREOF, the Parties hereto have each approved and executed this Agreement on the dates set forth opposite their respective signatures.

Dated: 11/9/17

RAZUKI

By: 

SALAM RAZUKI

Dated: 11/9/17

MALAN

By: 

NINUS MALAN

Exhibit M
to cross-complaint

MANAGEMENT SERVICES AND OPTION AGREEMENT

This MANAGEMENT SERVICES AND OPTION AGREEMENT (the "Agreement") is made, entered into and effective as of January 2, 2018 (the "Effective Date") by and among **SoCal Building Ventures, LLC** ("Manager" and "Optionee" as context requires), and **California Cannabis Group**, a California nonprofit mutual benefit corporation, **Devlsh Delights, Inc.**, a California nonprofit mutual benefit corporation, and **Mira Este Properties, LLC**, a California limited liability company (collectively the "Company" and "Optionor" as context requires), and **Chris Hakim**, an individual, and **Ninus Malan**, an individual (together who may also be referred to as the "Old Operators") (collectively, the "Parties").

RECITALS

WHEREAS,

A. Company consists of the real property owner as well as two California mutual benefit corporations (which may also be referred to herein as the "Nonprofits") which operate a medical marijuana manufacturing operation (the "Operations"), and which are in need of business consulting, accounting, administrative, technological, managerial, human resources, financial, intellectual property, and related services in order to conduct Operations. The Company's Operations are located at 9212 Mira Este Court, San Diego, CA 92126 (the "Facility"), for which a CUP has been submitted with the City of San Diego for such purposes. Mira Este Properties, LLC (which may also be referred to herein as the "Mira Este LLC") owns the Facility in fee simple. The Facility also includes one of the downstairs suites of approximately 1,200 sf for a manufacturing room. The Facility Operations has an existing manager hired by the Nonprofits, namely Monarch Management Consulting, Inc. (which may also be referred to herein as "Monarch") which as part of this Agreement is assigning its management rights and entering into the Assignment and Release appearing as Exhibit A to this Agreement. Chris Hakim and Ninus Malan co-own Monarch and Mira Este LLC, and are also the sole members of the Board of Directors of the Nonprofits.

B. Manager is engaged in the business of providing administrative and management services to health care entities and has the capacity to manage and administer the operations of Company and to furnish Company with appropriate managerial, administrative, financial, and technological support (the "Administrative Services") for the Operations. Manager may assign its obligations hereunder to an affiliate, San Diego Building Ventures, LLC, which shall also be "Manager" hereunder as if an initial party hereto.

C. Company desires management assistance in the Operations. To accomplish this goal, Company desires to (i) ensure Old Operators are compensated to retain their expertise and continued support of the Operations, and (ii) engage Manager to provide Administrative Services as are necessary and appropriate for the day-to-day administration and management of the Operations, and Manager desires to (i) assist Company in retaining the expertise of Monarch, and (ii) provide Administrative Services to Company, all upon the terms and subject to the conditions set forth in this Agreement.

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D. Manager is also seeking an option to acquire a 50% ownership interest in the Facility, and Company is willing to grant such an option as provided herein.

NOW, THEREFORE, in consideration of the mutual promises contained herein and for other good and valuable consideration, the receipt and sufficiency of which are acknowledged by the Parties, the Parties agree as follows:

TERMS OF AGREEMENT

1. ENGAGEMENT

1.1. Engagement of Manager. Company hereby engages Manager to provide the Administrative Services for the Operations on the terms and conditions described herein, and Manager accepts such engagement. Manager shall be the sole and exclusive provider of the administrative, management, and other services to be provided to or on behalf of Company for the Operations as more particularly outlined herein. Manager in its sole discretion shall determine which services shall be provided to Company from time-to-time so long as the Administrative Services are provided in compliance with this Agreement. For purposes of this Agreement, "Administrative Services" shall not include any management services to Mira Este LLC relating to its ownership of the Facility unless and until Manager exercises the option to purchase 50% of the Facility as more particularly outlined in this Agreement.

1.1.2 Segregated Portion of Facility. The Facility contains two downstairs suites, comprising approximately 3,000 square feet. One of the suites of approximately 1,200 sf is included in this transaction, and the remaining space is outside the scope of this Agreement. Provided, however, the Parties agree to allow the Company or its assignee, designee, or one or more Company Parties to operate in the remaining downstairs suite under all cannabis licenses issued at the Facility, with rent of \$1.00 per month paid to Mira Este LLC for such tenancy, and continuing for a period of 34 years.

1.1.3 No Warranty or Representations. Company acknowledges that Manager has not made and will not make any express or implied warranties or representations that the Administrative Services provided by Manager will result in any particular amount or level of income to the Company. Specifically, Manager has not represented that its Administrative Services will result in higher revenues, lower expenses, greater profits, or growth in the number of clients receiving services or purchasing goods at the Facility.

1.2. Agency. Company hereby appoints Manager as Company's true and lawful agent throughout the Term of this Agreement, and Manager hereby accepts such appointment.

1.3. Power of Attorney. In connection with billing, collection, banking, and related services incident to or under the Administrative Services to be provided hereunder, Company, in accordance with applicable law, hereby grants to Manager a limited power of attorney and appoints Manager as Company's true and lawful agent and attorney-in-fact consistent with Manager's duties under this Agreement, and Manager hereby accepts such special power of attorney and appointment, for the following purposes:

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- i. To collect and deposit all amounts received, including all cash received, patient co-payments, cost reimbursements, co-insurance and deductibles, and accounts receivable, into the "Manager's Account," which shall be and at all times remain in Company's name through accrual on Company's accounting records.
- ii. To make demand with respect to, settle, and compromise such claims and to coordinate with collections agencies in the name of Company or Manager.
- iii. To take possession of and endorse in the name of Company on any note, check, money order, insurance payment or any other instrument received.
- iv. To effectuate the payment of Company expenses, including to the Manager for the Management Fee as it becomes due.
- v. To sign checks, drafts, bank notes or other instruments on behalf of Company and to make withdrawals from the Manager's Account for other payments specified in this Agreement and as determined appropriate by the Manager.

1.4. Documentation to Bank. Upon request of Manager, Company shall execute and deliver to the financial institution wherein the Manager's Account is maintained, such additional documents or instruments as may be necessary to evidence or effect the limited power of attorney granted to Manager. Company will not take any action that interferes with the transfer of funds to or from Manager's Account, nor will Company or its agents remove, withdraw or authorize the removal or withdrawal of any funds from the Manager's Account for any purpose. Manager agrees to hold all funds in the Manager's Account in accordance with California agency law.

1.5. Expiration of Power of Attorney. The power of attorney shall expire on the date this Agreement is terminated. Upon termination or expiration of this Agreement, Manager further agrees to execute any and all documentation confirming the termination of this limited power of attorney.

2. DUTIES AND RESPONSIBILITIES OF MANAGER

2.1. General Responsibilities. During the Term of this Agreement Manager shall, in manner determined at Manager's sole discretion, provide such services as are necessary and appropriate for the day-to-day administration and management of Company's business in a manner consistent with good business practice, including without limitation: Human Resources, Information Technology, Equipment and Supplies, Banking, Accounting and Finance, Insurance Procurement, Risk Management, Contract Negotiation, Manufacturing, Marketing, and Licensing of Intellectual Property, Trade Names and Trademarks, as all are more specifically set forth below.

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2.1.1. Personnel. Manager has full right, obligation, and authority to hire and retain personnel and other persons or entities needed to perform the Administrative Services for Manager under this Agreement. All personnel will be employees, agents, or independent contractors of the Company, and all costs (including payroll and withholding taxes and expenses, any employment insurance costs, health insurance expenses and insurance, and other customary expenses) associated with such personnel shall be paid by Manager from Company funds managed by Manager, or by Manager if such funds are insufficient.

2.1.2. Manager Personnel. Manager may employ or contract with and provide all necessary personnel ("Manager Personnel") it reasonably needs to provide the Administrative Services hereunder. Such personnel shall be under the direction, supervision, and control of Manager, and shall be employees of Manager. Manager shall be responsible for setting and paying the compensation and providing the fringe benefits of all Manager Personnel. Company shall be not responsible in any way for Manager Personnel, and Manager indemnifies, defends, and holds Company harmless from any such liability.

2.1.3. Training. Manager shall provide reasonable training to personnel in all aspects of the Operations material to the role of such personnel, including but not limited to administrative, financial, and equipment maintenance matters.

2.1.4. Insurance. Manager shall assist Company in Company's purchase of necessary insurance coverage, with the cost of such insurance paid from Company's funds managed by Manager.

2.1.5. Accounting. Manager shall establish and administer accounting procedures and controls and systems for the development, preparation, and keeping of records and books of accounting related to the business and financial affairs of Company. Such books and records shall at all times be accessible and available to Company and the Old Operators.

2.1.6. Tax Matters. Manager shall oversee the preparation of the annual report and tax information returns required to be filed by Company. All of Company's tax obligations shall be paid by Manager out of Company's funds managed by Manager. Manager shall provide such information, compilations, and other relevant information to Company on a timely basis in order to file all returns with the taxing agencies. . Company shall also make such reserves and set asides for taxes as directed by Manager throughout the year.

2.1.7. Reports and Information. Manager shall furnish Company in a timely fashion quarterly or more frequent operating reports and other business reports as reasonably requested by Company, including without limitation (i) copies of bank statements and checks relating to Company's bank accounts and (ii) all other financial information and financial statements relating to Operations.

2.1.8. Budgets. Manager shall prepare for review and approval by Company, all capital and annual operating budgets as needed, and such approval shall not be unreasonably withheld.

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2.1.9. Expenditures. Manager shall manage all cash receipts and disbursements of Company, including the payment on behalf of Company for any of the items set forth in this Article 2, such as taxes, assessments, licensing fees, and other fees of any nature whatsoever in connection with the operation of the Operations as the same become due and payable, unless payment thereof is being contested in good faith by Company.

2.1.10. Contract Negotiations. Manager shall advise Company with respect to and negotiate, either directly or on Company's behalf, as appropriate and permitted by applicable law, such contractual arrangements with third Parties as are reasonably necessary and appropriate for Company's Operations.

2.1.11. Billing and Collection. On behalf of and for the account of Company, Manager shall establish and maintain credit and billing and collection policies and procedures, and shall exercise reasonable efforts to bill and collect in a timely manner all professional and other fees for all billable services provided by Company.

2.1.12. All Other Matters Reasonably Needed for Operations. The Manager shall perform all tasks required for the good governance and operation of the Operations, including making reasonable repairs, at Company's expense, for any facility used in the Operations as may be required under any lease or mortgage that encumbers the property, or to protect public safety.

2.1.13. Company Approval of Various Actions Relating to Operations. The parties agree Manager has authority to make decisions relating to the day-to-day business operations of the Operations and execute on behalf of Operations all instruments and documents needed in the course of the customary and ordinary operation of Operations, including the payment of ordinary expenses incurred during Operations and other related payments. Manager shall also coordinate any public statements or press interactions.

2.2. Responsibilities as Agent. In connection with the appointment of Manager as Agent of Company under Section 2.1 above, Manager shall further undertake the following:

2.2.1. Billing. Manager shall bill, in Company's name and on Company's behalf, any claims for reimbursement, cost offset, or indemnification from members or customers, insurance companies and plans, all state or federally funded benefit plans, and all other third party payors or fiscal intermediaries.

2.2.2. Collections. Manager shall collect and receive on Company's behalf, all accounts receivable generated by such billings and claims for reimbursement, to take possession of, and deposit into the Manager's Account (accruing such deposits on the general ledger of Company) any cash, notes, checks, money orders, insurance payments, and any other instruments received in payment of accounts receivable, to administer such accounts including, but not limited to, extending the time or payment of any such accounts for cash, credit or otherwise; discharging or releasing the obligors of any such accounts; assigning or selling at a discount such accounts to collection agencies; or taking other measures to require the payment of any such accounts.

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2.2.3. Banking. The Parties shall cooperate in opening such bank accounts as shall be required for prudent administration of the Operations, including a Manager's Account, opened by and under the control and domain of Manager for the deposit of collections and the disbursement of expenses and other purposes as set forth herein, and (ii) such other accounts as Manager determines in its sole discretion are reasonable and necessary. Manager shall sign checks, drafts, bank notes or other instruments on behalf of Company, and make withdrawals from Manager's Account for payments specified in this Agreement. Manager, in its sole discretion, may make a pledge or assignment of Company's accounts to support financing instruments.

2.2.4. Litigation Management. Manager shall, in consultation with Company, (a) manage and direct the defense of all claims, actions, proceedings or investigations against Company or any of its officers, directors, employees or agents in their capacity as such, and (b) manage and direct the initiation and prosecution of all claims, actions, proceedings or investigations brought by Company against any person other than Manager.

2.2.5. Marketing, Advertising, and Public Relations Programs. Manager shall propose, with Company's consultation, marketing and advertising programs to be implemented by Company to effectively notify the community of the services offered by Company. Manager shall advise and implement such marketing and advertising programs, including, but not limited to, analyzing the effectiveness of such programs, preparing marketing and advertising materials, negotiating marketing and advertising contracts on Company's behalf, and obtaining services necessary to produce and present such marketing and advertising programs. Manager and Company agree that all marketing and advertising programs shall be conducted in compliance with all applicable standards of ethics, laws, and regulations.

2.2.6. Information Technology and Computer Systems. Manager shall set up workstations and other information technology required for the Operations.

2.2.7. Supplies. Manager shall order and purchase all supplies in connection with the Administrative Services and the Operations, including all necessary forms, supplies and postage, provided that all such supplies acquired shall be reasonably necessary in connection with the Operations.

2.2.8. Retention Payments. From Company funds managed by the Manager or as otherwise provided herein, Manager shall make payments to Monarch in the aggregate of \$50,000 per month (the "Mira-Guaranteed Payment") which shall begin accruing on October 1, 2017. The first payment of \$75,000 (the first half of the total Mira-Guaranteed Payments from October 1, 2017 to December 31, 2017) shall be paid upon execution of this Agreement; the second payment of \$75,000 (the second half of the total Mira-Guaranteed Payments from October 1, 2017 to December 31, 2017) shall be paid on February 28, 2018. Thereafter each monthly payment shall be due on the 15th of the subsequent month starting on January 1, 2018. The Mira-Guaranteed Payment shall be increased to \$56,250 per month on October 1, 2018, and increased again on December 1, 2019 to \$63,280 per month. Monarch shall be responsible for all income and other taxes due relating to the monthly Mira-Guaranteed Payment paid to Monarch. Further provided, the Mira Guaranteed Payment shall continue to be paid to Monarch from and

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after Manager's exercise of the Option, and by execution of this Agreement the Company consents to all such payments to Monarch.

3. RELATIONSHIP OF THE PARTIES

3.1. Relationship of the Parties. Nothing contained herein shall be construed as creating a partnership, trustee, fiduciary joint venture, or employment relationship between Manager and Company. In performing all services required hereunder, Manager shall be in the relation of an independent contractor to Company, providing Administrative Services to the Operations operated by Company.

4. RESPONSIBILITIES OF COMPANY

4.1. General Responsibilities of Company. Company shall own and operate the Operations during the Term of this Agreement, with Manager managing the day-to-day Operations as provided herein. At all times during this Agreement, the Manager and Company shall coordinate to obtain and maintain in full force and effect all available and necessary licenses, approvals, permits and/or certificates (collectively "Approvals") required under any and all local and state laws allowing the Company to engage in the Operations at the Facility, and the Company's performance of its respective obligations pursuant to this Agreement. Company agrees to promptly deliver to Manager any notice of denial or revocation of any such Approvals within three (3) calendar days of receipt by the Company. From and after the Effective Date, Company and Manager shall coordinate and insure, at Company's expense, that the Operations are in compliance with all Approvals issued by any and all local or state government regarding the Company's legal standing and ability to engage in the Operations at the Facility, including but not limited to all requirements of any insurance or underwriters or any other body which may exercise similar functions. Company agrees to promptly deliver to Manager any notice of violation of any said Approvals within three (3) calendar days of receipt by the Company.

4.2. Exclusivity. During the Term of this Agreement, Manager shall serve as Company's sole and exclusive manager and provider of the Administrative Services, and Company shall not engage any other person or entity to furnish Company with any sites for conduct of its Operations, any policies or procedures for conduct of the Operations, or any of the financial or other services provided hereunder by Manager. Manager may assign its rights hereunder to manage the operations (but not under the Option) to San Diego Building Ventures, LLC, or such other entity formed for such purpose by Manager, and Company and Old Operators acknowledge its approval of such assignment.

4.3. Representations and Warranties of Company.

4.3.1. Company represents and warrants to Manager as follows:

4.3.2. Company is a duly organized, validly existing and in good standing under the laws of California. The Company represents and warrants that, to Company's knowledge, it holds all required approvals, which for purposes of this Agreement means collectively all applicable California San Diego City and San Diego County

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licenses, approvals, permits, authorizations, registrations and the like required by any governmental organization or unit having jurisdiction over Company or the Facility necessary to permit the Company to own and operate the Facility as a cannabis manufacturing facility.

- 4.3.3. The Company has full power, authority and legal right to execute, perform and timely observe all of the provisions of this Agreement. The Company's execution, delivery and performance of this Agreement have been duly authorized.
- 4.3.4. This Agreement constitutes a valid and binding obligation of the Company and does not and will not constitute a breach of or default under the charter documents, membership agreements or bylaws as the case may be of Company or the terms, conditions, or provisions of any law, order, rule, regulation, judgment, decree, agreement, or instrument to which Company is a party or by which it or any of its assets is bound or affected.
- 4.3.5. Company shall, at its own expense, keep in full force and effect its legal existence; and Company shall make commercially reasonable efforts to obtain, as and when required for the performance of its obligations under this Agreement, and to maintain the Approvals required for it timely to observe all of the terms and conditions of this Agreement.
- 4.3.6. Company is the sole owner of the real property on which the Facility is located and is the sole owner of the improvements comprising the Facility and all real and personal property located therein. The Company has full power, authority and legal right to own such real and personal property.
- 4.3.7. There is no litigation or proceeding pending or threatened against Company that could reasonably be expected to adversely affect the validity of this Agreement or the ability of Company to comply with its obligations under this Agreement.
- 4.3.8. The Company nor any of its agents or subsidiaries has received any notice of revocation, modification, denial or legal or administrative proceedings relating to the denial, revocation or modification of any local or state approvals, which, singly or in the aggregate, would prohibit the Company's Operations at the Facility.

5. FINANCIAL ARRANGEMENTS

5.1 All net income, revenue, cash flow, and other distributions from Operations will be held by Manager as a Management Fee, subject to Manager's further obligations to make payments and pay rent and expenses as otherwise provided herein.

5.2 Prior to the time that the "Option" is exercised, such payments by Manager shall include payment to the Nonprofits of \$55,500 necessary to make rental payment to Mira Este, LLC. Such rental payment shall increase to \$60,300 upon receipt of the certificate of occupancy.

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5.3 Both before and after the closing of Manager's exercise of the Option, such monthly payments by Manager shall include (i) the monthly Mire Este-Guaranteed Payments payable to Monarch, (ii) reimbursement to any party as a preferential payment the reimbursement of sums spent for tenant improvements, and (iii) Manager's Operations expenses. Prior to the closing of Manager's exercise of the Option, one third (1/3) of any remaining net income is to be paid to Company (it being understood and agreed that the Mire Este-Guaranteed Payments are credited toward this payment of 1/3 of remaining net income sharing.) All such payments constitute a material part of Manager's obligations under this Agreement.

5.4 To the extent that Old Operators provide receipts for tenant improvements made to the 1,200 sf manufacturing room, the certificate of occupancy is received, and this Agreement is executed, then Manager shall reimburse the Old Operators for \$125,000 representing 50% of the tenant improvements incurred for the 1,200 sf manufacturing room. Such payment for tenant improvements shall be due thirty (30) days after receipt of the certificate of occupancy.

5.5 Notwithstanding anything else herein, upon execution of this Agreement, the Old Operators and Manager will split the costs of CUP and other mitigations 50/50, and once the Option is exercised, the Manager (or its assignee) and the Old Operators will own the property and cash flows from Manager on a 50/50 basis.

6. TERM AND TERMINATION

6.1 Term. Subject to the provisions contained in this Agreement, this Agreement shall commence as of the Effective Date and continue in full force and effect for a period of twenty (20) years.

6.2 Termination. Except as provided herein, this Agreement is not terminable by any Party and may only be not-renewed at the option of the Manager at the expiration of the term hereunder through the provision of ninety (90) days' advance written notice. This Agreement may be terminated through mutual consent of Manager and Company. This Agreement may also be terminated at the option of the Manager if the Operations fail to obtain either (i) any CUP or other local approvals, or (ii) the required California State permissions and licenses, in each case to allow the conduct of Operations at the Facility. This Agreement may be terminated at the option of the Company upon the failure by Manager to make any payments as are required herein, and such failure has gone uncured for twenty-five (25) days following notice to Manager by Company and/or the Old Operators.

7. RECORDS AND RECORD KEEPING

7.1 Access to Information. Company hereby authorize and grants to Manager full and complete access to all information, instruments, and documents relating to Company which may be reasonably requested by Manager to perform its obligations hereunder, and shall disclose and make available to representatives of Manager for review and photocopying all relevant books, agreements, papers, and records of Company. Manager shall further timely provide Company with all books and records generated from Operations. This shall be a continuing

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obligation of the Parties following the termination of this Agreement to the extent needed to implement the terms contained herein.

8. OPTION TO PURCHASE

8.1 Grant of Option. Company hereby grants Manager an option to acquire a 50% interest in the Facility, as well as 50% of all applicable permits and rights thereto, that constitutes the land, buildings and improvements owned by the Company at and for the Facility location ("Option"). The Option is granted for and in consideration of Manager's payment of a non-refundable Option fee towards the Option Exercise Price of Seventy Five Thousand Dollars (\$75,000.00), which \$75,000 shall be paid to Old Operators on March 15, 2018, regardless of whether Option has been exercised.

- a. The Old Operators and Manager acknowledge that the real estate interest shall not be conveyed free and clear of all liens, but that existing liens on the real estate will remain in effect. The Old Operators agree that they will be personally responsible for the existing at the time of Closing of Escrow as follows:
 - i. The Old Operators will cause the property owner to satisfy, pay, and discharge, within ten days of Closing of Escrow, the second lien of approximately \$1.4 million
 - ii. The Old Operators will be solely and personally responsible for paying in a timely fashion and ultimately paying off, the first lien of approximately \$1.975 million. They hereby indemnify Manager and its successors from and against any and all claims, damages, or payments that the lien holder or its successor may seek in enforcing its security interest and lien rights with respect to the property.

8.2 Option Exercise Price. The Option for this 50% interest shall be exercised by the Manager sending notice of exercise to the Company. Thereafter, before the Closing Date, Manager shall deposit into Escrow the following amounts (each an independent "Option Exercise Price") depending upon the date of the notice of exercise as follows:

<u>Date of Option Exercise:</u>	<u>Option Exercise Price for 50% of Facility:</u>
December 31, 2017 (or prior)	\$4,500,000
March 31, 2018 (or prior)	\$4,750,000
June 30, 2018 (or prior)	\$5,000,000

8.3 Closing of Escrow. Escrow shall close on the Date of the Option Exercise, at the mutual direction of the Parties, with a qualified escrow company located in San Diego County. The Parties shall cooperate and execute such documents as are required to transfer the

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50% interest in the land, building, and improvements to the Manager at the time of Closing, with the protections for Manager against lien holders as stated in 8.1a, above.

8.4 Expiration of Option. If Manager does not exercise the Option prior to July 1, 2018, all of Manager's rights to exercise this Option shall expire. The expiration of the Option shall not affect or alter the non-Option related terms of this Agreement.

8.5 Manager's Operating Agreement – Old Operator's Ownership in Manager. It is the intent of the Parties to, upon exercise of the option hereunder at Section 8.1, grant Old Operators, or their designee, a 33% ownership interest in the Series applicable to the Mira Este Facility in San Diego Building Ventures, LLC, a Delaware Series Limited Liability Company. Such ownership interest shall become effective as of the closing of the Option, and the Parties shall incorporate into that Operating Agreement Series such terms as are reflected in that certain LOI dated October 17, 2017 among the Parties with respect to Managers of the Series and related issues set forth therein. The terms of the Operating Agreement for San Diego Building Ventures, LLC shall govern the operations of the Mira Este Facility and the Manager upon the closing of the Option. The Parties shall cooperate on the final structural decisions and documentation consistent with the terms contained in the LOI. From and after the closing of Manager's exercise of the Option, this new management company shall further take over all of the Manager's duties and responsibilities as outlined in this Agreement.

8.6. Grant of CUP. Notwithstanding anything else contained in this Agreement, no obligation, passage of time, date, or other matter with respect to the Option shall become effective until the City of San Diego has granted the Facility a conditional use permit ("CUP") permitting the Company's Operations to the satisfaction of Manager. In that regard each of the dates set forth in Section 8.2 above are tolled until the 30th, 90th, and 150th day, respectively, following the granting of the CUP, to Manager's satisfaction. The expiration date of the Option in section 8.4, above, is similarly tolled.

9. GENERAL

9.1. Conversion. At the option of Manager and in consultation with the Old Operators, any Nonprofit may be converted into a for-profit entity and owned as the Parties may otherwise agree, and as is required for compliance with law.

9.2. Indemnification.

9.2.1. Indemnification by Company. Company hereby agree to indemnify, defend, and hold harmless Manager, its officers, directors, owners, members, employees, agents, affiliates, and subcontractors, from and against any and all claims, damages, demands, diminution in value, losses, liabilities, actions, lawsuits and other proceedings, judgments, fines, assessments, penalties, awards, costs, and expenses (including reasonable attorneys' fees) related to third party claims, whether or not covered by insurance, arising from or relating to any willful misconduct relating to the breach of this Agreement by Company. The provisions of this Section shall survive termination or expiration of this Agreement. Company shall immediately notify

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Manager of any lawsuits or actions, or any threat thereof, that are known or become known to Company that might adversely affect any interest of Company or Manager whatsoever.

9.2.2. Indemnification by Manager. Manager hereby agrees to indemnify, defend, and hold harmless Company, their respective officers, directors, shareholders, employees and agents from and against any and all claims, damages, demands, diminution in value, losses, liabilities, actions, lawsuits and other proceedings, judgments, fines, assessments, penalties, and awards, costs, and expenses (including reasonable attorneys' fees), whether or not covered by insurance, arising from or relating to (a) any material breach of this Agreement by Manager, (b) any acts or omissions by Manager and its employees to the extent that such is not paid or covered by the proceeds of insurance, and (c) all other Operations conduct at the Facility as part of Manager providing Administrative Services to the Company. The provisions of this Section shall survive termination or expiration of this Agreement. Notwithstanding the foregoing, Manager shall not indemnify Company for the acts or omissions of others employed or engaged by Company, or for matters relating to operations at the two downstairs suites unless due to the gross negligence of the Manager. Manager shall immediately notify Company of any lawsuits or actions, or any threat thereof, that are known or become known to Manager that might adversely affect any interest of Manager or Company whatsoever.

9.3. Dispute Resolution. In the event that any disagreement, dispute or claim arises among the Parties hereto with respect to the enforcement or interpretation of this Agreement or any specific terms and provisions hereof or with respect to whether an alleged breach or default hereof has or has not occurred (collectively, a "Dispute"), such Dispute shall be settled in accordance with the following procedures:

9.3.1. Meet and Confer. In the event of a Dispute among the Parties hereto, a Party may give written notice to all other Parties setting forth the nature of such Dispute (the "Dispute Notice"). The Parties shall meet and confer in San Diego County to discuss the Dispute in good faith within five (5) days following the other Parties' receipt of the Dispute Notice in an attempt to resolve the Dispute. All representatives shall meet at such date(s) and time(s) as are mutually convenient to the representatives of each participant within the "Meet and Confer Period" (as defined herein below).

9.3.2. Mediation. If the Parties are unable to resolve the Dispute within ten (10) days following the date of receipt of the Dispute Notice by the other parties (the "Meet and Confer Period"), then the parties shall attempt in good faith to settle the Dispute through nonbinding mediation under the Rules of Practice and Procedures (the "Rules") of ADR Services, Inc. ("ADR Services") in San Diego County within thirty (30) days of delivery of the initial Dispute Notice. A single disinterested third-party mediator shall be selected by ADR Services in accordance with its then current Rules. The Parties to the Dispute shall share the expenses of the mediator and the other costs of mediation on a pro rata basis.

9.3.3. Arbitration. Any Dispute which cannot be resolved by the Parties as outlined above, such Dispute shall be resolved by final and binding arbitration (the "Arbitration"). The Arbitration shall be initiated and administered by and in accordance with the then current Rules of ADR Services, Inc. The Arbitration shall be held in San Diego County,

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unless the parties mutually agree to have such proceeding in some other locale; the exact time and location shall be decided by the arbitrator(s) selected in accordance with the then current Rules of ADR Services, Inc. The arbitrator(s) shall apply California substantive law, or federal substantive law where state law is preempted. The arbitrator(s) selected shall have the power to enforce the rights, remedies, duties, liabilities, and obligations of discovery by the imposition of the same terms, conditions, and penalties as can be imposed in like circumstances in a civil action by a court of competent jurisdiction of the State of California. The arbitrator(s) shall have the power to grant all legal and equitable remedies provided by California law and award compensatory damages provided by California law, except that punitive damages shall not be awarded. The arbitrator(s) shall prepare in writing and provide to the Parties an award including factual findings and the legal reasons on which the award is based. The arbitration award may be enforced through an action thereon brought in the Superior Court for the State of California in San Diego County. The prevailing party in any Arbitration hereunder shall be awarded reasonable attorneys' fees, expert and nonexpert witness costs and any other expenses incurred directly or indirectly with said Arbitration, including without limitation the fees and expenses of the arbitrator(s).

THIS ELECTION OF AN ALTERNATIVE DISPUTE PROCESS IS AN AFFIRMATIVE WAIVER OF THE PARTIES' RIGHTS TO A JURY TRIAL UNDER CALIFORNIA LAW, Cal. C. Civ. Pro. Sec 631. BY SIGNING BELOW, EACH PARTY IS EXPLICITLY WAIVING JURY TRIAL AND AUTHORIZING ANY AND ALL PARTIES TO FILE THIS WAIVER WITH ANY COURT AS THE WAIVER REQUIRED UNDER Cal. C. Civ. Proc. Sec. 631(f)(2):

JURY TRIAL WAIVED:

Company

Manager

By:

By:

By:

By:

Old Operators:

By:

By:

9.4. Entire Agreement; Amendment. This Agreement constitutes the entire agreement among the Parties related to the subject matter hereof and supersedes all prior agreements, understandings, and letters of intent relating to the subject matter hereof. This Agreement may be amended or supplemented only by a writing executed by all Parties. The Recitals of this Agreement are incorporated herein by this reference.

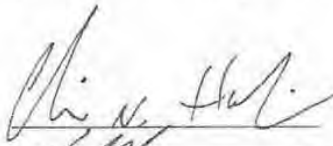
9.5. Notices. All notices, requests, demands or consents hereunder shall be in writing and shall be deemed given and received when delivered, if delivered in person, or four (4) days after being mailed by certified or registered mail, postage prepaid, return receipt requested, or one (1) day after being sent by overnight courier such as Federal Express, to and by the Parties at the following addresses, or at such other addresses as the Parties may designate by written notice in the manner set forth herein:

If to Manager:

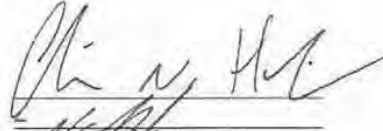

SoCal Building Ventures, LLC
32123 Lindero Canyon Rd #210
Westlake Village, CA 91361



If to Company:




If to Old Operators:

9.6. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which, when taken together, will constitute one and the same instrument.

9.7. Governing Law. This Agreement shall be construed and governed in accordance with the laws of the State of California, without reference to conflict of law principles.

9.8. Assignment. Unless expressly set forth to the contrary hereinabove, this Agreement shall not be assignable by any Party hereto without the express written consent of the other Parties; provided, however, Old Operators may assign their holding interest to Monarch or another legal entity owned by the Old Operators, and SoCal Building Ventures, LLC may assign all or a portion of its rights and obligations to San Diego Building Ventures, LLC.

9.9. Waiver. Waiver of any agreement or obligation set forth in this Agreement by either Party shall not prevent that party from later insisting upon full performance of such agreement or obligation and no course of dealing, partial exercise or any delay or failure on the part of any Party hereto in exercising any right, power, privilege, or remedy under this Agreement or any related agreement or instrument shall impair or restrict any such right, power,

privilege or remedy or be construed as a waiver therefor. No waiver shall be valid against any Party unless made in writing and signed by the Party against whom enforcement of such waiver is sought.

9.10. Binding Effect. Subject to the provisions set forth in this Agreement, this Agreement shall be binding upon and inure to the benefit of the Parties hereto and upon their respective successors and assigns.

9.11. Waiver of Rule of Construction. Each Party has had the opportunity to consult with its own legal counsel in connection with the review, drafting, and negotiation of this Agreement. Accordingly, the rule of construction that any ambiguity in this Agreement shall be construed against the drafting party shall not apply.

9.12. Severability. If anyone or more of the provisions of this Agreement is adjudged to any extent invalid, unenforceable, or contrary to law by a court of competent jurisdiction, each and all of the remaining provisions of this Agreement will not be affected thereby and shall be valid and enforceable to the fullest extent permitted by law.

9.13. Force Majeure. Any Party shall be excused for failures and delays in performance of its respective obligations under this Agreement due to any cause beyond the control and without the fault of such party, including without limitation, any act of God, war, terrorism, bio-terrorism, riot or insurrection, law or regulation, strike, flood, earthquake, water shortage, fire, explosion or inability due to any of the aforementioned causes to obtain necessary labor, materials or facilities. This provision shall not release such Party from using its best efforts to avoid or remove such cause and such Party shall continue performance hereunder with the utmost dispatch whenever such causes are removed. Upon claiming any such excuse or delay for non-performance, such Party shall give prompt written notice thereof to the other Party, provided that failure to give such notice shall not in any way limit the operation of this provision.

9.14. Authorization for Agreement. The execution and performance of this Agreement by Company and Manager have been duly authorized by all necessary laws, resolutions, and corporate or partnership action, and this Agreement constitutes the valid and enforceable obligations of Company and Manager in accordance with its terms.

9.15. Duty to Cooperate. The Parties acknowledge that the Parties' mutual cooperation is critical to the ability of Manager and Company to perform successfully and efficiently its duties hereunder. Accordingly, each party agrees to cooperate fully with the other in formulating and implementing goals and objectives which are in Company's best interests.

9.16. Proprietary and Confidential Information. The Parties agree with regard to Confidential Information that Manager may be given or obtain as a result of Manager's performance under this Agreement, or vice versa, such Confidential Information is secret, confidential and proprietary, and shall be utilized only for those purposes of this Agreement or as otherwise directed or agreed to in writing. The term "Confidential Information" means any information or knowledge concerning or in any way related to the practices, pricing, activities, strategies, business plans, financial plans, trade secrets, relationships and methodology of

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Operations of the business, performance of the Administrative Services, or other matter relating to the business. The Parties shall take appropriate action to ensure that all employees permitted access to Confidential Information are aware of its confidential and proprietary nature and the restrictions placed on its use. The Parties shall not reproduce or copy the Confidential Information of the Company, or any part thereof, in any manner other than is necessary to perform under this Agreement, and no Party shall disclose or otherwise make the Confidential Information available to any other person, corporation, or other entity, except to the other Party, or as otherwise required by law.

9.16.1 All Confidential Information constitutes a valuable, confidential, special and unique asset. The Parties recognize that the disclosure of Confidential Information may give rise to irreparable injury or damage that are difficult to calculate, and which cannot be adequately compensated by monetary damages. Accordingly, in the event of any violation or threatened violation of the confidentiality provisions of this Agreement, a non-violating Party shall be entitled to an injunction restraining such violation.

9.17 Additional Assurances. The provisions of this Agreement shall be self-operative and shall not require further agreement by the Parties; provided, however, at the request of either Party, the other Party shall execute such additional instruments and take such additional acts as are reasonable and as the requesting Party may deem necessary to effectuate this Agreement.

9.18 Consents, Approvals, and Exercise of Discretion. Whenever this requires any consent or approval to be given by either Party, or either Party must or may exercise discretion, and except where specifically set forth to the contrary, the Parties agree that such consent or approval shall not be unreasonably withheld or delayed, and that such discretion shall be reasonably exercised.

9.19 Third Party Beneficiaries. Except as otherwise provided herein, this Agreement shall not confer any rights or remedies upon any person other than Manager and Owner and their respective successors and permitted assigns.

[signatures to follow]

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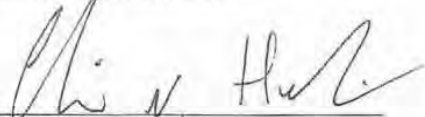
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IN WITNESS WHEREOF, the Parties agree to the foregoing terms of agreement through the execution below by their respective, duly authorized representatives as of the Effective Date.

"COMPANY"

Mira Este Properties, LLC

California Cannabis Group

By: 
Its: _____

By: 
its: _____

Devilish Delights, Inc.

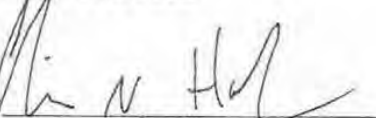
By: 
Its: _____

"MANAGER"

SoCal Building Ventures, LLC

By: 
Its: managing member

"OLD OPERATORS"

By: 

By: 

Monarch Management Consulting, Inc.

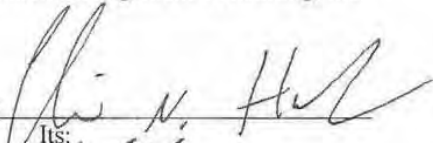
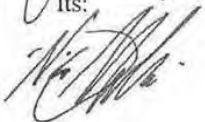
By: 
Its: 

Exhibit N
to cross-complaint

MANAGEMENT SERVICES AND OPTION AGREEMENT

This MANAGEMENT SERVICES AND OPTION AGREEMENT (the "Agreement") is made, entered into and effective as of January 2, 2018 (the "Effective Date") by and among **SoCal Building Ventures, LLC** ("Manager" and "Optionee" as context requires), and **Balboa Ave Cooperative**, a California nonprofit mutual benefit corporation, and **San Diego United Holdings Group, LLC**, a California limited liability company (collectively, the "Company" and "Optionor" as context requires), **Monarch Management Consulting, Inc.**, a California corporation (individually referred to herein as "Monarch"), **Chris Hakim**, an individual, and **Ninus Malan**, an individual (together, the "Old Operators") (collectively, the "Parties").

RECITALS

WHEREAS,

A. Company is a California mutual benefit corporation (which may also be referred to herein as the "Nonprofit") which operates a medical marijuana dispensary for the benefit of its members (the "Operations"), and is in need of business consulting, accounting, administrative, technological, managerial, human resources, financial, intellectual property, and related services in order to provide services to its patients. The Company operates its dispensary at 8863 Balboa Avenue, Suite E., San Diego CA 92123 and 8861 Balboa Avenue, Suite B, San Diego, CA 92123 (collectively, the "Facility"), for which a CUP has been submitted with the City of San Diego for such purposes. San Diego United Holdings Group, LLC owns the Facility in fee simple, as well five (5) other parcels within the HOA where the Facility is located. The Facility needs to receive HOA approval before commencing Operations at the site.

B. Manager is engaged in the business of providing administrative and management services to health care entities and has the capacity to manage and administer the operations of Company and to furnish Company with appropriate managerial, administrative, financial, and technological support (the "Administrative Services"). Manager may assign its obligations hereunder to an affiliate, San Diego Building Ventures, LLC, which shall also be "Manager" hereunder as if an initial party hereto.

C. Company desires management assistance in the Operations. To accomplish this goal, Company desires to engage Manager to provide Administrative Services as are necessary and appropriate for the day-to-day administration and management of the Operations, and Manager desires to provide Administrative Services to Company, all upon the terms and subject to the conditions set forth in this Agreement.

D. Manager is also seeking an option to acquire a 50% ownership interest in the Facility, and Company is willing to grant such an option as provided herein.

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NOW, THEREFORE, in consideration of the mutual promises contained herein and for other good and valuable consideration, the receipt and sufficiency of which are acknowledged by the Parties, the Parties agree as follows:

TERMS OF AGREEMENT

1. ENGAGEMENT

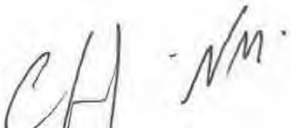
1.1. Engagement of Manager. Company hereby engages Manager to provide the Administrative Services for the Operations on the terms and conditions described herein, and Manager accepts such engagement. Manager shall be the sole and exclusive provider of the administrative, management, and other services to be provided to or on behalf of Company for the Operations as more particularly outlined herein. Manager in its sole discretion shall determine which services shall be provided to Company from time-to-time so long as the Administrative Services are provided in compliance with this Agreement. For purposes of this Agreement, "Administrative Services" shall not include any management services relating to ownership of the Facility by San Diego United Holdings Group, LLC unless and until Manager exercises the option to purchase 50% of the Facility as more particularly outlined in this Agreement.

1.1.1. No Warranty or Representations. Company acknowledges that Manager has not made and will not make any express or implied warranties or representations that the Administrative Services provided by Manager will result in any particular amount or level of income to the Company. Specifically, Manager has not represented that its Administrative Services will result in higher revenues, lower expenses, greater profits, or growth in the number of clients receiving services or purchasing goods at the Facility.

1.2. Agency. Company hereby appoints Manager as Company's true and lawful agent throughout the Term of this Agreement, and Manager hereby accepts such appointment.

1.3. Power of Attorney. In connection with billing, collection, banking, and related services incident to or under the Administrative Services to be provided hereunder, Company, in accordance with applicable law, hereby grants to Manager a limited power of attorney and appoints Manager as Company's true and lawful agent and attorney-in-fact consistent with Manager's duties under this Agreement, and Manager hereby accepts such special power of attorney and appointment, for the following purposes:

- i. To submit bills in Company's name and on Company's behalf, including all claims for reimbursement or indemnification from, health plans, all other third party payors, and its patients and customers for all services provided to patients and customers.
- ii. To collect and deposit all amounts received, including all cash received, patient co-payments, cost reimbursements, co-insurance and deductibles, and accounts receivable, into the "Manager's Account," which shall be and at all



times remain in Company's name through accrual on Company's accounting records.

- iii. To make demand with respect to, settle, and compromise such claims and to coordinate with collections agencies in the name of Company or Manager.
- iv. To take possession of and endorse in the name of Company on any note, check, money order, insurance payment or any other instrument received.
- v. To effectuate the payment of Company expenses, including to the Manager for the Management Fee as it becomes due.
- vi. To sign checks, drafts, bank notes or other instruments on behalf of Company and to make withdrawals from the Manager's Account for other payments specified in this Agreement and as determined appropriate by the Manager.

1.4. Documentation to Bank. Upon request of Manager, Company shall execute and deliver to the financial institution wherein the Manager's Account is maintained, such additional documents or instruments as may be necessary to evidence or effect the limited power of attorney granted to Manager. Company will not take any action that interferes with the transfer of funds to or from Manager's Account, nor will Company or its agents remove, withdraw or authorize the removal or withdrawal of any funds from the Manager's Account for any purpose. Manager agrees to hold all funds in the Manager's Account in accordance with California agency law.

1.5. Expiration of Power of Attorney. The power of attorney shall expire on the date that this Agreement is terminated. Upon termination or expiration of this Agreement, Manager further agrees to execute any and all documentation confirming the termination of this limited power of attorney.

1.6. Manager Payment to Company on Effective Date. From and after the Effective Date, Manager shall lend Company up to the sum of \$150,000 for working capital. Such amount shall be a short term working line of credit to facilitate purchase of new inventory and operational costs. Manager shall thereafter take possession of the Facility, the Operations, and FF&E. Further, upon the Effective date Manager shall pay the Company \$125,000 for the FF&E, which amount shall also serve as a credit against the purchase price if Manager exercises its option under Section 8 below. Manager shall lend Company an additional ~~\$83,000~~ ^(\$144,000) for reimbursement for old inventory, which shall be payable by Company to Old Operators. Lastly, upon the Effective Date hereof, Manager shall pay the Old Operators \$66,000 for reimbursement of legal and mitigation costs. Except for the \$15,000 monthly payments referenced in Section 5.2 and the monthly Balboa-Guaranteed Payments, all loans discussed in this Section 1.6 shall have priority for repayment from available funds more particularly referenced in Article 5 below.

2. DUTIES AND RESPONSIBILITIES OF MANAGER

2.1. General Responsibilities. During the Term of this Agreement Manager shall, in a manner determined at the Manager's sole discretion, provide such services as are necessary and appropriate for the day-to-day administration and management of Company's business in a manner consistent with good business practice, including without limitation: Human Resources, Information Technology, Equipment and Supplies, Banking, Accounting and Finance, Insurance Procurement, Risk Management, Contract Negotiation, Marketing, Management of Patient Records, and Licensing of Intellectual Property, Trade Names and Trademarks, as all are more specifically set forth below.

2.1.1. Personnel. Manager has full right, obligation, and authority to hire and retain personnel and other persons or entities needed to perform the Administrative Services for Manager under this Agreement. All personnel will be employees, agents, or independent contractors of the Company, and all costs (including payroll and withholding taxes and expenses, any employment insurance costs, health insurance expenses and insurance, and other customary expenses) associated with such personnel shall be paid by Manager from Company funds managed by Manager, or by Manager if such funds are insufficient.

2.1.2. Manager Personnel. Manager may employ or contract with and provide all necessary personnel ("Manager Personnel") it reasonably needs to provide the Administrative Services hereunder. Such personnel shall be under the direction, supervision, and control of Manager, and shall be employees of Manager. Manager shall be responsible for setting and paying the compensation and providing the fringe benefits of all Manager Personnel. Company shall be not responsible in any way for Manager Personnel, and Manager indemnifies, defends, and holds Company harmless from any such liability.

2.1.3. Training. Manager shall provide reasonable training to personnel in all aspects of the Operations material to the role of such personnel, including but not limited to administrative, financial, and equipment maintenance matters.

2.1.4. Insurance. Manager shall assist Company in Company's purchase of necessary insurance coverage, with the cost of such insurance paid from Company's funds managed by Manager.

2.1.5. Accounting. Manager shall establish and administer accounting procedures and controls and systems for the development, preparation, and keeping of records and books of accounting related to the business and financial affairs of Company. Such books and records shall at all times be accessible and available to Company and the Old Operators.

2.1.6. Tax Matters. Manager shall oversee the preparation of the annual report and tax information returns required to be filed by Company. All of Company's tax obligations shall be paid by Manager out of Company's funds managed by Manager. Manager shall provide such information, compilations, and other relevant information to Company on a timely basis in order to file all returns with the taxing agencies. Company shall also make such reserves and set asides for taxes as directed by Manager throughout the year.



2.1.7. Reports and Information. Manager shall furnish Company in a timely fashion quarterly or more frequent operating reports and other business reports as reasonably requested by Company, including without limitation (i) copies of bank statements and checks relating to Company's bank accounts and (ii) all other financial information and financial statements relating to Operations.

2.1.8. Budgets. Manager shall prepare for review and approval by Company, all capital and annual operating budgets as needed, and such approval shall not be unreasonably withheld.

2.1.9. Expenditures. Manager shall manage all cash receipts and disbursements of Company, including the payment on behalf of Company for any of the items set forth in this Article 2, such as taxes, assessments, licensing fees, and other fees of any nature whatsoever in connection with the operation of the Operations as the same become due and payable, unless payment thereof is being contested in good faith by Company.

2.1.10. Contract Negotiations. Manager shall advise Company with respect to and negotiate, either directly or on Company's behalf, as appropriate and permitted by applicable law, such contractual arrangements with third Parties as are reasonably necessary and appropriate for Company's Operations.

2.1.11. Billing and Collection. On behalf of and for the account of Company, Manager shall establish and maintain credit and billing and collection policies and procedures, and shall exercise reasonable efforts to bill and collect in a timely manner all professional and other fees for all billable services provided by Company.

2.1.12. All Other Matters Reasonably Needed for Operations. The Manager shall perform all tasks required for the good governance and operation of the Operations, including making reasonable repairs, at Company's expense, for any facility used in the Operations as may be required under any lease or mortgage that encumbers the property, or to protect public safety.

2.1.13. Company Approval of Various Actions Relating to Operations. The parties agree Manager has authority to make decisions relating to the day-to-day business operations of the Operations and execute on behalf of Operations all instruments and documents needed in the course of the customary and ordinary operation of Operations, including the payment of ordinary expenses incurred during Operations and other related payments. Manager shall also coordinate any public statements or press interactions.

2.2. Responsibilities as Agent. In connection with the appointment of Manager as Agent of Company under Section 2.1 above, Manager shall further undertake the following:

2.2.1. Billing. Manager shall bill, in Company's name and on Company's behalf, any claims for reimbursement, cost offset, or indemnification from members or



customers, insurance companies and plans, all state or federally funded benefit plans, and all other third party payors or fiscal intermediaries.

2.2.2. Collections. Manager shall collect and receive on Company's behalf, all accounts receivable generated by such billings and claims for reimbursement, to take possession of, and deposit into the Manager's Account (accruing such deposits on the general ledger of Company) any cash, notes, checks, money orders, insurance payments, and any other instruments received in payment of accounts receivable, to administer such accounts including, but not limited to, extending the time or payment of any such accounts for cash, credit or otherwise; discharging or releasing the obligors of any such accounts; assigning or selling at a discount such accounts to collection agencies; or taking other measures to require the payment of any such accounts.

2.2.3. Banking. The Parties shall cooperate in opening such bank accounts as shall be required for prudent administration of the Operations, including a Manager's Account, opened by and under the control and domain of Manager for the deposit of collections and the disbursement of expenses and other purposes as set forth herein, and (ii) such other accounts as Manager determines in its sole discretion are reasonable and necessary. Manager shall sign checks, drafts, bank notes or other instruments on behalf of Company, and make withdrawals from Manager's Account for payments specified in this Agreement. Manager, in its sole discretion, may make a pledge or assignment of Company's accounts to support financing instruments.

2.2.4. Litigation Management. Manager shall, in consultation with Company, (a) manage and direct the defense of all claims, actions, proceedings or investigations against Company or any of its officers, directors, employees or agents in their capacity as such, and (b) manage and direct the initiation and prosecution of all claims, actions, proceedings or investigations brought by Company against any person other than Manager.

2.2.5. Marketing, Advertising, and Public Relations Programs. Manager shall propose, with Company's consultation, marketing and advertising programs to be implemented by Company to effectively notify the community of the services offered by Company. Manager shall advise and implement such marketing and advertising programs, including, but not limited to, analyzing the effectiveness of such programs, preparing marketing and advertising materials, negotiating marketing and advertising contracts on Company's behalf, and obtaining services necessary to produce and present such marketing and advertising programs. Manager and Company agree that all marketing and advertising programs shall be conducted in compliance with all applicable standards of ethics, laws, and regulations.

2.2.6. Information Technology and Computer Systems. Manager shall set up workstations and other information technology required for the Operations.

2.2.7. Supplies. Manager shall order and purchase all supplies in connection with the Administrative Services and the Operations, including all necessary forms, supplies and postage, provided that all such supplies acquired shall be reasonably necessary in connection with the Operations.

2.2.8. Retention Payments. Manager shall make payments to Monarch in the aggregate of \$35,000 per month (the “Balboa-Guaranteed Payment”) which shall be due on the 15th of each month starting on January 15, 2018. The Balboa-Guaranteed Payment shall be increased by 12.5% on December 1, 2018, and increased again by 12.5% on December 1, 2019. Monarch shall be responsible for all income and other taxes due relating to the monthly Balboa-Guaranteed Payment paid to Monarch. Further provided, the Balboa-Guaranteed Payment shall continue to be paid to Monarch from and after Manager’s exercise of the Option, and by execution of this Agreement the Company consents to all such payments to Monarch.

3. RELATIONSHIP OF THE PARTIES

3.1. Relationship of the Parties. Nothing contained herein shall be construed as creating a partnership, trustee, fiduciary joint venture, or employment relationship between Manager and Company. In performing all services required hereunder, Manager shall be in the relation of an independent contractor to Company, providing Administrative Services to the Operations operated by Company.

4. RESPONSIBILITIES OF COMPANY

4.1. General Responsibilities of Company. Company shall own and operate the Operations during the Term of this Agreement, with Manager managing the day-to-day Operations as provided herein. At all times during this Agreement, the Manager and Company shall coordinate to obtain and maintain in full force and effect all available and necessary licenses, approvals, permits and/or certificates (collectively “Approvals”) required under any and all local and state laws allowing the Company to engage in the Operations at the Facility, and the Company’s performance of its respective obligations pursuant to this Agreement. Company agrees to promptly deliver to Manager any notice of denial or revocation of any such Approvals within three (3) calendar days of receipt by the Company. From and after the Effective Date, Company and Manager shall coordinate and insure, at Company’s expense, that the Operations are in compliance with all Approvals issued by any and all local or state government regarding the Company’s legal standing and ability to engage in the Operations at the Facility, including but not limited to all requirements of any insurance or underwriters or any other body which may exercise similar functions. Company agrees to promptly deliver to Manager any notice of violation of any said Approvals within three (3) calendar days of receipt by the Company.

4.2. Exclusivity. During the term of this Agreement, Manager shall serve as Company’s sole and exclusive manager and provider of the Administrative Services, and Company shall not engage any other person or entity to furnish Company with any sites for conduct of its Operations, any policies or procedures for conduct of the Operations, or any of the financial or other services provided hereunder by Manager. Manager may assign its rights hereunder to manage the operations (but not under the Option) to San Diego Building Ventures, LLC, or such other entity formed for such purpose by Manager, and Company and Old Operators acknowledge its approval of such assignment.

4.3. Representations and Warranties of Company.

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4.3.1. Company represents and warrants to Manager as follows:

4.3.2. Company is duly organized, validly existing and in good standing under the laws of California. The Company represents and warrants that, to Company's knowledge, it holds or is pursuing all required Approvals, which for purposes of this Agreement means collectively all applicable California San Diego City and San Diego County licenses, approvals, permits, authorizations, registrations and the like required by any governmental organization or unit having jurisdiction over Company or the Facility necessary to permit the Company to own and operate the Facility as a cannabis retail store.

4.3.3. The Company has full power, authority and legal right to execute, perform and timely observe all of the provisions of this Agreement. The Company's execution, delivery and performance of this Agreement have been duly authorized.

4.3.4. This Agreement constitutes a valid and binding obligation of the Company and does not and will not constitute a breach of or default under the [charter documents, membership agreements or bylaws] of Company or the terms, conditions, or provisions of any law, order, rule, regulation, judgment, decree, agreement, or instrument to which Company is a party or by which it or any of its assets is bound or affected.

4.3.5. Company shall, at its own expense, keep in full force and effect its legal existence; and Company shall make commercially reasonable efforts to obtain, as and when required for the performance of its obligations under this Agreement, and to maintain the Approvals required for it timely to observe all of the terms and conditions of this Agreement.

4.3.6. Company is the sole owner of the real property on which the Facility is located and is the sole owner of the improvements comprising the Facility and all real and personal property located therein. The Company has full power, authority and legal right to own such real and personal property.

4.3.7. There is no litigation or proceeding pending or threatened against Company that could reasonably be expected to adversely affect the validity of this Agreement or the ability of Company to comply with its obligations under this Agreement.

4.3.8. The Company nor any of its agents or subsidiaries has received any notice of revocation, modification, denial or legal or administrating proceedings relating to the denial, revocation or modification of any local or state approvals, which, singly or in the aggregate, would prohibit the Company's Operations at the Facility.

5. FINANCIAL ARRANGEMENTS

5.1. All net income, revenue, cash flow, and other distributions from Operations will be held by Manager as a Management Fee, subject to Manager's further obligations to make payments and pay rent and expenses as otherwise provided herein.

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Handwritten signatures and initials in blue ink, including a large signature and the initials 'MM'.

5.2. Starting on December 1, 2017, Manager shall make monthly payments of \$15,000 to Balboa Ave Cooperative.

5.3. Both before and after the closing of Manager's exercise of the Option, such monthly payments by Manager shall include (i) the monthly Balboa-Guaranteed Payments payable to Monarch, (ii) the \$15,000 monthly payments to Balboa Ave Cooperative prior to the Option as referenced in Section 5.2, and after the Option to San Diego United Holdings Group, LLC as monthly rent payments to the then-title holder of the Facility, (iii) reimbursement to any party as a preferential payment the reimbursement of sums spent for tenant improvements, and (iv) Manager's Operations expenses. Prior to the closing of Manager's exercise of the Option, one third (1/3) of any remaining net income is to be paid to Company (it being understood and agreed that the Balboa-Guaranteed Payments are credited toward this payment of 1/3 of remaining net income sharing.) All such payments constitute a material part of Manager's obligations under this Agreement.

5.4 Notwithstanding anything else herein, the Old Operators and Manager will split the costs of CUP and other mitigations 50/50, and once the Option is exercised, the Manager (or its assignee) and the Old Operators will own the property and cash flows from Manager on a 50/50 basis.

6. TERM AND TERMINATION

6.1. Term. Subject to the provisions contained in this Agreement, this Agreement shall commence as of the Effective Date and continue in full force and effect for a period of twenty (20) years.

6.2. Termination. Except as provided herein, this Agreement is not terminable by any Party and may only be not-renewed at the option of the Manager at the expiration of the term hereunder through the provision of ninety (90) days' advance written notice. This Agreement may be terminated through mutual consent of Manager and Company. This Agreement may also be terminated at the option of the Manager if the Operations fail to obtain either (i) any HOA or other local approvals, or (ii) the required California State permissions and licenses, in each case to allow the operation of a retail, non-medical cannabis business. This Agreement may be terminated at the option of the Company upon the failure by Manager to make any payments as are required herein, and such failure has gone uncured for twenty-five (25) days following notice to Manager by Company and/or the Old Operators.

7. RECORDS AND RECORD KEEPING

7.1. Access to Information. Company hereby authorize and grants to Manager full and complete access to all information, instruments, and documents relating to Company which may be reasonably requested by Manager to perform its obligations hereunder, and shall disclose and make available to representatives of Manager for review and photocopying all relevant books, agreements, papers, and records of Company. Manager shall further timely provide Company with all books and records generated from Operations. This shall be a continuing

obligation of the Parties following the termination of this Agreement to the extent needed to implement the terms contained herein.

8. OPTION TO PURCHASE

8.1 Grant of Option. Company hereby grants Manager an option to acquire a 50% interest in the Facility, as well as a 50% interest in all applicable permits and rights thereto, that constitutes the land, buildings and improvements owned by the Company at and for the Facility location ("Option"). The Option is granted for and in consideration of Manager's payment of a non-refundable Option fee towards the Option Exercise Price of Seventy Five Thousand Dollars (\$75,000.00), which \$75,000 shall be paid to Old Operators on March 15, 2018, regardless of whether Option has been exercised.

8.2 Option Exercise Price. The Option for this 50% interest shall be exercised by the Manager sending notice of exercise to the Company. Thereafter, before the Closing Date, Manager shall deposit into Escrow the following amounts (each an independent "Option Exercise Price") depending upon the date of the notice of exercise as follows:

<u>Date of Option Exercise:</u>	<u>Option Exercise Price of 50% Interest in Facility:</u>
December 31, 2017 (or prior)	\$2,700,000 (50% of \$5,400,000 Facility valuation)
March 31, 2018 (or prior)	\$2,850,000 (50% of \$5,700,000 Facility valuation)
June 30, 2018 (or prior)	\$3,000,000 (50% of \$6,000,000 Facility valuation)

8.3 Closing of Escrow. Escrow shall close on the Date of the Option Exercise, at the mutual direction of the Parties, with a qualified escrow company located in San Diego County. The Parties shall cooperate and execute such documents as are required to transfer the 50% interest in the land, building, and improvements to the Manager at the time of Closing. San Diego United Holdings Group, LLC owns other real property in addition to the Facility also located within the HOA where the Facility is located. As such, the Parties agree to cooperate in holding title to the Facility separate from the other real property owned by San Diego United Holdings Group, LLC consistent with the terms of this Agreement.

8.4 Expiration of Option. If Manager does not exercise the Option prior to July 1, 2018, all of Manager's rights to exercise the Option shall expire. The expiration of the Option shall not affect or alter the non-Option related terms of this Agreement.

8.5 Manager's Operating Agreement – Old Operator's Ownership in Manager. It is the intent of the Parties to, upon exercise of the option hereunder at Section 8.1, grant Old Operators, or their designee, a 33% ownership interest in the Series applicable to the Balboa



Facility in San Diego Building Ventures, LLC, a Delaware Series Limited Liability Company upon . Such ownership interest shall become effective as of the closing of the Option, and the Parties shall incorporate into that Operating Agreement Series such terms as are reflected in that certain LOI dated October 17, 2017 among the Parties with respect to Managers of the Series and related issues set forth therein. The terms of the Operating Agreement for San Diego Building Ventures, LLC shall govern the operations of the Balboa Facility and the Manager upon the closing of the Option. The Parties shall cooperate on the final structural decisions and documentation consistent with the terms contained in the LOI. From and after the closing of Manager's exercise of the Option, this new management company shall further take over all of the Manager's duties and responsibilities as outlined in this Agreement.

8.6 Addition of up to Five Units in Commercial Park. As stated herein, there are five (5) other units in the HOA commercial park owned by San Diego United Holdings Group, LLC not covered by this Agreement and this Option. The "Facility" referenced in Recital A above is the only real property subject to this Agreement. Manager is considering the purchase of an additional four (4) units not owned by San Diego United Holdings Group, LLC in the HOA commercial park. . Further, in the event Manager desires to purchase one or more of these other five (5) units already owned by San Diego United Holdings Group, LLC , the parties agree to negotiate the purchase a 50% interest in one or more of these other units in addition to the Option Exercise Price refernced in Section 8.2 above, and held by Manager 50% with the Company.

8.7 HOA Resolution. Notwithstanding anything else contained in this Agreement, no obligation, passage of time, date, or other matter with respect to the Option shall become effective until the dispute with the Montgomery Field Business Condominiums Association (the 'HOA Matter,' which shall include Case No. 37-2017-00019384-CU-CO-CTL pending in the Superior Court of San Diego, the dispute underlying said action, and all related matters) is resolved to the satisfaction of Manager. In that regard each of the dates set forth in Section 8.2 above are tolled until the 30th, 90th, and 150th day, respectively, following the resolution of the HOA Matter, to Manager's satisfaction. The expiration date of the Option in section 8.4, above, is similarly tolled.

9. GENERAL

9.1. Conversion. At the option of Manager and in consultation with the Old Operators, any Nonprofit may be converted into a for-profit entity and owned as the Parties may otherwise agree, and as is required for compliance with law.

9.2. Indemnification.

9.2.1. Indemnification by Company. Company hereby agree to indemnify, defend, and hold harmless Manager, its officers, directors, owners, members, employees, agents, affiliates, and subcontractors, from and against any and all claims, damages, demands, diminution in value, losses, liabilities, actions, lawsuits and other proceedings, judgments, fines, assessments, penalties, awards, costs, and expenses (including reasonable attorneys' fees) related to third party claims, whether or not covered by insurance, arising from or relating to any willful misconduct relating to the breach of this Agreement by Company. The provisions of this Section

shall survive termination or expiration of this Agreement. Company shall immediately notify Manager of any lawsuits or actions, or any threat thereof, that are known or become known to Company that might adversely affect any interest of Company or Manager whatsoever.

9.2.2. Indemnification by Manager. Manager hereby agrees to indemnify, defend, and hold harmless Company, their respective officers, directors, shareholders, employees and agents from and against any and all claims, damages, demands, diminution in value, losses, liabilities, actions, lawsuits and other proceedings, judgments, fines, assessments, penalties, and awards, costs, and expenses (including reasonable attorneys' fees), whether or not covered by insurance, arising from or relating to (a) any material breach of this Agreement by Manager, (b) any acts or omissions by Manager and its employees to the extent that such is not paid or covered by the proceeds of insurance, and (c) all other Operations conduct at the Facility as part of Manager providing Administrative Services to the Company. The provisions of this Section shall survive termination or expiration of this Agreement. Notwithstanding the foregoing, Manager shall not indemnify Company for the acts or omissions of any physicians, or others employed or engaged by Company. Manager shall immediately notify Company of any lawsuits or actions, or any threat thereof, that are known or become known to Manager that might adversely affect any interest of Manager or Company whatsoever.

9.3. Dispute Resolution. In the event that any disagreement, dispute or claim arises among the Parties hereto with respect to the enforcement or interpretation of this Agreement or any specific terms and provisions hereof or with respect to whether an alleged breach or default hereof has or has not occurred (collectively, a "Dispute"), such Dispute shall be settled in accordance with the following procedures:

9.3.1. Meet and Confer. In the event of a Dispute among the Parties hereto, a Party may give written notice to all other Parties setting forth the nature of such Dispute (the "Dispute Notice"). The Parties shall meet and confer in San Diego County to discuss the Dispute in good faith within five (5) days following the other Parties' receipt of the Dispute Notice in an attempt to resolve the Dispute. All representatives shall meet at such date(s) and time(s) as are mutually convenient to the representatives of each participant within the "Meet and Confer Period" (as defined herein below).

9.3.2. Mediation. If the Parties are unable to resolve the Dispute within ten (10) days following the date of receipt of the Dispute Notice by the other parties (the "Meet and Confer Period"), then the parties shall attempt in good faith to settle the Dispute through nonbinding mediation under the Rules of Practice and Procedures (the "Rules") of ADR Services, Inc. ("ADR Services") in San Diego County within thirty (30) days of delivery of the initial Dispute Notice. A single disinterested third-party mediator shall be selected by ADR Services in accordance with its then current Rules. The Parties to the Dispute shall share the expenses of the mediator and the other costs of mediation on a pro rata basis.



9.3.3. Arbitration. Any Dispute which cannot be resolved by the Parties as outlined above, such Dispute shall be resolved by final and binding arbitration (the "Arbitration"). The Arbitration shall be initiated and administered by and in accordance with the then current Rules of ADR Services. The Arbitration shall be held in San Diego County, unless



the parties mutually agree to have such proceeding in some other locale; the exact time and location shall be decided by the arbitrator(s) selected in accordance with the then current Rules of ADR Services. The arbitrator(s) shall apply California substantive law, or federal substantive law where state law is preempted. The arbitrator(s) selected shall have the power to enforce the rights, remedies, duties, liabilities, and obligations of discovery by the imposition of the same terms, conditions, and penalties as can be imposed in like circumstances in a civil action by a court of competent jurisdiction of the State of California. The arbitrator(s) shall have the power to grant all legal and equitable remedies provided by California law and award compensatory damages provided by California law, except that punitive damages shall not be awarded. The arbitrator(s) shall prepare in writing and provide to the Parties an award including factual findings and the legal reasons on which the award is based. The arbitration award may be enforced through an action thereon brought in the Superior Court for the State of California in San Diego County. The prevailing party in any Arbitration hereunder shall be awarded reasonable attorneys' fees, expert and nonexpert witness costs and any other expenses incurred directly or indirectly with said Arbitration, including without limitation the fees and expenses of the arbitrator(s).

THIS ELECTION OF AN ALTERNATIVE DISPUTE PROCESS IS AN AFFIRMATIVE WAIVER OF THE PARTIES' RIGHTS TO A JURY TRIAL UNDER CALIFORNIA LAW, Cal. C. Civ. Pro. Sec 631. BY SIGNING BELOW, EACH PARTY IS EXPLICITLY WAIVING JURY TRIAL AND AUTHORIZING ANY AND ALL PARTIES TO FILE THIS WAIVER WITH ANY COURT AS THE WAIVER REQUIRED UNDER Cal. C. Civ. Proc. Sec. 631(f)(2):

JURY TRIAL WAIVED:

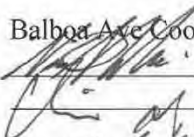
Company _____ Manager _____
By:  By: 

9.4. Entire Agreement; Amendment. This Agreement constitutes the entire agreement among the Parties related to the subject matter hereof and supersedes all prior agreements, understandings, and letters of intent relating to the subject matter hereof. This Agreement may be amended or supplemented only by a writing executed by all Parties. The Recitals of this Agreement are incorporated herein by this reference.

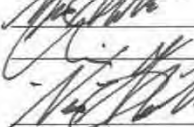
9.5. Notices. All notices, requests, demands or consents hereunder shall be in writing and shall be deemed given and received when delivered, if delivered in person, or four (4) days after being mailed by certified or registered mail, postage prepaid, return receipt requested, or one (1) day after being sent by overnight courier such as Federal Express, to and by the Parties at the following addresses, or at such other addresses as the Parties may designate by written notice in the manner set forth herein:

If to Manager: SoCal Building Ventures, LLC

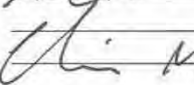
If to Company: Balboa Ave Cooperative



San Diego United Holdings Group, LLC



If to Old Operators:



9.6. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which, when taken together, will constitute one and the same instrument.

9.7. Governing Law. This Agreement shall be construed and governed in accordance with the laws of the State of California, without reference to conflict of law principles.

9.8. Assignment. Unless expressly set forth to the contrary hereinabove, this Agreement shall not be assignable by any Party hereto without the express written consent of the other Parties; provided, however, Old Operators may assign their holding interest to Monarch or another legal entity owned by the Old Operators, and SoCal Building Ventures, LLC may assign all or a portion of its rights and obligations to San Diego Building Ventures, LLC.

9.9. Waiver. Waiver of any agreement or obligation set forth in this Agreement by either Party shall not prevent that party from later insisting upon full performance of such agreement or obligation and no course of dealing, partial exercise or any delay or failure on the part of any Party hereto in exercising any right, power, privilege, or remedy under this Agreement or any related agreement or instrument shall impair or restrict any such right, power, privilege or remedy or be construed as a waiver therefor. No waiver shall be valid against any Party unless made in writing and signed by the Party against whom enforcement of such waiver is sought.

9.10. Binding Effect. Subject to the provisions set forth in this Agreement, this Agreement shall be binding upon and inure to the benefit of the Parties hereto and upon their respective successors and assigns.

9.11. Waiver of Rule of Construction. Each Party has had the opportunity to consult with its own legal counsel in connection with the review, drafting, and negotiation of this Agreement. Accordingly, the rule of construction that any ambiguity in this Agreement shall be construed against the drafting party shall not apply.


9.12. Severability. If anyone or more of the provisions of this Agreement is adjudged to any extent invalid, unenforceable, or contrary to law by a court of competent jurisdiction, each and all of the remaining provisions of this Agreement will not be affected thereby and shall be valid and enforceable to the fullest extent permitted by law.

9.13. Force Majeure. Any Party shall be excused for failures and delays in performance of its respective obligations under this Agreement due to any cause beyond the control and without the fault of such party, including without limitation, any act of God, war, terrorism, bio-terrorism, riot or insurrection, law or regulation, strike, flood, earthquake, water shortage, fire, explosion or inability due to any of the aforementioned causes to obtain necessary labor, materials or facilities. This provision shall not release such Party from using its best efforts to avoid or remove such cause and such Party shall continue performance hereunder with the utmost dispatch whenever such causes are removed. Upon claiming any such excuse or delay for non-performance, such Party shall give prompt written notice thereof to the other Party, provided that failure to give such notice shall not in any way limit the operation of this provision.

9.14. Authorization for Agreement. The execution and performance of this Agreement by Company and Manager have been duly authorized by all necessary laws, resolutions, and corporate or partnership action, and this Agreement constitutes the valid and enforceable obligations of Company and Manager in accordance with its terms.

9.15. Duty to Cooperate. The Parties acknowledge that the Parties' mutual cooperation is critical to the ability of Manager and Company to perform successfully and efficiently its duties hereunder. Accordingly, each party agrees to cooperate fully with the other in formulating and implementing goals and objectives which are in Company's best interests.

9.16. Proprietary and Confidential Information. The Parties agree with regard to Confidential Information that Manager may be given or obtain as a result of Manager's performance under this Agreement, or vice versa, such Confidential Information is secret, confidential and proprietary, and shall be utilized only for those purposes of this Agreement or as otherwise directed or agreed to in writing. The term "Confidential Information" means any information or knowledge concerning or in any way related to the practices, pricing, activities, strategies, business plans, financial plans, trade secrets, relationships and methodology of Operations of the business, performance of the Administrative Services, or other matter relating to the business. The Parties shall take appropriate action to ensure that all employees permitted access to Confidential Information are aware of its confidential and proprietary nature and the restrictions placed on its use. The Parties shall not reproduce or copy the Confidential Information of the Company, or any part thereof, in any manner other than is necessary to perform under this Agreement, and no Party shall disclose or otherwise make the Confidential Information available to any other person, corporation, or other entity, except to the other Party, or as otherwise required by law.



9.16.1. All Confidential Information constitutes a valuable, confidential, special and unique asset. The Parties recognize that the disclosure of Confidential Information may give rise to irreparable injury or damage that are difficult to calculate, and which cannot be adequately compensated by monetary damages. Accordingly, in the event of any violation or threatened violation of the confidentiality provisions of this Agreement, a non-violating Party shall be entitled to an injunction restraining such violation.

9.17. Additional Assurances. The provisions of this Agreement shall be self-operative and shall not require further agreement by the Parties; provided, however, at the request of either Party, the other Party shall execute such additional instruments and take such additional acts as are reasonable and as the requesting Party may deem necessary to effectuate this Agreement.

9.18. Consents, Approvals, and Exercise of Discretion. Whenever this requires any consent or approval to be given by either Party, or either Party must or may exercise discretion, and except where specifically set forth to the contrary, the Parties agree that such consent or approval shall not be unreasonably withheld or delayed, and that such discretion shall be reasonably exercised.

9.19. Third Party Beneficiaries. Except as otherwise provided herein, this Agreement shall not confer any rights or remedies upon any person other than Manager and Owner and their respective successors and permitted assigns.

[signature page follows]

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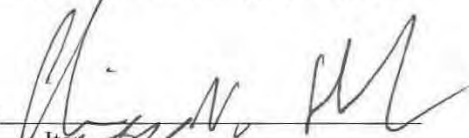

IN WITNESS WHEREOF, the Parties agree to the foregoing terms of agreement through the execution below by their respective, duly authorized representatives as of the Effective Date.

“COMPANY”

Balboa Ave Cooperative

By: 
Its: _____

San Diego United Holdings Group, LLC

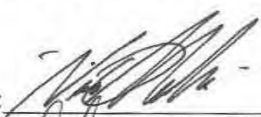
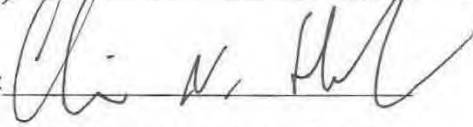
By: 
Its: 

“MANAGER”

SoCal Building Ventures, LLC

By: _____
Its: _____

“OLD OPERATORS”

By: 
By: 

Monarch Management Consulting, Inc.

By: 
Its: 