
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
Volume 5 of 19 – Pages 1218 to 1424 of 6477

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Exhibit 2

FOR SUPPLEMENTAL DECLARATION OF SALAM RAZUKI DATED AUGUST 12, 2018

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 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.

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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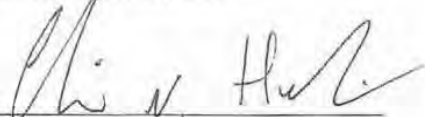
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IN WITNESS WHEREOF, the Parties agree to the foregoing terms of agreement through the execution below by their respective, duly authorized representatives as of the Effective Date.

"COMPANY"

Mira Este Properties, LLC

California Cannabis Group

By: 
Its: _____

By: 
its: _____

Devilish Delights, Inc.

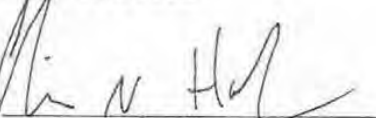
By: 
Its: _____


"MANAGER"

SoCal Building Ventures, LLC

By: 
Its: managing member

"OLD OPERATORS"

By: 

By: 

Monarch Management Consulting, Inc.

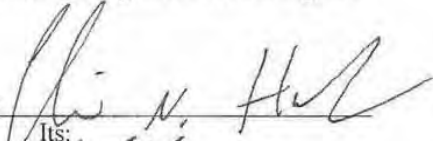

By: 
Its: 

Exhibit 3

FOR SUPPLEMENTAL DECLARATION OF SALAM RAZUKI DATED AUGUST 12, 2018

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

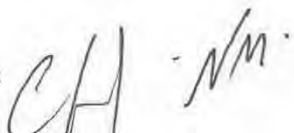
1.1. Engagement of Manager. Company hereby engages Manager to provide the Administrative Services for the Operations on the terms and conditions described herein, and Manager accepts such engagement. Manager shall be the sole and exclusive provider of the administrative, management, and other services 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~~ ^(\$14,000) 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

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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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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:

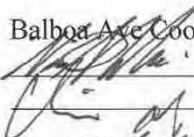
Company		Manager	
By:		By:	_____

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.

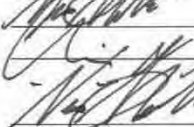
9.5. Notices. All notices, requests, demands or consents hereunder shall be in writing and shall be deemed given and received when delivered, if delivered in person, or four (4) days after being mailed by certified or registered mail, postage prepaid, return receipt requested, or one (1) day after being 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

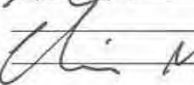
If to Company: Balboa Ave Cooperative



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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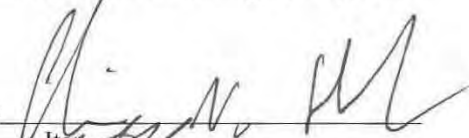

IN WITNESS WHEREOF, the Parties agree to the foregoing terms of agreement through the execution below by their respective, duly authorized representatives as of the Effective Date.

“COMPANY”

Balboa Ave Cooperative

By: 
Its: _____

San Diego United Holdings Group, LLC

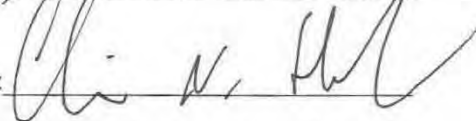
By: 
Its: 

“MANAGER”

SoCal Building Ventures, LLC

By: _____
Its: _____

“OLD OPERATORS”

By: 
By: 

Monarch Management Consulting, Inc.

By: 
Its: 

Exhibit 4

FOR SUPPLEMENTAL DECLARATION OF SALAM RAZUKI DATED AUGUST 12, 2018

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** (the "Manager" and "Optionee" as context requires), and **Roselle Properties, LLC**, a California limited liability company (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 which the Parties believe may be used to operate a medical marijuana cultivation and/or manufacturing site (the "Operations"), and which is 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 real property is located at 10685 Roselle Street, San Diego, California 92121 (the "Facility"), for which a CUP has been submitted with the City of San Diego for such purposes. The Company owns the Facility in fee simple. The planned Facility will consist of approximately 20,000 SF. There is currently an unaffiliated tenant at the Facility (which currently has 4000 SF). The Company seeks to lease the Facility to one or more affiliated, qualified cannabis cultivation and/or manufacturing operators following the termination of the current lease consistent with the terms of this Agreement. The existing management company for the Company has assigned its rights to Manager under other agreements between the primary parties.

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. There are currently to cannabis-related operations occurring at the Facility.

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 Old Operators, 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 Roselle Properties, 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.

1.1.1. 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 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.

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- 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 a 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, Cultivation, Marketing, 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.

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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

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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.

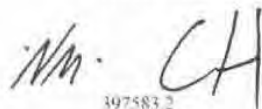
2.1.13. Company Approval of Various Actions Relating to Operations. The parties agree Manager has authority to make decisions relating to the day-to-day business operations of the Operations and execute on behalf of Operations all instruments and documents needed in the course of the customary and ordinary 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


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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 Management Consulting, Inc. ("Monarch") in the aggregate of \$50,000 per month (the "Roselle-Guaranteed Payment") which shall be due on the 15th of each month starting on January 15, 2018. The Roselle-Guaranteed Payment shall be increased to \$56,250 per month on the actual first anniversary of the initial payment of the Roselle-Guaranteed Payment, and increased again on the second such anniversary to \$63,280 per month. Notwithstanding anything else herein, no payment of the Roselle-Guaranteed Payment shall be due or accrue unless and until the Certificate of Occupancy and the CUP are issued for the planned Facility. Monarch shall be responsible for all income and other taxes due relating to the monthly Roselle-Guaranteed Payment paid to Monarch. Further provided, the Roselle-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

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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. Company represents and warrants to Manager as follows:

4.3.1. 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 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 cultivation site.

4.3.2. 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.

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4.3.3. 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.

4.3.4. 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.

4.3.5. 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.

4.3.6. 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.

4.3.7. 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.

5.2 Once the current tenancy is extinguished, Manager shall pay to Company a monthly rental of \$16,000 for its use of space at the Facility. The Old Operators shall pay the NNN expenses for the Facility and the debt service on any liens until the existing tenants have vacated the Facility, whereupon the Manager shall take on the responsibility for the NNN expense and remit \$18,200 in monthly rental payments.

5.3. 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.

5.4 The Old Operators are and will remain solely responsible for the lien on the property of approximately \$1,250,000, and shall make all payments due thereunder on a timely basis pursuant to the terms of the indebtedness.

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5.5 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 Roselle-Guaranteed Payments, once due, 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.

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 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.

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- 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 be solely and personally responsible for paying in a timely fashion and ultimately paying off, the first lien of approximately \$1,250,000. 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)	\$2,250,000
March 31, 2018 (or prior)	\$2,375,000
June 30, 2018 (or prior)	\$2,500,000

8.3 Closing of Escrow. Escrow shall close on or before the sixtieth (60th) day following 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, 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 Roselle 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

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issues set forth therein. The terms of the Operating Agreement for San Diego Building Ventures, LLC shall govern the operations of the Roselle 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 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

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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. 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

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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

By:

By:

By:

Manager

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

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

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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

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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.

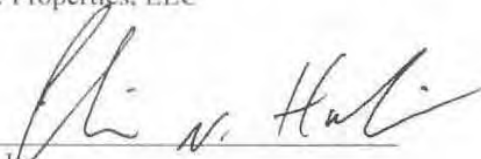
[signature page follows]

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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"

Roselle Properties, LLC

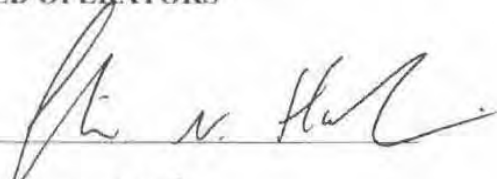
By: 
Its:

"MANAGER"

SoCal Building Ventures, LLC

By: 
Its:

"OLD OPERATORS"

By: 

By: 

Exhibit 5

FOR SUPPLEMENTAL DECLARATION OF SALAM RAZUKI DATED AUGUST 12, 2018

MANAGEMENT SERVICES AGREEMENT

THIS MANAGEMENT SERVICES AGREEMENT (the "Agreement") is entered into as of July 10, 2018 (the "Effective Date") in San Diego, California by and between Balboa Ave. Cooperative, a California nonprofit consumer cooperative (herein the "Cooperative") on the one hand and Far West Management, LLC, a California limited liability company (herein "Manager") on the other hand. Each may be referred to herein individually as "Party" or collectively as "Parties."

RECITALS

WHEREAS, the Cooperative has been issued a conditional use permit ("CUP") by the city of San Diego to operate a retail cannabis dispensary (the "Dispensary") at 8861 Balboa Ave., Suite B and 8863 Balboa Ave., Suite E, San Diego (the "Location") and a license from the state of California ("State") to sell medical and adult use cannabis products at the Location ("State License");

WHEREAS, Manager has expertise managing and operating retail cannabis dispensaries; and

WHEREAS, the Cooperative desires to engage Manager to provide the Services as more fully defined herein, and Manager desires to provide such Services to the Cooperative based upon the terms as set forth in this Agreement.

AGREEMENT

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, and conditions set forth below, the Parties hereto enter this Agreement as follows:

ARTICLE 1.

DUTIES AND RESPONSIBILITIES

Section 1.1: Services. The Cooperative hereby engages Manager to provide the following services (collectively, the "Services"), and Manager hereby accepts such appointment:

- a. Manage the day-to-day operations of the Dispensary.
- b. Provide all staff necessary to operate the Dispensary.
- c. Maintain all accounts and ledgers of the Dispensary, including accounts payable and receivable.

- d. Keep all records required by and in accordance with applicable law.
- e. Generate customary reports for the Cooperative, including sales reports, inventory lists, profits and loss statements, which will be provided no less frequently than each month.
- f. Procure all inventory needed for the Dispensary.
- g. Collect, report and remit all taxes required on behalf of the Dispensary.
- h. Pay all expenses of the Dispensary on the Cooperative's behalf.
- i. Maintain proper insurance for the Dispensary on the Cooperative's behalf.
- j. Ensure compliance with all conditions and requirements for the CUP and State License.
- k. Establish and operate a delivery system and division for the Dispensary.
- l. Create an operational budget for the Dispensary.
- m. Assist design and maintain a website for the Dispensary.
- n. Provide such additional Services as reasonably requested by the Cooperative.

Section 1.2: Inherent Services. The Parties acknowledge and agree that there are functions, responsibilities, activities and tasks not specifically described in this Agreement which are required for the proper performance and provision of the Services and are a necessary, customary or inherent part of, or a necessary sub-part included within, the Services. Manager is empowered to perform such inherent functions, responsibilities, activities and tasks to the same extent and in the same manner as if specifically described in this Agreement.

Section 1.3: Scope of Services. Manager will provide the Services in substantially the same manner it provides services to its other dispensary clients and in accordance with Industry standards. Manager will not be required to devote full time to the Services; however, it shall devote such time to the Services as is necessary to faithfully perform the Services in accordance with this Agreement. The Parties recognize that Manager may now or later render services to, with and on behalf of third parties.

Section 1.4: Compliance with Laws. Manager shall, in performing the Services, faithfully observe and comply with all State, and local laws, ordinances and regulations, applicable to the Services to be rendered under this Agreement and shall obtain any permits or licenses required. The Cooperative agrees to faithfully observe and comply with all federal State, and local laws, ordinances and regulations, applicable to its operation of the Dispensary and business and shall obtain any permits or licenses required.

The Parties shall comply with all federal laws applicable to them as a result of this Agreement or operation of the Dispensary; provided, the Parties expressly acknowledge and agree that (i) the use, possession, cultivation, manufacture, transportation, purchase and sale of cannabis is federally illegal, (ii) the federal laws and certain states' laws regarding the use, possession, cultivation, transportation, manufacture and furnishing of cannabis (the "Industry") are in conflict; (iii) engaging in the lawful conduct of business operations in the Industry under state law may risk criminal or civil forfeiture, violation of federal law, and heightened risk of criminal or civil prosecution, crime and violence; and (iv) such inherent risks are assumed by each Party, and each Party has elected to execute and fulfill this Agreement despite such risks and waives any defense to enforcement of this Agreement based on cannabis being federally illegal. In the event either Party receives a cease and desist letter from the U.S. Government concerning the operation of cannabis businesses at the Licensed Facility or otherwise, it shall inform the other party and either party may terminate this Agreement by written notice to the other Party. The Cooperative agrees to faithfully observe and comply with all federal State, and local laws, ordinances and regulations, applicable to the Services to be rendered under this Agreement and shall obtain any permits or licenses required.

Section 1.5: Exclusive Provider of Services. The Cooperative shall exclusively utilize Manager for performance and delivery of its Services during the Term of this Agreement.

Section 1.6: Employee Leasing. Manager will be responsible for providing all personnel required to provide the Services. All such personnel shall be leased to the Cooperative by Manager in accordance with the provisions of this Section 1.6 and listed in Exhibit A hereto, which may be amended by the Parties from time to time.

a. Manager will use commercially reasonable efforts to supply to the Cooperative the services of the persons identified on Exhibit A hereto, incorporated herein by reference ("Assigned Personnel"). Manager shall fill out Exhibit A, either in type or print, including the name, address, email, telephone number, workers' compensation classification, job position, and compensation for each Assigned Personnel, which the Cooperative will confirm and approve. Manager shall be fully responsible for notifying all Assigned Personnel of their leased employee status. Each Assigned Personnel shall be identified according to workers' compensation classification by proper code and according to pay status under the Fair Labor Standards Act or any other rule or regulation that may apply. The Cooperative's signature shall be affixed to Exhibit A to indicate proper classification of workers' compensation code and pay status. No other employees shall become leased to the Cooperative unless specifically agreed by Manager and the Cooperative. Manager shall not be considered an employer for any employee who does not complete a Manager employment application and who is not accepted by Manager as a leased employee. Manager agrees to notify the Cooperative immediately upon the release, termination or cessation of employment of any Assigned Personnel. The Cooperative agrees to cooperate with Manager in all employment matters. Manager shall be responsible for tracking the hours of and processing payroll for all Assigned Personnel. Manager shall maintain a personnel file and personnel records for Assigned Personnel. All Assigned Personnel shall be considered employees of Manager. Manager shall assume sole and exclusive responsibility for the payment of wages to Assigned Personnel, Manager shall, with respect to said personnel, be responsible for withholding federal, state and local income taxes, withholding and paying over the employee share, and paying the employer share, of Social

Security and Medicare taxes, unemployment insurance contributions, and any other payroll-related taxes required by law. Manager shall be responsible for maintaining workers' compensation insurance coverage for Assigned Personnel in an amount and under such terms as required by state law. Manager shall be responsible for ensuring that all applications and insurance enrollment forms are fully completed and returned to Manager by the Assigned Personnel.

b. The Cooperative shall comply with all applicable federal, state and local laws in dealings with Assigned Personnel. Manager shall incur no liability for any violation or alleged violation of law or regulation by the Cooperative.

c. In compliance with state law and federal guidelines, Manager shall, after consultation with the Cooperative:

- i. Have a right to recruit, hire, direct and control Assigned Personnel,
- ii. Have a right to discipline, replace, and terminate the employment of Assigned Personnel and designate the date of separation from employment,
- iii. Have a right to reward, promote, reassign, evaluate and determine the wages, hours, terms and conditions of employment,
- iv. Have the right to resolve and decide employee grievances and disputes, and
- v. Supervise and direct Assigned Personnel in a reasonable manner consistent with the practices of similar businesses and enterprises.

d. The Cooperative may retain such sufficient direction and control over the Assigned Personnel as is necessary to conduct the Cooperative's business and without which the Cooperative would be unable to conduct its business, discharge any fiduciary responsibility that it may have, or comply with any applicable licensure, regulatory, or statutory requirement of the Cooperative.

e. It shall be Manager's responsibility to implement a safety and training program that meets the standards of regulations issued by the state of California.

f. The Parties each agree that they will comply with all health and safety laws, right-to-know laws, regulations, ordinances, directives and rules imposed by controlling federal, state, and local government, and that they will immediately report all accidents and injuries to the other party.

g. Environmental factors, equipment, machinery and all other matters which affect employee health and safety shall be maintained in compliance with OSHA standards, which

shall be the responsibility of Manager.

Section 1.7: Long-Term Agreement. The Parties acknowledge and agree that it is the Parties' intent to, during the Term of this Agreement, negotiate a definitive agreement whereby Manager would continue to operate the Dispensary and acquire an interest therein, if the Parties can come to mutually agreed upon terms. The Parties agree to negotiate such agreement in good faith.

ARTICLE 2.

TERM OF AGREEMENT; TERMINATION

Section 2.1: Term. This Agreement is entered into on the Effective Date hereof, shall take effect immediately, and shall remain in effect for a period of sixty (60) days (the "Term"), unless earlier terminated by the Parties.

Section 2.2: Termination. This Agreement may be terminated by either Party with fifteen (15) days' prior written notice to the other Party or immediately upon the material breach of this Agreement by providing the breaching Party written notice of the termination and reason therefor.

Section 2.3: Effect of Termination. Upon termination of this Agreement, Manager shall promptly return all documents and information of the Cooperative or relating to the Dispensary to the Cooperative. The provisions of this Agreement relating to confidential information and indemnity shall survive termination of this Agreement.

ARTICLE 3.

COMPENSATION AND EXPENSES

Section 3.1: Compensation. The Cooperative shall pay for the Services provided by Manager as follows:

- a. After all other costs and expenses of the Dispensary each month have been paid, Manager shall be entitled to receive a flat fee of \$25,000.00 per month ("Base Fee"). If the income of the Dispensary for any given month is insufficient to pay the Base Fee, the unpaid portion of the Base Fee will be deferred until the Dispensary has sufficient income to pay the deferred Base Fee. For the purposes of this Agreement, a month shall be treated as beginning on the 10th day of the applicable month and ending on the 9th day of the following month.
- b. Once the Base Fee has been paid to Manager, the Cooperative shall be entitled to retain \$25,000.00 in profits from the Dispensary ("Retention Amount"), with remaining profits of the Dispensary after Retention Amount each month being referred to herein as the "Residual."
- c. After payment of the Retention Amount to the Cooperative, all remaining monthly profits from operation of the Dispensary will be split between the Cooperative and

Manager as follows: (i) 30% to the Cooperative and 70% to the Manager if the Parties do not reach the long-term agreement contemplated by Section 1.7 of this Agreement, or (ii) 50%/50% if the Parties enter into the long-term agreement contemplated by Section 1.7 of this Agreement.

d. All fees due Manager hereunder will be payable in arrears on the fifteenth (15th) day of the month, beginning the month following the Effective Date.

Section 3.2: Reimbursement. In connection with the Services, the Cooperative shall reimburse Manager for any expenses or costs actually and reasonably incurred and paid by Manager on behalf of the Cooperative.

Section 3.3: Expenses. The Cooperative shall be responsible for all costs and expenses of operating its Dispensary, including but not limited to, payment of taxes, costs associated with the Assigned Personnel, marketing, compliance, insurance, inventory, and rent, whether or not such costs and expenses are to be paid by Manager on the Cooperative's behalf. Otherwise, Manager shall be responsible for its costs associated with provision of its Services. The Parties specifically acknowledge that an entity affiliated with the principal of the Cooperative is entitled to receive \$8,500 per month during the Term of this Agreement, which shall be treated as an expense of the Dispensary prior to payment of any fee to Manager and will not be counted towards the Cooperative's Minimum Payment.

Section 3.4: Dedicated Account. The Cooperative shall establish a dedicated bank account in its name ("Dedicated Account") and each party shall designate one person to act as signatory on such account. All revenues generated from the Dispensary shall be deposited into the Dedicated Account and all expenses relating to the Dispensary shall be paid from the Dedicated Account. The Manager shall not use the Dedicated Account for its own purposes or for any other client of Manager and shall hold and use all funds in the Dedicated Account in trust for the benefit of the Cooperative. The Cooperative shall have the authority to remove the Manager's signatory from the Dedicated Account upon termination of this Agreement.

ARTICLE 4.

INDEPENDENT CONTRACTOR STATUS

Section 4.1: Relationship of Parties. It is understood and agreed that the Manager is an independent contractor in respect to Manager's relationship to Cooperative, and that Manager is not and should not be considered an agent or employee of the Cooperative for any purpose. Manager will have full control and discretion as to the ways and means of performing any and all Services to be provided under this Agreement. It is understood that in the performance of this Agreement, Manager is not in any way acting as an employee of Cooperative, and Manager will be responsible for all taxes, social security payments, and other similar payments or contributions due as a result of any payments made pursuant to the terms of this Agreement. As an independent contractor, Manager agrees that Cooperative has no obligation under the state or federal laws regarding employee liability, and that Cooperative's total commitment and liability under this Agreement is the performance of its obligations and the payment of the fees as herein described.

Section 4.2: Contracts. Manager may not enter into any contract or binding agreement on behalf of the Cooperative, written or oral, in an amount of \$2,500.00 or more or in duration to extend past the Term of this Agreement without the prior written consent of the Cooperative.

ARTICLE 5.

INDEMNIFICATION

Section 5.1: Cooperative Indemnification. The Cooperative agrees to indemnify and hold harmless Manager and its subsidiaries, partners, affiliates, principals, directors or agents (“Manager Indemnified Parties”) from and against and in respect of any and all liabilities, obligations, assessments, suits, actions, proceedings, claims, or demands asserted against Cooperative and/or Manager or any Manager Indemnified Party or any judgments, damages, losses, including any loss of business or credit costs, expenses and fees, including reasonable attorneys’ fees incurred by the Manager Indemnified Parties as a result of the Cooperative’s conduct or Manager’s provision of Services in accordance with this Agreement.

Section 5.2: Willful Misconduct. Cooperative will not relieve or indemnify Manager from liability caused by the willful misconduct or negligence of Manager, its offices, agents, or servants.

Section 5.3: Manager Indemnification. The Manager agrees to indemnify and hold harmless the Cooperative and its subsidiaries, partners, affiliates, principals, directors or agents (“Cooperative Indemnified Parties”) from and against and in respect of any and all liabilities, obligations, assessments, suits, actions, proceedings, claims, or demands asserted against Cooperative and/or Manager or any Cooperative Indemnified Party or any judgments, damages, losses, including any loss of business or credit costs, expenses and fees, including reasonable attorneys’ fees incurred by the Cooperative Indemnified Parties as a result of the Manager’s willful misconduct, negligence or material breach of this Agreement.

ARTICLE 6.

GENERAL PROVISIONS

Section 6.1: Mediation. The Parties agree that, prior to litigation, any controversy or claim arising out of or relating to this Agreement, or the breach thereof, shall first be mediated by the Parties. Mediation shall occur at a mutually agreed upon location in the State of California with a mediator mutually agreed by the Parties. If the Parties cannot agree to a date, location or mediator within ten (10) days from the date any Party gives the other Party written notice of the potential claim or controversy, then the controversy may be submitted directly to a court of appropriate jurisdiction.

Section 6.2: Attorneys’ Fees. If any legal action is necessary to enforce or interpret the terms of this Agreement, the prevailing Party will be entitled to reasonable attorneys’ fees, costs, and necessary disbursements in addition to any other relief to which that party may be entitled. This provision will be construed as applicable to the entire contract.

Section 6.3: Integration. This instrument contains the entire Agreement of the Parties with respect to the subject matter hereof and there are no other promised representations or warranties affecting it. This Agreement supersedes any and all other agreements, either oral or in writing, between Manager and Cooperative with respect to the engagement of Manager by Cooperative and contains all of the covenants and agreements between the Parties with respect to that engagement in any manner whatsoever. Each Party to this Agreement acknowledges that no representation, inducements, promises, or agreements, orally or otherwise, have been made by any Party, or anyone acting on behalf of any Party that are not embodied in the Agreement, and that no other agreement, statement, or promise not contained in this Agreement will be valid or binding on either Party.

Section 6.4: Modification. Any modification of this Agreement will be effective only if it is in writing and signed by the Party to be charged.

Section 6.5: Waiver. The failure of either Party to insist on strict compliance with any of the terms, covenants, or conditions of this Agreement by the other Party will not be deemed a waiver of that term, covenant, or condition, nor will any waiver or relinquishment of any right or power at any one time or times be deemed a waiver or relinquishment of that right or power for all or any other times.

Section 6.6: Severability. If any provision in this Agreement is held by a court of competent jurisdiction or arbitrator to be unreasonable, invalid, void, or unenforceable, then this Agreement will be deemed amended to provide for the modification of the unreasonable, invalid, void, or unenforceable provision to the extent that the court or arbitrator finds reasonable, and the remaining provisions of this Agreement will continue in full force without being impaired or invalidated in any way.

Section 6.7: Governing Law/ No Adverse Construction. This Agreement will be governed by and construed in accordance with the laws of the State of California. The Parties agree that this Agreement was prepared by all signatories hereto and their counsel, and in case of ambiguity shall not be construed more strongly against one than against the others.

Section 6.8: Notices. All notices, requests, demands and other communications required or permitted to be given pursuant to this Agreement shall be in writing and deemed duly given, made and received when (a) personally delivered or (b) three (3) business days after said notice, request, demand and other communication is deposited in U.S. Mail, certified mail, return receipt requested or by overnight mail addressed as follows or at such other addresses as either Party may advise the other from time to time in writing in compliance with this section of this Agreement:

If to Manager:

If to Cooperative:

Section 6.9: Counterparts. This Agreement may be executed by the Parties in one or more counterparts, each of which shall be deemed to be an original, and it shall not be necessary for the same counterpart of this Agreement to be signed by all of the Parties in order for it to be binding upon all of the Parties in accordance with the terms hereof. Electronic or facsimile delivery of this Agreement will be accepted and enforceable.

Section 6.10: Successors and Assigns. The terms and conditions of this Agreement shall be binding upon and inure to the benefit of the Parties hereto, and to their shareholders, subsidiaries, related and affiliated entities, representatives, successors, assigns, and every person (whether natural or artificial), firm, or entity now or previously affiliated with any of the Parties hereto, or who may become affiliated with any of the Parties hereto in the future. Notwithstanding, neither Party may assign this Agreement without the written consent of the other Party, and any purported assignment without such written consent shall be null and void.

Section 6.11: Representation of Authority. Each Party represents and warrants to the other that the execution and delivery of this Agreement and the performance of such Party's obligations hereunder have been duly authorized and that the Agreement is a valid and legal agreement binding on such Parties and enforceable in accordance with its terms.

Section 6.12: Further Assurances. The Parties shall at their own cost and expense execute and deliver such further documents and instruments and shall take such other actions as may be reasonably required or appropriate to carry out the intent and purposes of this Agreement.

Section 6.13: Confidentiality. The Parties agree that at no time (either during or subsequent to the term of this Agreement) will any Party disclose or use, except as required to fulfil its obligations under this Agreement, any Proprietary and Confidential Information of the other Party, or any subsidiary or affiliate of the other Party, acquired during the term of this Agreement. The term "Proprietary and Confidential Information" shall mean, but is not limited to, all information which is known or intended to be known only to the disclosing Party, its subsidiaries and affiliates, and their employees, including any document, record, financial or other information of the disclosing Party, or others in a confidential relationship with the disclosing Party, and further relates to specific business matters such as the disclosing party's financial information, identity of customers and patients, policies and procedures, fee structures, trade secrets, proprietary know-how, account information, and other information relating to other business of the disclosing Party, its subsidiaries and affiliates, and their employees. Manager agrees not to remove from the Location except with approval of the Cooperative or as necessary to perform services in accordance with the terms of this Agreement, any physical property item, document, record, or other information of the Cooperative or its affiliates.

Each Party agrees to return, immediately upon termination of this agreement hereunder, any and all documentation or physical property and Proprietary and Confidential Information of the other Party that is in the possession of such Party, in whatever format it may be maintained, regardless of who it is, or developed by, and to destroy all said information and documentation if requested by the disclosing Party and provide a certificate of destruction upon request by the disclosing Party.

Notwithstanding the foregoing, the restrictions contained in this section shall not apply to any Proprietary and Confidential Information that is required by law or the order of any court or governmental agency, or in any litigation or similar proceeding to be disclosed; provided that the disclosing party shall, prior to making any such required disclosure, notify the other party with sufficient notice to permit that party to seek an appropriate protective order.

Section 6.14: Acts of God. No Party shall be liable in any respect for failure to comply with the terms of this Agreement due wholly or in part to acts of God, acts of the other party, acts or civil or military authority, fires, floods, epidemics, quarantine restrictions, war, armed hostilities, riots, strikes, lockouts, breakdown, differences with workers, accidents to machinery, delays in transportation, or any other cause beyond the reasonable control of the Party.

Section 6.15: Liability Limitation. IN NO EVENT WILL ANY PARTY BE LIABLE FOR ANY LOSS OR DAMAGE TO REVENUES, PROFITS, OTHER ECONOMIC LOSS OR GOODWILL OR COSTS OF REPLACEMENT GOODS OR SERVICES OR ANY OTHER SPECIAL, INCIDENTAL, EXEMPLARY, INDIRECT OR CONSEQUENTIAL DAMAGES OF ANY KIND, ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE LICENSED PRODUCTS, HOWEVER CAUSED AND WHETHER BASED IN BREACH OF CONTRACT, BREACH OF WARRANTY, TORT (INCLUDING NEGLIGENCE) OR ANY OTHER THEORY OF LIABILITY. THE FOREGOING LIMITATIONS SHALL APPLY EVEN IF A PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES AND NOTWITHSTANDING THE FAILURE OF ESSENTIAL PURPOSE OF ANY LIMITED REMEDY STATED HEREIN.

Section 6.16: Non-Circumvention. The Parties hereby acknowledge that the Manager will be introducing the Cooperative to certain Assigned Personnel. In consideration of the foregoing, the Cooperative hereby agrees and warrants that it shall not, directly or indirectly, interfere with, circumvent, attempt to circumvent, or obviate or interfere with the relationship of the Manager and its Assigned Personnel for the purpose of gaining any benefit, whether such benefit is monetary or otherwise.

IN WITNESS WHEREOF, the Parties hereto have caused this Assignment to be duly executed by their duly authorized representatives as of the date of this Assignment. The undersigned, by their execution of this Agreement, represent and warrant that they have authority to execute this Agreement on behalf of its respective Party.

MANAGER:

Far West Management, LLC:

Dated: _____

By: _____
Adam Knopf, Responsible Party

COOPERATIVE:

Balboa Ave. Cooperative

Dated: _____

By: _____
Ninus Malan, Responsible Party

EXHIBIT A
Assigned Personnel

Exhibit 6

FOR SUPPLEMENTAL DECLARATION OF SALAM RAZUKI DATED AUGUST 12, 2018

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CLERK OF THE SUPERIOR COURT
BY: JAN 5 15 PM 2:29
T. RAY

SUPERIOR COURT OF CALIFORNIA
COUNTY OF SAN DIEGO

CITY OF SAN DIEGO, a municipal corporation,

Plaintiff,

v.

STONECREST PLAZA, LLC, a Limited Liability Company;
SALAM RAZUKI, an individual; and
DOES 1 through 50, inclusive,

Defendants.

Case No. 37-2014-00009664 -CU-MC-CTL
JUDGE: RONALD S. PRAGER
STIPULATION FOR ENTRY OF FINAL JUDGMENT IN ITS ENTIRETY AND PERMANENT INJUNCTION;
JUDGMENT THEREON [CCP § 664.6]

IMAGED FILE

Plaintiff City of San Diego, a municipal corporation, appearing by and through its attorneys, Jan I. Goldsmith, City Attorney, and by Gabriela Brannan, Deputy City Attorney, and Defendants STONECREST PLAZA, LLC, a Limited Liability Company; and SALAM RAZUKI, an individual; appearing by and through their attorney, Richard Ostrow, enter into the following Stipulation for Entry of Final Judgment in full and final settlement of the above-captioned case without trial or adjudication of any issue of fact or law, and agree that a final judgment may be so entered:

1. This Stipulation for Entry of Final Judgment (Stipulation) is executed only between and among Plaintiff City of San Diego, a municipal corporation, and Defendants STONECREST
.....

1 known United Wellness Center and Ryan Shamoun or the appropriate party responsible for the
2 leasehold and operation of the marijuana dispensary, including but not limited to, prosecuting an
3 unlawful detainer action.

4 **13. Within 24-hours from the date of signing this Stipulation, remove all signage from**
5 **the exterior of the premises advertising a marijuana dispensary, including but not limited to,**
6 **signage advertising United Wellness Center.**

7 **14. Within seven calendar days after the marijuana dispensary business vacates the**
8 **PROPERTY, ensure that all fixtures, items, and property associated with United Wellness**
9 **Center and Ryan Shamoun are removed from the premises.**

10 **15. Within seven calendar days after the marijuana dispensary business vacates the**
11 **PROPERTY, contact Senior Land Development Investigator Leslie Sennett with the Code**
12 **Enforcement Division (CED) of the City's Development Services Department to schedule an**
13 **inspection of the entire PROPERTY.**

14 a. If during the inspection, CES determines the existence of other code violations at
15 the PROPERTY, DEFENDANTS agree to correct these additional code violations and obtain all
16 required inspections and approvals as required by CES.

17 **16. Allow personnel from the City of San Diego access to the PROPERTY to inspect for**
18 **compliance upon 24-hour verbal or written notice. Inspections shall occur between the hours of**
19 **8:00 a.m. and 5:00 p.m.**

20 **MONETARY RELIEF**

21 **17. Within 15 calendar days from the date of signing this Stipulation, DEFENDANTS**
22 **shall pay Plaintiff City of San Diego, for Development Services Department, Code Enforcement**
23 **Section's investigative costs, the amount of \$890.03. Payment shall be in the form of a certified**
24 **check, payable to the "City of San Diego," and shall be in full satisfaction of all costs associated**
25 **with the City's investigation of this action to date. The check shall be mailed or personally**
26 **delivered to the Office of the City Attorney, 1200 Third Avenue, Suite 500, San Diego, CA**
27 **92101, Attention: Gabriela Brannan.**

28

1 18. DEFENDANTS shall pay Plaintiff City of San Diego, civil penalties in the amount of
2 \$25,000, pursuant to SDMC section 12.0202(b) in full satisfaction of all claims against
3 DEFENDANTS arising from any of the past violations alleged by Plaintiff in this action. **\$17,500**
4 **of these penalties is immediately suspended.** These suspended penalties shall only be imposed
5 if DEFENDANTS fail to comply with the terms of this Stipulation. Plaintiff City of San Diego,
6 agrees to notify DEFENDANTS in writing if imposition of the penalties will be sought by
7 Plaintiff and on what basis. Civil penalties shall be paid in the form of certified check, payable to
8 the "City of San Diego," and delivered to the Office of the City Attorney, Code Enforcement
9 Unit, 1200 Third Avenue, Suite 700, San Diego, California 92101, Attention: Gabriela Brannan.

10 a. Payment of the \$7,500 in civil penalties that are due and payable will be made in
11 monthly installment payments of \$1,500 each. The first payment of \$1,500 will be paid by
12 January 15, 2015, and then monthly payments of \$1,500 will be made on or before the 15th of
13 each month until paid in full.

14 **ENFORCEMENT OF JUDGMENT**

15 19. In the event of default by DEFENDANTS as to any amount due under this Final
16 Judgment, the entire amount due shall be deemed immediately due and payable as penalties to the
17 City of San Diego, and Plaintiff shall be entitled to pursue any and all remedies provided by law
18 for the enforcement of this Final Judgment. Further, any amount in default shall bear interest at
19 the prevailing legal rate from the date of default until paid in full.

20 20. Nothing in this Final Judgment shall prevent any party from pursuing any remedies as
21 provided by law to subsequently enforce this Final Judgment or the provisions of the SDMC,
22 including criminal prosecution and civil penalties that may be authorized by the court according
23 to the SDMC at a cumulative rate of up to \$2,500 per day per violation.

24 21. DEFENDANTS agree that any act, intentional or negligent, or any omission or failure
25 by their contractors, successors, assigns, partners, members, agents, employees or representatives
26 to comply with the requirements set forth in Paragraphs 10-18 above will be deemed to be the act,
27 omission, or failure of DEFENDANTS and shall not constitute a defense to a failure to comply
28 with any part of this Final Judgment. Further, should any dispute arise between any contractor,

1 successor, assign, partner, member, agent, employee or representative of DEFENDANTS for any
2 reason, DEFENDANTS agree that such dispute shall not constitute a defense to any failure to
3 comply with any part of this Final Judgment, nor justify a delay in executing its requirements.

4 **RETENTION OF JURISDICTION**

5 22. The Court will retain jurisdiction for the purpose of enabling any of the parties to this
6 Final Judgment to apply to this Court at any time for such order or directions that may be
7 necessary or appropriate for the construction, operation or modification of the Final Judgment, or
8 for the enforcement or compliance therewith.

9 **KNOWLEDGE AND ENTRY OF JUDGMENT**

10 23. By signing this Final Judgment, DEFENDANTS admit personal knowledge of the
11 terms set forth herein. Service by mail shall constitute sufficient notice for all purposes.

12 24. The clerk is ordered to immediately enter this Final Judgment.

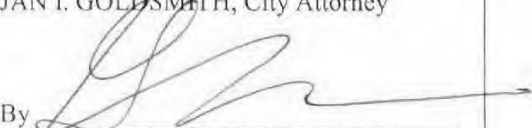
13 **RECORDATION OF JUDGMENT**

14 25. A certified copy of this Judgment shall be filed in the Office of the San Diego County
15 Recorder pursuant to the legal description of the PROPERTY.

16 **IT IS SO STIPULATED.**

17 Dated: 12/29/, 2014

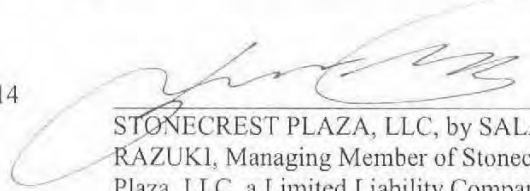
JAN I. GOLDSMITH, City Attorney

18
19 By 
20 Gabriela Brannan
21 Deputy City Attorney
22 Attorneys for Plaintiff

23 Dated: 12/23/, 2014

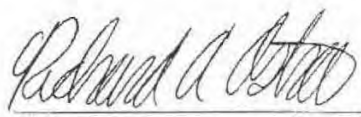

24 SALAM RAZUKI, an individual

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26 Dated: 12/23/, 2014


27 STONECREST PLAZA, LLC, by SALAM
28 RAZUKI, Managing Member of Stonecrest
Plaza, LLC, a Limited Liability Company

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Dated: 12/23, 2014



Richard Ostrow, Attorney for Defendants
STONECREST PLAZA, LLC, and SALAM
RAZUKI

Upon the stipulation of the parties hereto and upon their agreement to entry of this Final Judgment without trial or adjudication of any issue of fact or law herein, and good cause appearing therefore, IT IS SO ORDERED, ADJUDGED AND DECREED.

Dated: JAN - 6 2015



JUDGE OF THE SUPERIOR COURT
RONALD S. PRAGER

City of San Diego v. Stonecrest Plaza, L.L.C., et al., Case No. 37-2014-00009664 -CU-MC-CTL

Exhibit 7

FOR SUPPLEMENTAL DECLARATION OF SALAM RAZUKI DATED AUGUST 12, 2018

Certificate No. 13

For 20% Membership Interest(s)

Issued to SALAM RAZUKI

From whom transferred

Received Certificate No. _____

for

this _____ day of _____,

Dated NOVEMBER 8, 2017

Dated _____

NO. ORIGINAL MEMBERSHIP CERTIFICATE

ORIGINAL MEMBERSHIP INTEREST(S)

MEMBERSHIP INTEREST(S) TRANSFERRED



NUMBER 13



ORGANIZED UNDER THE LAWS OF THE STATE OF CALIFORNIA DECEMBER 1, 2015

20%

SUNRISE PROPERTY INVESTMENTS, LLC

THE MEMBERSHIP INTERESTS REPRESENTED BY THIS CERTIFICATE HAVE BEEN ISSUED UNDER THE LIMITED OFFERING EXEMPTION PROVIDED BY SEC. 25102(f) OF THE CALIFORNIA CORPORATIONS CODE.

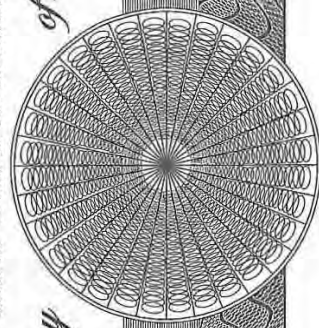
This Certifies that SALAM RAZUKI is the registered holder of TWENTY PERCENT (20%) Membership Interest(s) of the above named Company, transferable only on the books of the Company by the holder hereof in person or by Attorney upon surrender of this Certificate properly endorsed and in accordance with the terms and conditions of the Articles of Organization and the Operating Agreement of the Company, as amended to the date of transfer, copies of which may be inspected and copied during normal business hours at the principal office of the Company.

In Witness Whereof, the said Company has caused this Certificate to be signed by its duly authorized Manager(s) or Officer(s) and its Seal to be hereunto affixed.

this 8TH day of NOVEMBER 2017

of NOVEMBER 2017

Mishu Yousef
MISHU YOUSEF
MANAGER



Sami Hakimis
SAMI HAKIMIS
MANAGER

Exhibit 8

FOR SUPPLEMENTAL DECLARATION OF SALAM RAZUKI DATED AUGUST 12, 2018

Certificate No. 4 For 27% Membership Interest(s) From whom transferred SALAM RAZUKI Received Certificate No. _____
 Issued to SALAM RAZUKI Dated NOVEMBER 8, 2017, MEMBERSHIP INTEREST(S) TRANSFERRED _____
 for this day of _____, ORIGINAL CERTIFICATE NO. _____ ORIGINAL MEMBERSHIP INTEREST(S) _____

NUMBER 4 ORGANIZED UNDER THE LAWS OF THE STATE OF CALIFORNIA MAY 10, 2017 27%

SUPER 5 CONSULTING GROUP, LLC

THE MEMBERSHIP INTERESTS REPRESENTED BY THIS CERTIFICATE HAVE BEEN ISSUED UNDER THE LIMITED OFFERING EXEMPTION PROVIDED BY SEC. 25102(D) OF THE CALIFORNIA CORPORATIONS CODE

This Certifies that SALAM RAZUKI is the registered holder of TWENTY SEVEN PERCENT (27%) Membership Interest(s) of the above named Company, transferable only on the books of the Company by the holder hereof in person or by Attorney upon surrender of this Certificate properly endorsed and in accordance with the terms and conditions of the Articles of Organization and the Operating Agreement of the Company, as amended to the date of transfer, copies of which may be inspected and copied during normal business hours at the principal office of the Company.

In Witness Whereof, the said Company has caused this Certificate to be signed by its duly authorized Manager(s) or Officer(s) and its Seal to be hereunto affixed.

this 8TH day of NOVEMBER A.D. 2017


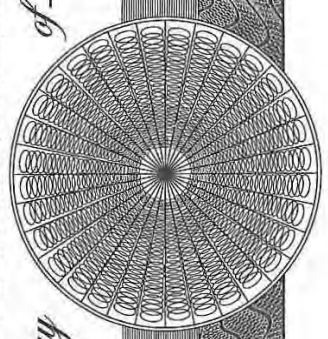

 MANAGER
 MANAGER
 MANAGER

Exhibit 9

FOR SUPPLEMENTAL DECLARATION OF SALAM RAZUKI DATED AUGUST 12, 2018

COPIES REQUESTED BY:
Investments, LLC

FOR TAX STATEMENTS AND
WHEN RECORDED MAIL TO:

RAZUKI INVESTMENTS, LLC
7977 BROADWAY
LEMON GROVE, CA 91945

DOC# 2015-0622335



Dec 03, 2015 03:39 PM
OFFICIAL RECORDS
Ernest J. Dronenburg, Jr.,
SAN DIEGO COUNTY RECORDER
FEES: \$39.00
PCOR: N/A
PAGES: 3

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE

DEED OF TRUST AND ASSIGNMENT OF RENTS

This DEED OF TRUST, made 20TH day November, between AMERICAN LENDING AND HOLDINGS, LLC, a California Limited Liability Company, herein called Trustor, whose address is 4750 70th Street, Unit 20 La Mesa, CA 91942, and RAZUKI INVESTMENTS, LLC, a California Limited Liability Company, herein called BENEFICIARY, *and RazuKi Investment LLC, a California Limited Liability Company herein called Trustee*

WITNESSETH: That Trustor IRREVOCABLY GRANTS, TRANSFERS AND ASSIGNS TO TRUSTEE IN TRUST, WITH POWER OF SALE, that property in the County of San Diego, State of California, described as:

14515 ARROYO HONO, SAN DIEGO, CA 92127. Lot: 103 TR 14438 Subdivision: SANTA MONICA UNIT # 3 Abbreviated Description: LOT: 103 TR: 103 CITY: SAN DIEGO SUBD: SANTA MONICA UNIT # 3 014438 *LOT 103* N 40* City/Muni/Twp: SAN DIEGO

TOGETHER WITH the rents, issues and profits thereof, SUBJECT, HOWEVER, to the right, power and authority hereinafter given to and conferred upon Beneficiary by paragraph (10) of the provisions incorporated herein by reference to collect and apply such rents, issues and profits.

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, and any extension or renewal thereof, in the **PRINCIPAL SUM OF \$ 700,000** executed by Trustor in favor of Beneficiary or order. (3) Payment of such further sums as the then record owner of said property hereafter may borrow from Beneficiary, when evidenced by another note (or notes) reciting it so secured.

The following is a copy of provisions (1) to (14), inclusive, of the fictitious Deed of Trust, recorded in each county in California, as stated in the foregoing Deed of Trust and incorporated by reference in said Deed of Trust as being a part thereof as set forth at length therein.

To protect the Security of this Deed of Trust, Trustor Agrees:

(1) To keep said property in good condition and repair; not to remove or demolish any building thereon; to complete or restore promptly and in good and workmanlike manner any building which may be constructed, damaged or destroyed thereon and to pay when due all claims for labor performed and materials furnished therefor; to comply with all laws affecting said property or requiring any alterations or improvements to be made thereon; not to commit or permit waste thereof; not to commit, suffer or permit any act upon said property in violation of law; to cultivate, irrigate, fertilize, fumigate, prune and do all other acts which from the character or use of said property may be reasonably necessary, the specific enumerations herein not excluding the general.

(2) To provide, maintain and deliver to Beneficiary fire 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 at option of Beneficiary the entire amount so collected or any part thereof may be released 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.

(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 appear, and in any suit brought by Beneficiary to foreclose this Deed.

(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 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.

Should Trustor fail to make any payment or to do any act as herein provided, then Beneficiary or Trustee, but without obligation so

to do, 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 the 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 Trustee; 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.

(5) To pay immediately and without demand all sums so expended by Beneficiary or Trustee, with interest from date of expenditure at the amount allowed by law in effect at the date hereof, and to pay for any statement provided for by law in effect at the date hereof regarding the obligation secured hereby any amount demanded by the Beneficiary not to exceed the maximum allowed by law at the time when said statement is demanded.

(6) That 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 and shall be paid to Beneficiary who may apply or release such monies received by him in the same manner and with the same effect as above provided for disposition of proceeds of fire or other insurance.

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

(8) That at any time or from time to time, without liability therefor 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 or plat thereof; join in granting any easement thereon; or join in any extension agreement or any agreement subordinating the lien or charge hereof.

(9) That 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". Five years after issuance of such full reconveyance, Trustee may destroy said note and this Deed (unless directed in such request to retain them).

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

(11) That 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 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 to be sold said property, which notice Trustee shall cause to be filed for record. Beneficiary also shall deposit with Trustee this Deed, said note and all documents evidencing expenditures secured hereby.

After the lapse of such time as may then be required by law following the recordation of said notice of default, and notice of sale having been given as then required by law, Trustee, without demand on Trustor, shall sell said property at the time and place 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, express 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.

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 to payment of: all sums expended under the terms hereof, not then repaid, with accrued interest at the amount allowed by law in effect at the date hereof; all other sums then secured hereby; and the remainder, if any, to the person or persons legally entitled thereto.

Exhibit 10

FOR SUPPLEMENTAL DECLARATION OF SALAM RAZUKI DATED AUGUST 12, 2018

Recorded Requested By
First American Title
San Diego

F

WHEN RECORDED MAIL TO

SALAS FINANCIAL
9320 CHESAPEAKE DR. STE. 116
SAN DIEGO, CA. 92123

Order No. 5454824
Escrow No. 1826
Loan No. 1826

DOC# 2017-0217174



May 15, 2017 02:24 PM

OFFICIAL RECORDS
Ernest J. Dronenburg, Jr.,
SAN DIEGO COUNTY RECORDER

FEES: \$51.00

PCOR: N/A

PAGES: 7

SPACE ABOVE THIS LINE FOR RECORDERS USE

FIRST DEED OF TRUST WITH ASSIGNMENT OF RENTS

(SHORT FORM)

APN: 369-150-12-15; 369-150-13-23; 303-210-08-00; 260-580-13-00

This DEED OF TRUST, made May 11, 2017, between SAN DIEGO UNITED HOLDINGS GROUP, LLC AS TO PARCEL 3 & 4; AMERICAN LENDING AND HOLDINGS, LLC, AS TO PARCEL 1 AND RAZUKI INVESTMENTS, LLC AS TO PARCEL 2 herein called TRUSTOR, whose address is 7977 BROADWAY, LEMON GROVE, CA 91945, and **STATEWIDE RECONVEYANCE GROUP, INC. dba STATEWIDE FORECLOSURE SERVICES**, a California Corporation, herein called TRUSTEE, and MICHAEL J. HALL AND LINDA D. HALL, TRUSTEES OF THE HALL FAMILY TRUST DATED JUNE 14, 1989, herein called BENEFICIARY.

WITNESSETH, That Trustor grants to Trustee In Trust, with Power of Sale, that certain Real Property in the County of SAN DIEGO, State of California, described as follows:

SEE LEGAL EXHIBIT "A" ATTACHED

Property Address; 8861 BALBOA AVE STE B. & 8863 BALBOA AVE STE. E, SAN DIEGO, CA; 14515 ARROYO HONDO, SAN DIEGO, CA & 1341 LOCH LOMOND DR, CARDIFF BY THE SEA, CA

RELEASE CLAUSE: LENDER AGREES TO RELEASE 14515 ARROYO HONDO, SAN DIEGO AND 1341 LOCH LOMOND, CARDIFF BY THE SEA, CA UNDER THIS BLANKET DEED OF TRUST FOR \$50,000.00 PRINCIPAL PAYDOWN ON EACH PROPERTY FROM ANY VALID SALE PROVIDED THE LOAN IS CURRENT. LENDER WILL HAVE THE RIGHT TO APPROVE ALL PROPOSED SALES. OVER AND ABOVE DIRECT COSTS FOR THE PARTIAL RECONVEYANCES INCLUDED BUT NOT LIMITED TO, TITLE FEES, NOTARY FEES AND RECORDING FEES, THERE WILL BE A \$250.00 CHARGE PER PARTIAL RELEASE CHARGED TO THE BORROWER.

DUE-ON-SALE Beneficiary may, at its election, declare all the sums secured by this Trust Deed (including, but not limited to, all the principal an interest under the note) to be immediately due and payable upon the occurrence of any of the following events: (a) the sale or other transfer, or further encumbrancing, of all or any part of the property secured hereby ("property"), or any interest in the property, voluntarily or involuntarily, by operation of law or otherwise; or (b) in the event trustor is a corporation, partnership, or other entity, then upon any sale, assignment, or transfer of any ownership interest (whether stock, partnership interest, or otherwise) in trustor. If the ownership of all or any part of the property becomes vested in a person other than Trustors, beneficiary may, without notice to trustors, deal in a way with such successor or successors in interest with reference to this Trust Deed and other sums secured by this Trust Deed as fully and to the same extent as it might deal with the original parties to this Trust Deed and without in any way releasing or discharging the indebtedness or trustors' liability under any of the security instruments. No sale of all or any part of the property and no grant of forbearance to any person by beneficiary shall operate to release, discharge, modify, change or affect the original liability of trustors either in whole or part. This clause applied in the event that any part of the property is transferred without the consent and approval of the beneficiary (ies).

Together with the rents, issues and profits hereof, subject, however, to the right, power and authority hereinafter given to and conferred upon Beneficiary to collect and apply such rents, issues and profits.

For the Purpose of Securing the sum of \$500,000.00 with interest thereon according to the terms of a promissory note or notes of even date herewith made by Trustor, payable to order of Beneficiary, and extensions or renewals thereof, and (2) the performance of each agreement of Trustor incorporated by reference or contained herein (3) Payment or additional sums and

interest thereon which may hereafter be loaned to Trustor , or his successors or assigns, when evidenced by a promissory note or notes reciting that they are secured by this Deed of Trust.

To protect the security of this Deed of Trust, and with respect to the property above described, Trustor expressly makes each and all of the agreements, and adapts and agrees to perform and be bound by each and all of the terms and provisions set forth in subdivision A, and it is mutually agreed that each and all the terms and provisions set forth in subdivision B of the fictitious deed of trust recorded in Orange County August 17, 1964, and in all other counties August 18, 1964. In the book and at the page of Official Records in the office of the county recorder of the county where said property is located, noted below opposite the name of such county, namely:

COUNTY	BOOK	PAGE	COUNTY	BOOK	PAGE	COUNTY	BOOK	PAGE	COUNTY	BOOK	PAGE
Alameda	1288	556	Kings	858	713	Placer	1028	379	Sierra	38	107
Alpine	3	130-31	Lake	437	110	Plumas	166	1307	Siskiyou	506	762
Amador	133	438	Lassen	192	367	Riverside	3770	347	Solano	1287	621
Butte	1330	513	Los Angeles	T-3878	874	Sacramento	5039	124	Sonoma	2067	427
Calaveras	185	338	Madera	911	136	San Benito	300	405	Stanislaus	1970	56
Colusa	323	391	Marin	1849	122	San Bernardino	6213	768	Sutter	655	585
Contra Costa	4684	1	Mariposa	90	453	San Francisco	A-804	596	Tehama	457	183
Del Norte	101	549	Mendocino	667	99	San Joaquin	2855	283	Trinity	108	595
El Dorado	704	635	Merced	1660	753	San Luis Obispo	1311	137	Tulare	2530	108
Fresno	5052	623	Modoc	191	93	San Mateo	4778	175	Tuolumne	177	160
Glenn	469	76	Mono	69	302	Santa Barbara	2065	881	Ventura	2607	237
Humboldt	801	83	Monterey	357	239	Santa Clara	626	664	Yolo	769	16
Imperial	1189	701	Napa	704	742	Santa Cruz	1638	607	Yuba	398	693
Inyo	165	672	Nevada	363	94	Shasta	800	633			
Kern	3756	690	Orange	7182	18	San Diego SERIES 5	Book	1964,	Page	149774	

shall insure to and bind the parties hereto, with respect to the property above described. Said agreements, terms and provisions contained in said subdivision A and B, (Identical in all counties, and printed on the following pages hereof) are by the within reference thereto, incorporated herein and made a part of this Deed of Trust for all purposes as fully as if set forth at length herein, and Beneficiary may charge for a statement regarding the obligation secured hereby, provided the charge therefore does not exceed the maximum allowed by law.

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 hereinbefore set forth.

San Diego United Holdings Group LLC, a California limited liability company

BY: 
 Ninus Malan, Managing Member

American Lending and Holdings, LLC, a California limited liability company

BY: 
 Ninus Malan, Manager

Razuki Investments, L.L.C., a California limited liability company

BY: 
 Salam Razuki, Member

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

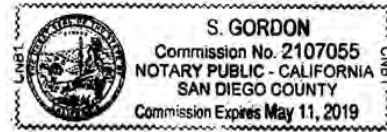
STATE OF CALIFORNIA
COUNTY OF SAN Diego SS.

On MAY 12, 2017 before me, S. GORDON Notary Public, personally appeared NINUS/MAIAN AND SALAM BAZUKI 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 acknowledge 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]
Signature of Notary Public



(Notary seal)

SF-DEED.DOC

DO NOT RECORD

The following is a copy of Subdivisions A and B of the fictitious Deed of Trust recorded in each county in California as stated in the foregoing Deed of Trust and incorporated by reference in said Deed of Trust and being a part thereof as set forth at length therein.

A. To protect the security of this Deed of Trust, Trustor agrees:

(1) To keep said property in good condition and repair; not to remove or demolish any building hereon; to complete or restore promptly and in good and workmanlike manner any building which may be constructed, damaged or destroyed thereon and to pay when due all claims for labor performed and materials furnished therefore; to comply with all laws affecting said property or requiring any alterations or improvements to be made thereon; not to commit or permit waste thereof; not to commit, suffer or permit any act upon said property in violation of law; to cultivate, irrigate, fertilize, fumigate, prune and do all other acts which the character or USE of said property may be reasonably necessary, the specific enumerations herein not excluding the general.

(2) To provide, maintain and deliver to Beneficiary fire 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 at option of Beneficiary the entire amount so collected or any part thereof may be released to Trustor. Such application or release shall not cure or waive any default hereunder or invalidate any act done pursuant to such notice.

(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 cost 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 appear, and in any suit brought by Beneficiary to foreclose this Deed.

(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 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.

Should Trustor fail to make any payment or to do any act as herein provided, then Beneficiary or Trustee, but without obligation to do 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 the 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 Trustee; pay, purchase, contest or compromise any encumbrance, charge or lien which 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.

(5) To pay immediately and without demand all sums so expended by Beneficiary or Trustee, with interest from date of expenditure at the amount allowed by law in effect at the date hereof, and to pay any statement provided for by law in effect at the date hereof regarding the obligation secured hereby and amount demanded by the Beneficiary not to exceed the maximum allowed by law at the time when said statement is demanded.

B. It is mutually agreed:

(1) That 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 and shall be paid to Beneficiary who may apply or release such moneys received by him in the same manner and with the same effect as above provided for disposition of proceeds of fire or other insurance.

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

(3) That 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 or plat thereof; join in gaining any easement thereon; or join in any extension agreement or any agreement subordinating the lien or charge thereof.

(4) That 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 or other disposition as Trustee in its sole discretion may choose 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 Guarantee in such reconveyance may be described as "the person or persons legally entitled hereto."

(5) That as additional security, Trustor hereby gives to and confers upon Beneficiary the right, power and authority, during the continuance of the 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, issue, and profits, including those past due and unpaid, and apply the same, less cost 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 rents, issues and profits and the application thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

(6) That 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 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 to be sold said property, which notice Trustee shall cause to be filed for record. Beneficiary also shall deposit with Trustee this Deed, said note and all documents evidencing expenditures secured hereby.

May 11, 2017

Escrow No. 1826

After the lapse of such time as may be required by law following the recordation of said notice of default, and notice of sale having been given as then required by law, Trustee, without demand on Trustor, shall sell said property at the time and place 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, express or implied. The recitals in such deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person, including Trustor, or Beneficiary as hereinafter defined, may purchase at such sale.

After deducting all cost, 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 to payments of; all sums expended under the terms hereof, not then repaid, with accrued interest at the amount allowed by law in effect at the date hereof; all other sums then secured hereby; and the remainder, if any, to the person or persons legally entitled thereto.

(7) Beneficiary, or any successor in ownership of any indebtedness secured hereby, may from time to time, by instrument in writing, substitute a successor or successors to any Trustee named herein or acting hereunder, which instrument, executed by the Beneficiary and duly acknowledged and recorded in the office of the recorder of the county or counties where said property is situated, shall be conclusive proof of proper substitution of such successor Trustee, who shall, without conveyance from the Trustee predecessor, succeed to all its title, estate, rights, powers and duties. Said instrument must contain the name of the original Trustor, Trustee and Beneficiary hereunder, the book and page where this Deed is recorded and the name and address of the new Trustee.

(8) That this Deed applies to, inures to the benefit of, and binds all parties hereto, their heirs, legatees, devisees, administrators, successors and assigns. The term Beneficiary shall mean the owner and holder, including pledges, of the note secured hereby, whether or not named as Beneficiary herein. In this Deed, whenever the context so requires, the masculine gender includes the feminine and/or neuter, and the singular number includes the plural.

(9) That 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.

DO NOT RECORD

REQUEST FOR FULL RECONVEYANCE

TO STATEWIDE RECONVEYANCE GROUP, INC., dba STATEWIDE FORECLOSURE SERVICES, TRUSTEE:

The undersigned is the legal owner and holder of the note or notes or notes, and of all other indebtedness secured by the foregoing Deed of Trust. Said note and notes, together with all other indebtedness secured by said Deed of Trust, have been fully paid and satisfied; and you are hereby requested and directed, on payment to you of any sums owing to you under the terms of said Deed of Trust, to cancel said note or notes above mentioned, and all other evidences of indebtedness secured by said Deed of Trust delivered to you herewith, together with the said Deed of Trust, and to reconvey, without warranty, to the parties designated by the terms of said Deed of Trust, all the estate now held by you under the same.

Dated _____

Please mail Deed of Trust, Note and reconveyance to:

Do not lose or destroy this Deed of Trust OR THE NOTE which it secures. Both must be delivered to the Trustee for cancellation before reconveyance will be made.

May 11, 2017

Escrow No. 1826

Exhibit A

LEGAL DESCRIPTION

Real property in the City of San Diego, County of San Diego, State of California, described as follows:

PARCEL 1: (APN: 303-210-08-00)

LOT 103 OF SANTA MONICA UNIT NO. 3, IN THE CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 14438, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, ON SEPTEMBER 13, 2002.

PARCEL 1A:

A NON-EXCLUSIVE EASEMENT IN COMMON WITH OTHER OWNERS, FOR INGRESS, EGRESS, USE AND ENJOYMENT, OVER, IN, TO AND THROUGHOUT THE ASSOCIATION PROPERTY DESCRIBED IN THE DECLARATION, SUBJECT TO THE LIMITATIONS SET FORTH THEREIN, WHICH EASEMENT IS APPURTENANT TO THE RESIDENTIAL LOT DESCRIBED ABOVE.

Real property in the City of Encinitas, County of San Diego, State of California, described as follows:

PARCEL 2: (APN: 260-580-13-00)

LOT 27 OF OCEAN CREST ESTATES IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF #4999 FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY JUNE 27, 1962.

Real property in the City of San Diego, County of San Diego, State of California, described as follows:

A CONDOMINIUM COMPRISED OF:

PARCEL 3: (APN: 369-150-13-23)

AN UNDIVIDED 1/46TH INTEREST IN AND TO THE SOUTHWESTERLY 219.55 FEET OF THE NORTHEASTERLY 413.55 FEET OF LOT 9 OF THE CITY OF SAN DIEGO INDUSTRIAL PARK UNIT NO. 2, IN THE CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 4113, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, MARCH 12, 1959.

EXCEPTING THEREFROM ALL OFFICE UNITS AND INDUSTRIAL UNITS AS SHOWN UPON THAT CERTAIN CONDOMINIUM PLAN RECORDED JULY 31, 1981 AS FILE/PAGE NO. 81-242888 OF OFFICIAL RECORDS.

ALSO EXCEPTING THEREFROM THE EXCLUSIVE RIGHT TO USE AND POSSESSION OF ALL THOSE EXCLUSIVE USE AREAS DESIGNATED AS PARKING SPACES AS SHOWN UPON THE CONDOMINIUM PLAN ABOVE REFERRED TO.

PARCEL 3A:

UNIT NO. 8863E AS SHOWN ON THE CONDOMINIUM PLAN REFERRED TO IN PARCEL 3 ABOVE.

PARCEL 3B:

THE EXCLUSIVE RIGHT TO USE AND POSSESSION OF THOSE PORTIONS OF SAID LAND DESCRIBED IN PARCEL 3 ABOVE, DESIGNATED AS PARKING SPACE NOS. E-32 AND E-31.

A CONDOMINIUM COMPRISED OF:

PARCEL 4: (APN: 369-150-13-15)

AN UNDIVIDED 1/46THS INTEREST IN AND TO THE SOUTHWESTERLY 219.55 FEET OF THE NORTHEASTERLY 413.55 FEET OF LOT 9 IN THE CITY OF SAN DIEGO INDUSTRIAL PARK UNIT NO. 2, IN THE CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 4113, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, MARCH 12, 1959.

EXCEPTING THEREFROM ALL OFFICE UNITS AND INDUSTRIAL UNITS AS SHOWN UPON THAT CERTAIN CONDOMINIUM PLAN RECORDED JULY 31, 1981 AS INSTRUMENT NO. 81-242888, OF OFFICIAL RECORDS.

ALSO EXCEPTING THEREFROM THE EXCLUSIVE RIGHT TO USE AND POSSESSION OF ALL THOSE EXCLUSIVE USE AREAS DESIGNATED AS PARKING SPACES AND AIRPLANE PARKING SPACES AS SHOWN UPON THE CONDOMINIUM PLAN ABOVE REFERRED TO.

PARCEL 4A:

UNIT 8861B AS SHOWN ON THE CONDOMINIUM PLAN REFERRED TO IN PARCEL 4 ABOVE.

PARCEL 4B:

THE EXCLUSIVE RIGHT TO USE AND POSSESSION OF THOSE PORTIONS OF SAID LAND DESCRIBED IN PARCEL 4 ABOVE, DESIGNATED AS PARKING SPACE NO. B48, B47, AIRPLANE PARKING SPACE NO. (NONE).

Exhibit 11

FOR SUPPLEMENTAL DECLARATION OF SALAM RAZUKI DATED AUGUST 12, 2018

Recorded Requested by
First American Title
San Diego

R Y:

LOAN NUMBER: 1826
WHEN RECORDED MAIL TO

SALAS FINANCIAL
9320 CHESAPEAKE DR. STE. 116
SAN DIEGO, CA 92123

DOC# 2017-0217173



May 15, 2017 02:24 PM

OFFICIAL RECORDS
Ernest J. Dronenburg, Jr.,
SAN DIEGO COUNTY RECORDER
FEES: \$39.00
PCOR: N/A
PAGES: 2

APN: 369-150-13-23;369-150-13-15

SPACE ABOVE THIS LINE FOR RECORDERS USE

SUBSTITUTION OF TRUSTEE AND DEED OF RECONVEYANCE

WHEREAS, SAN DIEGO UNITED HOLDINGS GROUP, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY was the original Trustor, ALLISON-MCCLOSKEY ESCROW COMPANY, A CALIFORNIA CORPORATION the original Trustee, and RAZUKI INVESTMENTS, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY, the original Beneficiary under that certain Deed of Trust dated MARCH 1, 2017 and recorded on MARCH 20, 2017, in book NA, Page NA, Instrument No./Series No. 2017-0126557 of Official Records of SAN DIEGO County, California, and **WHEREAS**, the undersigned present beneficiary desires to substitute a new Trustee under said Deed of Trust in the place of said original Trustee thereunder, in the manner in said Deed of Trust provided. **NOW, THEREFORE**, the undersigned Beneficiary hereby substitutes RAZUKI INVESTMENTS, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY, whose address is: 7977 BROADWAY AVE, LEMON GROVE, CA 91954, as Trustee under said Deed of Trust, Said Trustee hereby accepts the appointment and **DOES HEREBY RECONVEY** without warranty, to the person or persons legally entitled thereof, the Estate now held by him thereunder.

Whenever the context hereof so requires, the masculine gender includes the feminine and/or neuter, and the singular number includes the plural.

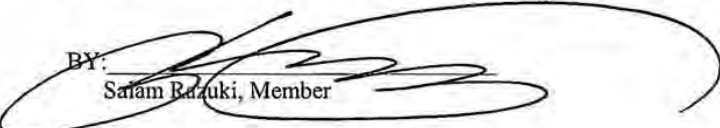
THIS DOCUMENT MAY BE SIGNED IN COUNTERPART AND INCORPORATED AS ONE DOCUMENT.

D

ATE: May 12, 2017

Razuki Investments, L.L.C., a California limited liability company

BY:


Safam Razuki, Member


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 SS.

On MAY 12, 2017 before me, S. GORDON, NOTARY PUBLIC, personally appeared SALAM RAZUKI 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 acknowledge 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 of Notary Public
SF-SR.DOC



(Notary seal)

Exhibit 12

FOR SUPPLEMENTAL DECLARATION OF SALAM RAZUKI DATED AUGUST 12, 2018

ESCROW TRUST RECEIPT

Allison-McCloskey Escrow Company
4820 El Cajon Boulevard
San Diego, CA 92115-4695
(619) 583-5110

Receipt No.: 278320
Escrow No.: 146761S-CG
Date: May 23, 2017

RECEIVED FROM: Razuki Investment LLC
FOR THE ACCOUNT 8859 Balboa Avenue, # A, B, C, D & E
Two Hundred Thousand and

WIRE Transfer
Buyer
DOLLARS

ABA #	BANK NAME, CASHIER'S CHECK, ETC.	Amount
	Incoming Wire	\$200,000.00

TOTAL \$200,000.00

RECEIVED AFTER HOURS

BY: Kim _____

-File-

Exhibit 13

FOR SUPPLEMENTAL DECLARATION OF SALAM RAZUKI DATED AUGUST 12, 2018

Customer Information	
Name: RAZUKI INVESTMENT, LLC Phone: (619)719-6661	Address: 7977 BROADWAY LEMON GROVE CA 919450000 US

Account Information	
Account: BUS_3301 Account Title: RAZUKI INVESTMENT, LLC Requestor Name: SALAM M RAZUKI	

Wire Information	
Wire Type: DOMESTIC Country: US Currency of Recipient: USD Account: USD Source: IN PERSON	Wire Date: 05/23/2017 Wire Amount (USD): 200,000.00 Wire Fee: 30.00
ID Verification ID Type: DRIVER'S LICENSE (WITH PHOTO) FROM ID Type: MAJOR CREDIT CARD FROM ANOTHER FINA	

Recipient Information	
Recipient Name: ALLISON-MCCLOSKEY ESCROW COMPANY Account Number Type: ACCOUNT NUMBER Account Number: ██████████500██████ Address: 4820 EL CAJON BLVD SAN DIEGO CALIFORNIA 92115 US	Bank Name: CITY NATIONAL BANK Bank ID: 122016066 Address: 555 S FLOWER ST LOS ANGELES CA 90071 US

Information about payment:
Purpose of Payment: TRADE RELATED
Additional Reference Information: REF ESCROW TRUST ACCOUNT / CLAUDA S. GARCIA
Additional Bank Instructions:

Customer Approval

I authorize Bank of America to transfer my funds as set forth in the instructions herein (including debiting my account if applicable), and agree that such transfer of funds is subject to the Bank of America standard transfer agreement (see disclosure pages of this form) and applicable fees. If this is a foreign currency wire transfer, I accept the conversion rate provided by Bank of America at the time the wire is sent.
For a Consumer International wire: We rely on you, the customer, to inform us of the currency of the receiving account (denoted under 'Currency of Recipient Account') so that we may disclose the exchange rate for conversion in the wire process. If you chose to send USD rather than the foreign currency of the account, we will honor your choice, however, we will not be able to provide exchange rate information. Additionally, so that we may provide required disclosures, you must remain in the financial center until we provide you the Remittance Transfer Receipt (RTR). If you leave prior to receiving the RTR, we will cancel the international remittance transfer.

Customer Signature:  Date of Request: 5/23/2017

For Bank Use Only: Wire Initiation/Financial Center Information			
Financial Center Name	LEMON GROVE	Date:	May 23, 2017
Company # / Cost Center #:	00318 0000917	Phone #:	619-644-2133
Initiating Associate Name:	AGUILAR, LILIANA	Remittance ID #:	CBQBCGEZS
Indicate Method of Signature Verification (if applicable):	Sig Card	Bus. Resolution	<input checked="" type="checkbox"/> Posted Check # 2280

Exhibit 14

FOR SUPPLEMENTAL DECLARATION OF SALAM RAZUKI DATED AUGUST 12, 2018

LOAN GUARANTY

THIS LOAN GUARANTY (this "Guaranty Agreement") is made as of February 28, 2017 by SALAM RAZUKI and HAITH RAZUKI (jointly and severally, "Guarantor"), in favor of JOSEPH BANOS ("Lender"), with reference to the following facts:

RECITALS:

A. Lemon Grove Plaza LP ("Borrower"), has requested that Lender make a loan (the "Loan") which Loan is evidenced by that certain Secured Promissory Note (the "Note") of even date herewith by Borrower in favor of Lender, in the original principal amount of Seven Hundred Fifty Thousand Dollars (\$750,000.00), which Note is secured by that certain Deed of Trust and Assignment of Rents (the "Deed of Trust") dated or about the date hereof and recorded in the Official Records of the County Recorder's Office in San Diego, California which Deed of Trust encumbers that certain real property (the "Property") situated in the City of Lemon Grove, County of San Diego, State of California, as more particularly described in the Deed of Trust.

B. The Note and the Deed of Trust, together with any and all other documents executed and delivered to Lender in connection with the Loan, and any and all extensions, modifications and renewals thereof, shall hereinafter be referred to collectively as the "Loan Documents."

C. In order to induce Lender to make the Loan, Borrower has agreed to procure and deliver this Guaranty Agreement to be executed by Guarantor.

D. Lender has refused to make the Loan unless this Guaranty Agreement is executed by Guarantor and delivered to Lender.

E. Guarantor has read and understand the Loan Documents executed in connection with the Loan. By reason of Guarantor's relationship to Borrower and for the reason that Lender requires this Guaranty Agreement to adequately support Borrower's obligation to repay the Loan and perform the obligations of Borrower under the Loan Documents, Guarantor acknowledges that Guarantor has received good, valuable and adequate consideration for the making of this Guaranty Agreement.

AGREEMENT:

NOW, THEREFORE, in order to induce Lender to make the Loan as requested by Borrower:

I. GUARANTOR ABSOLUTELY, UNCONDITIONALLY AND IRREVOCABLY GUARANTEES AND PROMISES TO LENDER:

- (a) The prompt, complete and full payment and performance when due (whether at the stated maturity, by acceleration or otherwise) of all of Borrower's present and future indebtedness and obligations, whether monetary or non-monetary, under the Loan Documents (including, without limitation, the payment of principal and interest under the Note). The word "indebtedness" is used herein in its most comprehensive sense and, without limiting the generality of the foregoing, includes any and all loans, advances, debts, obligations and liabilities of Borrower. Reference herein to the Note, the Deed of Trust or other agreements encompasses all notes, security instruments or other agreements between Lender and Borrower which evidence any loans by Lender to Borrower now existing or hereafter made; and
- (b) The prompt, complete and full payment of all Enforcement Costs (as defined below). If: (i) this Guaranty Agreement or any of the Loan Documents is placed in the hands of an attorney for collection or is collected through any legal proceeding; (ii) an attorney is retained to represent Lender in any bankruptcy, reorganization, receivership, or other

proceedings affecting creditors' rights and involving a claim under this Guaranty Agreement or any of the Loan Documents; or (ii) an attorney is retained to represent Lender in any other proceedings whatsoever in connection with this Guaranty Agreement or any of the Loan Documents, then Guarantor shall pay to Lender upon demand all attorneys' fees, costs and expenses (including the allocable costs of Lender's staff attorneys), and all other costs and expenses incurred in connection therewith (all of which are referred to herein as "Enforcement Costs"), in addition to all other amounts due hereunder.

All obligations of Borrower described in subparagraph (a) of this Section 1 are referred to herein collectively as the "Obligations". All amounts due, debts, liabilities and payment obligations described in subparagraphs (a) and (b) of this Section 1 are referred to herein as the "Indebtedness".

2. THIS GUARANTY AGREEMENT SHALL CONTINUE IN EFFECT until the full satisfaction of the Obligations. Subject to the terms and conditions of this Guaranty Agreement, the enforceability of this Guaranty Agreement shall not, in any way, be affected by (y) any transfer or assignment by Lender to any person or entity of any of the obligations of Borrower or the Guarantor under the Loan Documents or (z) any transfer or assignment by Borrower to any person or entity of any of the rights of Borrower under the Loan Documents or in respect of the Property.

3. IN THE EVENT OF ANY DEFAULT BY BORROWER in making payment of any of the Indebtedness or in performance of any of the Obligations, Guarantor agrees, on demand by Lender, to pay all the Indebtedness and to perform all the Obligations as are then or thereafter become due and owing or are to be performed under the terms of the Loan Documents, including payment of all Enforcement Costs, regardless, to the fullest extent permitted by law, of any defense (other than the defense of payment), right of set-off or claims which Borrower or Guarantor may have against Lender. All of the remedies set forth herein and/or provided by any of the Loan Documents or law or equity shall be equally available to Lender, and the choice by Lender of one such alternative over another shall not be subject to question or challenge by Guarantor or any other person, nor shall any such choice be asserted as a defense, setoff, or failure to mitigate damages in any action, proceeding or counteraction by Lender, nor shall such choice preclude Lender from subsequently electing to exercise a different remedy. The parties have agreed to the alternative remedies hereinabove specified in part because they recognize that the choice of remedies in the event of a failure hereunder will necessarily be and should properly be a matter of business judgment, which the passage of time and events may or may not prove to have been the best choice to maximize recovery by Lender at the lowest cost to Borrower and/or Guarantor. It is the intention of the parties that such choice by Lender be given conclusive effect regardless of such subsequent developments.

4. THIS GUARANTY AGREEMENT also relates to any future Obligations of Borrower arising out of successive transactions which shall either continue the Indebtedness or from time to time renew it after it has been satisfied.

5. GUARANTOR AUTHORIZES LENDER without notice or demand and without affecting its liability hereunder, from time to time to (a) renew, compromise, extend, accelerate or otherwise change the time for payment of, or otherwise further modify or change the terms of the Note, including without limitation any increase or decrease in the amount of principal or the rate of interest thereon; (b) modify, change or alter any other terms, covenants and conditions contained in the Deed of Trust or any other agreement between Lender and Borrower relating to the Obligations or the Indebtedness; (c) take and hold security for the payment of this Guaranty Agreement or the Obligations and/or Indebtedness guaranteed, and exchange, enforce, waive and release any such security; (d) apply such security and direct the order or manner of sale thereof as Lender in its sole discretion may determine; (e) transfer, assign or negotiate the Note and assign the Deed of Trust and any other Loan Documents; (f) exchange, release and/or surrender all or part of the Property from the lien of the Deed of Trust; (g) accept a conveyance of all or part of the Property encumbered by the Deed of Trust in partial satisfaction of the Obligations and/or Indebtedness, and proceed against Borrower or Guarantor for the balance of the Obligations and/or Indebtedness then due; and (h) release or substitute any one or more of endorsers or Guarantor.

6. GUARANTOR WAIVES ANY RIGHTS that Guarantor may have to require Lender to (a) proceed against, give notice to or make demand upon Borrower; (b) proceed against or exhaust any security held from Borrower, any endorser, or any other guarantor; (c) pursue any other remedy in Lender's power whatsoever; or (d) provide notice to Guarantor of any change in the solvency of Borrower or in Borrower's ability to perform any Obligations or pay any Indebtedness. Guarantor hereby waives to the fullest extent permitted by law its right to raise in any legal action or proceeding by Lender (i) notice of acceptance of this Guaranty by Lender and any and all notices and demands of every kind which may be required to be given by any statute, rule or law, (ii) any defense (other than the defenses of full payment of the Indebtedness and full performance of the Obligations), right of set-off or other claim which Guarantor may have against Borrower or which Guarantor or Borrower may have against Lender or any other holder of the Note, (iii) presentment for payment, demand for payment, notice of nonpayment or dishonor, protest and notice of protest, diligence in collection and any and all other formalities which otherwise might be legally required to charge Guarantor with liability, and (iv) any failure by Lender to inform Guarantor of any facts Lender may now or hereafter know about Borrower or Borrower's financial condition, the Loan, the Property, any endorser, any other guarantor, or the transactions contemplated by the Loan Documents, it being understood and agreed that Lender has no duty to so inform and that Guarantor is fully responsible for being and remaining informed by Borrower of all circumstances bearing on the existence or creation, or the risk of nonpayment or performance, of the Indebtedness and the Obligations. Credit may be granted or continued from time to time by Lender to Borrower without notice to or authorization from Guarantor, regardless of the financial or other condition of Borrower at the time of any such grant or continuation. Lender shall have no obligation to disclose or discuss with Guarantor its assessment of the financial condition of Borrower. Guarantor acknowledges that no representations of any kind whatsoever have been made by Lender to Guarantor. No modification or waiver of any of the provisions of this Guaranty shall be binding upon Lender except as expressly set forth in a writing duly signed and delivered on behalf of Lender.

7. THIS IS AN ABSOLUTE, PRESENT AND CONTINUING GUARANTY of payment and performance and not of collection. Guarantor agrees that this Guaranty may be enforced by Lender without the necessity at any time of resorting to or exhausting any other security or collateral given in connection herewith or with any of the Loan Documents, or resorting to any other guaranties, and Guarantor hereby waives the right to require Lender to join Borrower or any other person or entity in any action brought hereunder or to commence any action against or obtain any judgment against Borrower or any other person or entity or to pursue any other remedy or enforce any other right. Guarantor further agrees that nothing contained herein or otherwise shall prevent Lender from pursuing concurrently or successively all rights and remedies available to it at law and/or in equity or under any of the Loan Documents, and the exercise of any of its rights or the completion of any of its remedies shall not constitute a discharge of any of the Guarantor's obligations hereunder, it being the purpose and intent of Guarantor that the obligations of Guarantor hereunder shall be absolute, independent and unconditional under any and all circumstances whatsoever.

8. GUARANTOR further waives and agrees, to the fullest extent permissible by law, not to assert or take advantage of the following:

- (a) Any defense based upon an election of remedies by Lender, including, without limitation, an election to proceed by nonjudicial rather than judicial foreclosure with respect to any security for the Obligations and/or the Indebtedness, even though that election of remedies destroys or in any way impairs any or all of the subrogation rights of Guarantor or the right of Guarantor to proceed against Borrower for reimbursement by the operation of Section 580d of the Code of Civil Procedure or otherwise.
- (b) Any defense based upon any statute or rule of law which provides that the obligation of a surety must be neither larger in amount nor in other respects more burdensome than that of the principal.
- (c) The defense of the statute of limitations in any action under this Guaranty or in any action to recover damages, losses or expenses from Borrower, including but not limited to, the provisions of California Code of Civil Procedure Sections 580a and 726 that require that any action for a deficiency be brought within three months after a foreclosure under the

Deed of Trust; any partial payment by Borrower or other circumstances which operate to toll any statute of limitations as to Borrower shall also operate to toll the statute of limitations as to Guarantor.

- (d) Any defense that may arise by reason of the incapacity, lack of authority, death or disability of Borrower or any other person or entity, or by reason of the cessation, from any cause, of the liability of Borrower other than full payment of the Indebtedness and full payment and performance of the Obligations.
- (e) Any defense that may arise by reason of Lender's foreclosure of any security instrument nor or hereafter securing any of the Obligations and/or Indebtedness by exercise of the power of sale granted in such security instrument and the consequent loss by Lender of any right to a deficiency judgment against Borrower following such sale, and the impairment or loss therefrom of the right of Guarantor to reimbursement, or to recovery by subrogation or otherwise of any such deficiency, from Borrower or any other remedy of Guarantor or against Borrower or against any security.
- (f) Any defense that may arise by reason of the invalidity of any Loan Document or any provision in any Loan Document.
- (g) Any estoppel defense arising out of Section 580d of the California Code of Civil Procedure.
- (h) Any defense based upon any change in the name, location, composition or structure of Borrower, or any change in the type of business conducted by Borrower, or any other change in the identity or legal status of Borrower.
- (i) Any defense based upon the failure (if any) of Lender to (i) obtain a similar guaranty from any other person or entity, or (ii) file a creditor's claim in the estate (in administration, bankruptcy or any other proceeding) of Borrower or any other person or entity.
- (j) Until all of the Obligations have been performed and all of the Indebtedness has been paid in full, any right of subrogation, any right to enforce any remedy which Lender may have at any time against Borrower, any endorser, or any other guarantor, any benefit of and any right to participate in or direct the application of, any security (or the proceeds thereof) now or hereafter held by Lender, and the rights and benefits afforded under Sections 2847, 2848 and 2849 of the California Civil Code.
- (k) Any and all rights, remedies, benefits or defenses which might otherwise be available to a guarantor or surety under California Civil Code Sections 2799 through 2850, inclusive, 2899 and 3433.
- (l) Any suretyship defense Guarantor may have and all rights and benefits under Sections 580a, 580b, 580d and 726 of the California Code of Civil Procedure, including, without limitation, provisions which state that no deficiency may be recovered on a note secured by a mortgage or trust deed on real property in case said real property is sold under the power of sale contained in such mortgage or trust deed, or that there can be only one form of action for recovery of any debt or the enforcement of any right secured by a mortgage or trust deed on real property, or that a deficiency judgment is limited by the fair value of the real property encumbered by such mortgage or trust deed, should said Sections or any of them have any application to this Guaranty Agreement or Guarantor; Guarantor understands and agrees that by waiving the anti-deficiency protections referred to herein, Guarantor can be held liable for a deficiency judgment following a non-judicial foreclosure sale (including a non-judicial foreclosure sale of a purchase money obligation) even if the price paid for the Property at the non-judicial foreclosure sale is

less than the fair value of the Property; and Guarantor further understands and agrees that Guarantor is also waiving any defense otherwise available to Guarantor that the price paid for the Property at a judicial foreclosure sale may not be equal to the fair value of the Property; and Guarantor further understands and agrees that Guarantor is also waiving any right that Guarantor may have to a fair value hearing following any judicial or non-judicial foreclosure sale and is agreeing that Lender will have the right to recover a deficiency against Guarantor up to the entire amount of the sums guaranteed hereby less the amount actually paid for the Property at the non-judicial or judicial foreclosure sale regardless of the fair value of such Property.

Without limiting the foregoing, Guarantor waives all rights and defenses that Guarantor may have because Borrower's debt is secured in whole or in part by real property. This means, among other things:

- (i) Lender may proceed against and collect any or all of the Obligations and/or Indebtedness from Guarantor without first foreclosing on any real or personal property collateral pledged by Borrower.
- (ii) If Lender forecloses on any real property collateral pledged by Borrower:
 - (1) The amount of the Indebtedness 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.
 - (2) Lender may collect from Guarantor even if Lender, by foreclosing on the real property collateral, has destroyed any right Guarantor may have to collect from Borrower any sums that Guarantor pays to Lender pursuant to this Guaranty Agreement.

This is an unconditional and irrevocable waiver of any rights and defenses Guarantor may have because the Obligations and/or Indebtedness are 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 California Code of Civil Procedure.

Guarantor acknowledges and agrees that nothing herein is intended to be or shall be construed as an admission or recognition by Lender that Guarantor is, in its capacity as a guarantor or surety, entitled to the benefit of any provisions of California law relating to deficiency judgments, one form of action, or similar protections or defenses that might be available to Borrower.

- (m) All other rights and remedies now or hereafter accorded by applicable law to sureties or Guarantor.

It is expressly understood that the waivers and agreements of Guarantor set forth in this Section 8 constitute additional and cumulative benefits given to Lender as support for the Loan and as an inducement for Lender to make the Loan described hereinabove in Recital A.

9. GUARANTOR AGREES THAT ITS OBLIGATIONS under this Guaranty Agreement may be enforced regardless of whether a trustee's sale has been held or a foreclosure action has been commenced with respect to any security held by Lender and prosecuted to conclusion, and regardless of whether a deficiency has been established against Borrower or against any other party responsible for payment or performance of the Obligations and/or Indebtedness under the Loan Documents, as modified by any modification or other agreement executed in connection with any assumption of the Loan. To the extent permitted by law, Guarantor hereby expressly agrees that (a) Guarantor shall not be entitled to reduce the liability under this Guaranty Agreement by the fair value or the fair market value of the Property, and (b) Guarantor's liability shall not be affected, released, discharged or reduced if Borrower's liability is discharged by operation of any statute or any other law unless such discharge amounts to

satisfaction in full of all Obligations and Indebtedness owed to Lender. Guarantor waives all notices of the existence, creation or incurring of new or additional Indebtedness. Guarantor agrees that all existing and future indebtedness owing from Borrower to Guarantor shall not, without the prior written consent of Lender, be paid in whole or in part, nor will Guarantor accept payment of or on account of any such subordinated indebtedness, while this Guaranty Agreement is in effect. At Lender's request, Borrower shall pay to Lender all or any part of such subordinated indebtedness. Each payment by Borrower to Guarantor in violation of this Guaranty Agreement shall be received by Guarantor expressly in trust for Lender and shall be paid to Lender immediately on account of the Indebtedness of Borrower to Lender. No such payment shall reduce or affect in any manner the liability of Guarantor under this Guaranty Agreement.

10. THE OBLIGATIONS OF GUARANTOR HEREUNDER ARE INDEPENDENT of and in addition to the obligations of Borrower, and a separate action or actions may be brought and prosecuted against Guarantor, whether or not action is brought against Borrower or whether or not Borrower be joined in any such action or actions. If Guarantor consists of more than one person or entity, each such person or entity shall be jointly and severally liable for the payment and performance of all obligations of Guarantor under this Guaranty Agreement. Further, a release of any one or more of the persons or entities executing this Guaranty Agreement as Guarantor, or of any provisions of this Guaranty Agreement in favor of or for the benefit of one or more such persons or entities, shall not in any way be deemed a release of, or in favor of, or for the benefit of, any other such person or entity.

11. NOTWITHSTANDING ANY MODIFICATION of any of Lender's rights or remedies under the Loan Documents or under any modification or other agreement executed in connection with the assumption of the Loan, which may occur in any bankruptcy or reorganization case or proceeding concerning Borrower, Guarantor hereby agrees that Guarantor shall be obligated under this Guaranty Agreement to pay and perform all of the Obligations and/or Indebtedness in accordance with the respective terms of this Guaranty Agreement, each of the Loan Documents and any modification or other agreement executed in connection with the assumption of the Loan, which terms are in effect on the date hereof. Guarantor understands and acknowledges that by virtue of this Guaranty Agreement, Guarantor has specifically assumed any and all risks of a bankruptcy, reorganization, or other case or proceeding under any bankruptcy law with respect to Borrower. As an example, and not by way of limitation, a subsequent modification of any Note in any bankruptcy, reorganization or other case or proceeding under any bankruptcy law concerning Borrower shall not affect the obligation of Guarantor under this Guaranty Agreement to pay the Indebtedness arising under such Note in accordance with its original terms.

12. GUARANTOR COVENANTS and agrees that Guarantor or Borrower will maintain adequate insurance on the Property, with such coverage and deductibles as are customary and reasonable in San Diego County with respect to similarly situated commercial property. Copies of such policies shall be provided to Lender each year and Guarantor or Borrower will not cancel such insurance without the prior written consent of Lender.

13. GUARANTOR WARRANTS AND REPRESENTS that (a) Guarantor is currently in compliance with all laws, regulations, ordinances and orders of public authorities applicable to Guarantor; (b) the execution, delivery and performance by Guarantor of this Guaranty will not violate any provision of law, any order of any court or agency of government, or any indenture, agreement or any other instrument to which Guarantor is a party or by which Guarantor or Guarantor's property is bound, or be in conflict with, result in a breach of or constitute (with due notice and/or lapse of time) a default under any such indenture, agreement or other instrument, or result in the creation or imposition of any lien, charge or encumbrance of any nature whatsoever upon any of Guarantor's property or assets; (c) this Guaranty, when delivered to Lender, will constitute a legal, valid and binding obligation enforceable against Guarantor in accordance with its terms; (d) there are no outstanding or unpaid judgments against Guarantor, and no actions, suits or proceedings pending, or threatened, against or affecting Guarantor before any court or before any governmental or administrative body or agency which might result in a materially adverse change in the property or assets or in the financial condition of Guarantor; and (e) Guarantor has filed all national, state, provincial, county, municipal and other income tax returns required to have been filed by Guarantor and has paid all taxes that have become due pursuant to such returns or pursuant to any assessments received by Guarantor, and Guarantor does not know of any basis for any material additional assessment against it in respect of such taxes.

14. IN THE EVENT ANY PAYMENT by Borrower to Lender is held to constitute a preference or fraudulent transfer under any applicable federal or state laws, including any bankruptcy laws, or if for any reason Lender is required to refund part or all of any payment or pay the amount thereof to any other party, such payment by Borrower to Lender shall not constitute a release of Guarantor from any liability hereunder, and Guarantor agrees to pay such amount to Lender upon demand. This Guaranty Agreement shall continue to be effective or shall be reinstated, as the case may be, to the extent of any such payment or payments.

15. ANY NOTICE, DEMAND, REQUEST, REPORT, OR OTHER COMMUNICATIONS that any party hereto may be required to or may desire to give hereunder shall be in writing and shall be deemed to have been properly given if hand-delivered (effective on the date of hand-delivery to Guarantor or to the individual officer of Lender designated in, or pursuant to, this Section 14) or if mailed (effective three (3) business days after the date of mailing) by United States mail, postage prepaid, or if delivered by reputable overnight courier (effective on the first business day following deposit with such courier), addressed as follows:

If to Guarantor: Joseph Banos
P.O. Box 896
Julian, CA 92036

If to Lender: Salam and Haith Razuki
7977 7777 Broadway
Lemon Grove, CA 91945

or at such other address as the party to be served with notice may have furnished in writing to the party seeking or desiring to serve notice as a place for the service of notice.

16. GUARANTOR HEREBY SUBMITS TO PERSONAL JURISDICTION in the State of California for the enforcement of this Guaranty. In addition, Guarantor waives any right to trial by jury with respect to any action or proceeding (a) brought by Lender, Guarantor or any other person relating to this Guaranty, the Loan Documents, and/or any understandings or prior dealings between or among Lender, Borrower and/or Guarantor, or (b) to which Lender is a party or bound. Guarantor agrees that this Guaranty Agreement constitutes a written consent to waiver of trial by jury pursuant to the provisions of California Code of Civil Procedure Section 631 and Guarantor hereby constitutes and appoints Lender its true and lawful attorney-in-fact, which appointment is coupled with an interest, and Guarantor authorizes and empowers Lender in the name, place and stead of Guarantor, to file this Guaranty Agreement with the clerk or judge of any court of competent jurisdiction as a statutory written consent to waiver of trial by jury. Each person or entity executing this Guaranty Agreement as a Guarantor specifically confirms, by initialing below, that such person or entity has read, reviewed with counsel and agrees to the provisions of this Section 16.

INITIALS OF GUARANTOR: _____

17. THE PARTIES HERETO INTEND AND BELIEVE that each provision in this Guaranty Agreement comports with all applicable local, state and federal laws and judicial decisions. However, if any provision or provisions, or if any portion of any provision or provisions, in this Guaranty is found by a court of law to be in violation of any applicable local, state or federal ordinance, statute, law, administrative or judicial decision, or public policy, and if such court should declare such portion, provision or provisions of this Guaranty Agreement to be illegal, invalid, unlawful, void or unenforceable as written, then it is the intent of all parties hereto that such portion, provision or provisions shall be given force to the fullest possible extent that they are legal, valid and enforceable, that the remainder of this Guaranty Agreement shall be construed as if such illegal, invalid, unlawful, void or unenforceable portion, provision or provisions were not contained therein, and that the rights, obligations and interest of Lender under the remainder of this Guaranty Agreement shall continue in full force and effect.

18. GUARANTOR MAY NOT DELEGATE any of their obligations or liabilities hereunder. This Guaranty Agreement shall be binding upon the successors or heirs of Guarantor and shall inure to the benefit of

Lender and its successors and assigns. Lender may at any time, without notice to Guarantor, transfer or assign to any person or entity any of the obligations of Borrower and/or Guarantor under the Loan Documents, or any interest therein, and each and every immediate and successive assignee or transferee of such obligations, or any interest therein, shall, to the extent of such assignee's or transferee's interest, be entitled to the benefits of this Guaranty Agreement to the same extent as if such assignee or transferee were Lender; and Lender may further, without liability or notice to or consent of Guarantor, disclose to any prospective transferee or assignee any and all information, financial or otherwise, which Lender may have about Guarantor, Borrower, the Loan, the Property, this Guaranty Agreement, or the performance or non-performance of any obligations of Borrower or Guarantor.

19. THIS GUARANTY AGREEMENT shall follow the Note and the Deed of Trust and, in the event that the Note and the Deed of Trust are sold, transferred, assigned or conveyed by Lender, this Guaranty Agreement may be likewise sold, transferred, assigned or conveyed by Lender to the holder of the Note and the Deed of Trust, and, in such event, the holder of this Guaranty Agreement may enforce this Guaranty Agreement just as if said holder had been originally named as Lender hereunder.

20. AS USED HEREIN, the singular includes the plural and the neuter includes the feminine and masculine. Whenever the Note and Deed of Trust or the Loan Documents are referred to herein, the same shall be deemed to include, where appropriate, any modification, assumption and/or other agreement executed in connection with the assumption of the Loan. This Guaranty shall be binding upon the heirs, executors, legal and personal representatives, successors and assigns of Guarantor, and shall inure the benefit of the successors and assigns of Lender. The obligations of Guarantor hereunder are joint and several.

21. THIS GUARANTY AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF CALIFORNIA, APPLICABLE TO CONTRACTS WHOLLY NEGOTIATED, EXECUTED AND PERFORMABLE IN SUCH STATE.

IN WITNESS WHEREOF, Guarantor has executed this Guaranty Agreement as of the date first written above.

"GUARANTOR"



SALAM RAZUKI



HAITH RAZUKI

Exhibit 15

FOR SUPPLEMENTAL DECLARATION OF SALAM RAZUKI DATED AUGUST 12, 2018

PERSONAL GUARANTEE

THIS PAYMENT GUARANTY ("Guaranty") is made on MAY 22, 2017 by NINUS MALAN AND SALAM RAZUKI (individually and collectively referred to as "Guarantor") for the benefit of SALAS FINANCIAL OR ASSIGNEES (hereafter "Lender"), and is made with reference to the following facts:

- A. Lender proposes to lend to SAN DIEGO UNITED HOLDINGS GROUP LLC, (hereinafter "Borrower"), the principal sum of \$1,088,000.00(the "Loan").
- B. The Loan will be evidenced by a Promissory Note (the "Note") dated MAY 22, 2017, and shall be secured by Deed of Trust with Assignment of Rents (the "Deed of Trust") encumbering Borrower's interest in the real property described therein (the "Property").
- C. Lender is unwilling to make the Loan based solely on the security offered by Borrower and Borrower's own credit worthiness, unless individuals with creditworthiness comparable to that of Guarantor guaranty the Loan in accordance with the terms and conditions set forth below.
- D. Guarantor has agreed to execute this guaranty in order to guarantee to lender repayment of the loan pursuant to the terms of the Note and each Guarantor acknowledges that he or she is undertaking an independent obligation separate from that of Borrower to repay the Loan as provided below.

NOW, THEREFORE, in consideration of Lender's making the Loan and for other good and valuable consideration, Guarantor jointly, severally and unconditionally guarantees and agrees as follows:

1. Guaranty guarantor unconditionally guarantees and promises to pay to Lender or order, on demand, in lawful money of the United States, all amounts due under the Note (together with interest thereon and any and all other amounts which may become due pursuant to all the terms and conditions of the Note), and any amount advanced, disbursed, or which may become due pursuant to the Deed of Trust.

Guarantor agrees and acknowledges that this Guaranty is a guaranty of payment and performance and not of collection. Guarantor's obligations under this Guaranty are irrevocable so long as any portion of the Loan remains unpaid.

2. Independent Obligation Guarantor agrees that this Guaranty is separate, independent of and in addition to the obligations and undertakings of Borrower pursuant to the Note and Deed of Trust. Guarantor further agrees that a separate action of actions may be brought and prosecuted against Guarantor hereon whether or not action is brought against Borrower or whether or not the borrower be joined in any such action or actions and independent of any action at law or proceeding under the power of sale provision in the Deed of Trust. Guarantor

waives the benefit of any statute of limitations affecting the liability of Guarantor hereunder or the hereof, and agrees that any repayment of the loan or any part thereof or other act which shall toll any statute of limitations applicable thereto shall similarly operate to toll such statute of limitations applicable to Guarantor's liability hereunder.

3. Authority of Lender. Guarantor authorizes Lender, without notice or demand and without affecting the liability of Guarantor hereunder, from time to time to:
 - a. Renew, extend, accelerate or otherwise change the terms of the loan as set forth in the Note, or otherwise change the rate of interest thereon; or
 - b. Release or substitute any one or more of the endorsers of the Note or any one or more Guarantor, Lender, with-out notice, may assign this Guaranty in whole or in part.

4. Waivers.

- a. Guarantor waives all right to require Lender to:
 1. Proceed against Borrower;
 2. Proceed against or exhaust any security held from Borrower: or
 3. Pursue any other remedy in Lender's power.

Guarantor waives all defenses arising by reason of any disability or other defense of Borrower, including, without limitation, all defenses, if any, arising from the filing of a petition in bankruptcy by or against Borrower, or by reason of the cessation of the liability of any Borrower from any causes other than full repayment of the loan.

Guarantor waives all defenses which may be acquired by reason of Lender's election of any remedy against Guarantor or Borrowers or both, including, but without limitation, an election by Lender to exercise its rights under the power of sale set forth in the Deed of Trust and the consequent loss by Guarantor of the right to recover any deficiency from Borrower. Without limiting the generality of the foregoing Guarantor expressly waives any and all benefits under California Civil Code Sections 2809, 2810, 2819, 2839, 2845, 2849, 2850, 2856, 2899 and 3433 and California Code of Civil Procedure Sections 580a, 580b, and 580d and 726. Until the Loan shall have been repaid in full, Guarantor shall have no right of subrogation, and waives all right to enforce any remedy which Lender now has or may hereafter have against Borrower, and waives all benefit of all right to participate in any security now or hereafter held by Lender.

Guarantor waives all presentments, demands for performance, notice of non-performance, protests, notices of protest, notices of dishonor, and notices of acceptance of this Guaranty.

- b. In addition, Guarantor waives any duty on the part of Lender to disclose to Guarantor any facts it may now or hereafter know about Borrower, regardless of whether Lender:
1. Has reason to believe that any such facts materially increase the risk beyond that which Guarantor intends to assume; or
 2. Has reason to believe that such facts are unknown to Guarantor;
 3. Has a reasonable opportunity to communicate such facts to Guarantor;

It is being understood and agreed that Guarantor is 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.

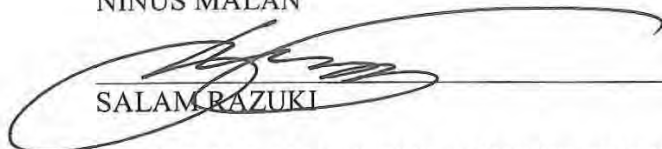
5. Subordination. All indebtedness of Borrower now or hereafter held by Guarantor is subordinated to the loan, and all indebtedness of Borrower to Guarantor, if Lender so requests, shall be collected, enforced and received by Guarantor as Trustee for Lender and shall be paid over to Lender on account of the Loan but without reducing or affecting in any manner the liability of Guarantor under the other provisions of this Guaranty; provided, however, that so long as no default by Borrower shall occur under the loan, any indebtedness of Borrower to Guarantor, incurred in the ordinary course of business which will not in the judgment of Lender cause a default of Borrower's obligations under the Note, or unreasonably impair Borrower's ability to repay the Note, may be repaid in accordance with the terms of such indebtedness.
6. Attorney's Fees. Guarantor agrees to pay attorneys' fees and all other costs and expenses, which may be incurred by Lender in the enforcement of the Guaranty and in the repayment of the Loan guaranteed hereunder.
7. Remedies. If Guarantor shall fail to perform or otherwise breach any of its obligations hereunder, in addition to all other rights and remedies Lender may have at law or in equity, Lender may, from time to time and without first requiring performance on the part of the borrower, and without being required to exhaust or proceed against any or all security held by Lender, look to and require performance by Guarantor of any obligation on the part of Guarantor to be performed pursuant to the terms of this Guaranty by action at law or in equity or both.

Lender may also collect for Guarantor in any such action compensation for an d Guarantor hereby indemnifies and holds Lender harmless from, all loss, cost, damage, injury and expense sustained or incurred by Lender proximately caused by or resulting from Guarantor's breach of or failure to perform any of its obligations under this Agreement.

8. Waiver. No failure by Lender to pursue any remedy hereunder, under the Deed of Trust or under any other document relating to the Loan shall constitute a waiver on the part of Lender of its right to pursue such remedy on the basis of the same or subsequent breach. No extension, modification, amendment or renewal of the Note, the Deed of Trust or any other security instrument securing the Loan, shall serve to waive in whole or in part the provisions hereof for discharge Guarantor from any of its obligations set forth herein, except to the extent expressly acknowledged by Lender in writing, and any such action may be taken by Lender with or without the consent of Guarantor.

IN WITNESS WHEREOF, EACH UNDERSIGNED GUARANTOR HAS EXECUTED THIS GUARANTY AS OF THE DATE FIRST SET FORTH ABOVE.

DATE: _____
NINUS MALAN


DATE: 8/8/18
SALAM RAZUKI

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT
CIVIL CODE § 1189

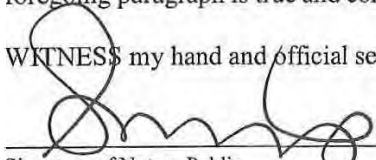
A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document

STATE OF CALIFORNIA
COUNTY OF San Diego SS.

On 8/8/18 before me, Sonia Ramirez, Notary Public
personally appeared Salam Razuki 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 acknowledge 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 of Notary Public

(Notary seal)



Exhibit 16

FOR SUPPLEMENTAL DECLARATION OF SALAM RAZUKI DATED AUGUST 12, 2018

FIDELITY NATIONAL TITLE COMPANY

4370 La Jolla Village Dr., Suite 860, San Diego, CA 92122

Phone: (858) 597-2090 Fax: (858) 597-2097

**Buyers/Borrowers Closing Statement
Estimated**

Escrow No: 23081046 - 005 SM1 Close Date: 08/25/2016 Proration Date: 08/25/2016 Disbursement Date:

Buyer(s)/Borrower(s): Mira Este Properties, LLC, a California limited liability company
Seller(s): Investment Property Exchange Services, Inc., as QI for BMP16, LLC
Lender: The Loan Company of San Diego **Loan #:**
Property: 9212 Mira Este Court
 San Diego, CA 92126

Description	Debit	Credit
TOTAL CONSIDERATION:		
Total Consideration	2,625,000.00	
Salam Razuki		70,000.00
Pau's Place LLC		100,000.00
Razuki Investments, LLC		70,000.00
Commission Credit to Buyer from Big Block Realty, Inc. (\$65,625.00 less \$135.00)		65,490.00
NEW AND EXISTING ENCUMBRANCES:		
New Loan from The Loan Company of San Diego		1,987,500.00
NEW LOAN CHARGES: - The Loan Company of San Diego		
Appraisal Fee to The Loan Company of San Diego	2,763.00	
Loan Documentation Fee to The Loan Company of San Diego	695.00	
Tax Service- Need Invoice to LERETA, LLC	360.00	
Wire Fee to The Loan Company of San Diego	35.00	
Legal Documentation to Doss Law	1,000.00	
Broker Fee (3 points) to The Loan Company of San Diego	59,625.00	
Attorney Fee for Opinion Letter to Law Offices of Sean Jones	1,000.00	
ESCROW CHARGES:		
Escrow Charge to Fidelity National Title Company	1,700.00	
Loan Tie-In Fee to Fidelity National Title Company	150.00	
TITLE CHARGES:		
Lenders Policy for \$1,987,500.00 to Fidelity National Title Company	1,640.00	
UCC Filing Fees to Fidelity National Title Company	150.00	
RECORDING FEES:		
Recording Fee to Fidelity National Title Company	200.00	
ADDITIONAL CHARGES:		
Legal Invoice to Law Office of Gorla, Weber & Jarvis	4,954.00	
Refundable Cushion (returned if not needed at COE)	1,700.00	
Non-Applicable Extension Deposit Funds from 7/21-8/22 per June 15th Amendment	25,000.00	
Buyer credit to Seller for moving out of Tenant in unit 210- Lease Termination Agmt signed	2,000.00	
Insurance Invoice to Travelers	3,221.00	
PRORATIONS AND ADJUSTMENTS:		
Rent Unit 211 from 8/25/2016 to 9/1/2016 based on the Monthly amount of \$500.00		100.00
Security Deposit Unit 211		500.00
1st 1/2 2016-2017 Property Taxes based on latest tax bill 2015-2016 from 7/1/2016 to 8/25/2016 based on the Semi-Annual amount of \$9,406.88		2,822.06
Sub Totals	2,731,193.00	2,296,412.06
Balance Due From Buyer/Borrower		434,780.94
Totals	2,731,193.00	2,731,193.00

It is agreed by the undersigned that the foregoing statement may change if a change in the escrow closing occurs or if other unforeseen contingencies arise. In the event changes in the statement become necessary, you are nevertheless authorized to close this escrow. It is understood that we will receive a final statement of account if the above totals are changed.

APPROVED AND ACCEPTED THIS _____ DAY OF _____



Fidelity National Title Company

No: 5004153

ESCROW DEPOSIT RECEIPT

Date: 6/17/2016 Escrow No. 23081046 - 005 - SM1

Received of: Razuki Investments LLC

For Credit of: Kim/Razuki

ABA Number: 12200024

Type of Transaction Earnest Money Deposit

Amount: \$ 70,000.00 CIT Bank, N.A.

By: *[Signature]*
Arlene Tangalin
3:43:28PM, 6/17/2016

The parties to this escrow acknowledge that the maintenance of escrow accounts with some depository institutions may result in Escrow Holder or its affiliates being provided with bank services, accommodations or other benefits by the depository institution. Escrow Holder or its affiliates also may elect to enter into other business transactions with or obtain loans for investment or other purposes from the depository institution. All such services, accommodations and other benefits shall accrue to Escrow Holder or its affiliates, and Escrow Holder or its affiliates shall have no obligation to account to the parties to the escrow for the value of such services, accommodations or other benefits.

NOTICE OF OPPORTUNITY TO EARN INTEREST

You hav

- 1.
- 2.
- 3.
- 4.

WELLS FARGO BANK

BROADWAY CENTRE 7080 BROADWAY LEMON GROVE, CA 91945

DATE 6/15/16

2003

16-24/1220

terest of 4% is
alling interest rate.
e the form and

PAY TO THE ORDER OF

Fidelity National Title \$ 70,000.⁰⁰/₁₀₀
Seventy Thousand Dollars → 100 DOLLARS

RAZUKI INVESTMENTS, LLC.
 SALAM M RAZUKI
 7977 BROADWAY
 LEMON GROVE CA 91945-1865

earnest deposit
9212 Mire Este

⑆ 122000247⑆8076565525⑆ 2003

23081046

Customer Copy

4370 La Jolla Village Dr., Suite 860, San Diego, CA 92122
 (858) 597-2090



Fidelity National Title Company

No: 5004077

ESCROW DEPOSIT RECEIPT

Date: 5/12/2016 Escrow No. 23081046 - 005 - SM1

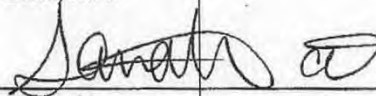
Received of: Salam Razuki

For Credit of: Kim/Razuki

ABA Number: 122242571

Type of Transaction Earnest Money Deposit

Amount: \$ 70,000.00 CIT Bank, N.A.

By: 
 Samantha Alu
 4:23:22PM, 5/12/2016

The parties to this escrow acknowledge that the maintenance of escrow accounts with some depository institutions may result in Escrow Holder or its affiliates being provided with bank services, accommodations or other benefits by the depository institution. Escrow Holder or its affiliates also may elect to enter into other business transactions with or obtain loans for investment or other purposes from the depository institution. All such services, accommodations and other benefits shall accrue to Escrow Holder or its affiliates, and Escrow Holder or its affiliates shall have no obligation to account to the parties to the escrow for the value of such services, accommodations or other benefits.

NOTICE OF OPPORTUNITY TO EARN INTEREST

You have the opportunity to earn interest on your escrowed funds as follows:

1. Request your escrow agent set up an interest bearing account.
2. The charge to set up and service the interest bearing account shall not exceed \$100.00
3. As an example, the amount of interest you can earn on a deposit of \$1,000.00 for a thirty day period at an interest of 4% is \$3.33. Interest earned is dependent on the amount of the deposit, length of time of the deposit and the prevailing interest rate.
4. To establish an interest bearing account, ask for an "Escrow Instruction - Interest Bearing Account", complete the form and return it to your escrow officer.

035148



0013

REMITTER

*****SALAM RAZUKI*****

DATE May 12, 2016 90-4257/1222

PAY TO THE ORDER OF *****FIDELITY NATIONAL TITLE COMPANY*****

\$ *70,000.00*

PAY EXACTLY **70,000** DOL **00** CTS

DOLLARS

THIS DOCUMENT HAS A COLORED BACKGROUND, FOIL ACCENT AND A BACKSIDE AUTHENTIC WATERMARK; ABSENCE OF THESE FEATURES WILL INDICATE A COPY.

CASHIER'S CHECK



⑆035148⑆ ⑆122242571⑆ 2134302⑆ 500

© DELUXE BLUESTONE



Fidelity National Title Company
 4370 La Jolla Village Dr., Suite 860, San Diego, CA 92122
 Phone: (858) 597-2090 • Fax: (858) 597-2097

THIRD PARTY DEPOSIT ESCROW INSTRUCTIONS

TO: FIDELITY NATIONAL TITLE

Date: August 25, 2016
 Escrow No.: 23081046-005-SM1

RE: 9212 Mira Este Court, San Diego, CA 92126

I have wired \$ 14,780.94 to your trust account.

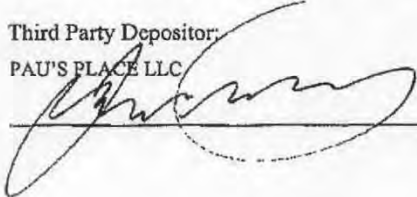
You are instructed to apply these funds in the above numbered escrow for the benefit of Mira Este Properties, LLC, a party to this escrow. You are authorized to use said funds in completing the escrow under instructions given or to be given to you by said party. I hereby waive any present or future interest in said funds.

If these funds are for the benefit of the buyer and the buyer is obtaining a new loan in order to complete the transaction, you are authorized to share the details of this deposit, including the bank account information the funds came from with the buyer's new lender.

I acknowledge and understand the escrow instructions may call for a release of said funds prior to the close of escrow thereof, and may contain provisions regarding disbursement of funds in the event this escrow, is terminated. Any such payment of these funds in accordance with the instructions of the parties to this escrow is without liability or recourse upon Fidelity National Title Company for the return of said money.

In the event this escrow is cancelled or your agency is revoked, any portion of these funds remaining on deposit, are NOT subject to disbursement (payment) instructions of the parties, shall be refunded solely in accordance with the instructions of the parties to this escrow.

Third Party Depositor:
 PAU'S PLACE LLC



Address: 7977 Broadway
Lemon Grove CA 91945
 Phone: 619-750-2024

The undersigned hereby accept and approve said funds for use in the above numbered escrow.

Mira Este Properties, LLC

 Chris N. Hakim

Date: _____

THIRDPARTY



Fidelity National Title Company
 4370 La Jolla Village Dr., Suite 860, San Diego, CA 92122
 Phone: (858) 597-2090 • Fax: (858) 597-2097

THIRD PARTY DEPOSIT ESCROW INSTRUCTIONS

TO: Fidelity National Title Company

Date: July 22, 2016

Escrow No.: 23081046-005-SM1

RE: 9212 Mira Este Court, San Diego, CA 92126

x I have wired \$ 100,000.00 to your trust account.

You are instructed to apply these funds in the above numbered escrow for the benefit of Buyer/ Salam Razuki , a party to this escrow. You are authorized to use said funds in completing the escrow under instructions given or to be given to you by said party. I hereby waive any present or future interest in said funds.

If these funds are for the benefit of the buyer and the buyer is obtaining a new loan in order to complete the transaction, you are authorized to share the details of this deposit, including the bank account information the funds came from with the buyer's new lender.

I acknowledge and understand the escrow instructions may call for a release of said funds prior to the close of escrow thereof, and may contain provisions regarding disbursement of funds in the event this escrow, is terminated. Any such payment of these funds in accordance with the instructions of the parties to this escrow is without liability or recourse upon Fidelity National Title Company for the return of said money.

In the event this escrow is cancelled or your agency is revoked, any portion of these funds remaining on deposit, are NOT subject to disbursement (payment) instructions of the parties, shall be refunded solely in accordance with the instructions of the parties to this escrow.

Third Party Depositor:

Pau's Place LLC

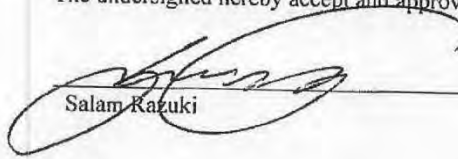
Address: _____

Name: Salam Razuki

Title: Manager

Phone: _____

The undersigned hereby accept and approve said funds for use in the above numbered escrow.


 Salam Razuki

Date: _____

THIRDPARTY

Exhibit 17

FOR SUPPLEMENTAL DECLARATION OF SALAM RAZUKI DATED AUGUST 12, 2018



STANDARD OFFER, AGREEMENT AND ESCROW
INSTRUCTIONS FOR PURCHASE OF REAL ESTATE

(Non-Residential)

AIR Commercial Real Estate Association

June 21, 2016
(Date for Reference Purposes)

1. Buyer.

1.1 Salam Razuki and/or Assignee(s) hereby offers to purchase the real property, hereinafter described, from the owner thereof ("Seller") (collectively, the "Parties" or individually, a "Party"), through an escrow ("Escrow") to close 30 or 08/31/2016 days after the waiver or expiration of the Buyer's Contingencies, ("Expected Closing Date") to be held by Title 365 ("Escrow Holder") whose address is 8880 Rio San Diego Drive, Suite 1100

Phone No. 619-454-4271, Facsimile No. upon the terms and conditions set forth in this agreement ("Agreement"). Buyer shall have the right to assign Buyer's rights hereunder, but any such assignment shall not relieve Buyer of Buyer's obligations herein unless Seller expressly releases Buyer.

1.2 The term "Date of Agreement" as used herein shall be the date when by execution and delivery (as defined in paragraph 20.2) of this document or a subsequent counteroffer thereto, Buyer and Seller have reached agreement in writing whereby Seller agrees to sell, and Buyer agrees to purchase, the Property upon terms accepted by both Parties.

2. Property.

2.1 The real property ("Property") that is the subject of this offer consists of (insert a brief physical description) Approximate 18,027 square foot lot with an approximate 3,200 square foot building.

is located in the City of San Diego, County of San Diego, State of California, is commonly known by the street address of 10685 Roselle St

and is legally described as: see title report

(APN: 340-150-20-00).

2.2 If the legal description of the Property is not complete or is inaccurate, this Agreement shall not be invalid and the legal description shall be completed or corrected to meet the requirements of Title 365 ("Title Company"), which shall issue the title policy hereinafter described.

2.3 The Property includes, at no additional cost to Buyer, the permanent improvements thereon, including those items which pursuant to applicable law are a part of the property, as well as the following items, if any, owned by Seller and at present located on the Property: electrical distribution systems (power panel, bus ducting, conduits, disconnects, lighting fixtures); telephone distribution systems (lines, jacks and connections only); space heaters; heating, ventilating, air conditioning equipment ("HVAC"); air lines; fire sprinkler systems; security and fire detection systems; carpets; window coverings; wall coverings; and

(collectively, the "Improvements").

2.4 The fire sprinkler monitor: [] is owned by Seller and included in the Purchase Price, [] is leased by Seller, and Buyer will need to negotiate a new lease with the fire monitoring company, [x] ownership will be determined during Escrow, or [] there is no fire sprinkler monitor.

2.5 Except as provided in Paragraph 2.3, the Purchase Price does not include Seller's personal property, furniture and furnishings, and N/A all of

which shall be removed by Seller prior to Closing.

3. Purchase Price.

3.1 The purchase price ("Purchase Price") to be paid by Buyer to Seller for the Property shall be \$1,500,000.00, payable as follows:

- (a) Cash down payment, including the Deposit as defined in paragraph 4.3 (or if an all cash transaction, the Purchase Price): \$1,500,000.00

{Strike if not

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~~applicable~~) (b) Amount of "New Loan" as defined in paragraph 5.1, if any: \$ _____

(c) Buyer shall take title to the Property subject to and/or assume the following existing deed(s) of trust ("**Existing Deed(s) of Trust**") securing the existing promissory note(s) ("**Existing Note(s)**"):

(i) An Existing Note ("**First Note**") with an unpaid principal balance as of the _____ Closing of approximately: \$ _____

Said First Note is payable at \$ _____ per month, including interest at the rate of _____ % per annum until paid (and/or the entire unpaid balance is due on _____).

~~(Strike if not applicable)~~

(ii) An Existing Note ("**Second Note**") with an unpaid principal balance as of the _____ Closing of approximately: \$ _____

Said Second Note is payable at \$ _____ per month, including interest at the rate of _____ % per annum until paid (and/or the entire unpaid balance is due on _____).

~~(Strike if not applicable)~~

(d) Buyer shall give Seller a deed of trust ("**Purchase Money Deed of Trust**") on the _____ property, to secure the promissory note of Buyer to Seller described in paragraph 6 ("**Purchase Money Note**") in the amount of: \$ _____

Total Purchase Price: \$1,500,000.00

3.2 If Buyer is taking title to the Property subject to, or assuming, an Existing Deed of Trust and such deed of trust permits the beneficiary to demand payment of fees including, but not limited to, points, processing fees, and appraisal fees as a condition to the transfer of the Property, Buyer agrees to pay such fees up to a maximum of 1.5% of the unpaid principal balance of the applicable Existing Note.

4. Deposits.

4.1 Buyer has delivered to Broker a check in the sum of \$ _____, payable to Escrow Holder, to be delivered by Broker to Escrow Holder within 2 or _____ business days after both Parties have executed this Agreement and the executed Agreement has been delivered to Escrow Holder, or within 2 or _____ business days after both Parties have executed this Agreement and the executed Agreement has been delivered to Escrow Holder Buyer shall deliver to Escrow Holder a check in the sum of \$25,000.00. If said check is not received by Escrow Holder within said time period then Seller may elect to unilaterally terminate this transaction by giving written notice of such election to Escrow Holder whereupon neither Party shall have any further liability to the other under this Agreement. Should Buyer and Seller not enter into an agreement for purchase and sale, Buyer's check or funds shall, upon request by Buyer, be promptly returned to Buyer.

4.2 Additional deposits:

(a) Within 5 business days after the Date of Agreement, Buyer shall deposit with Escrow Holder the additional sum of \$ _____ to be applied to the Purchase Price at the Closing.

(b) Within 5 business days after the contingencies discussed in paragraph 9.1 (a) through (m) are approved or waived, Buyer shall deposit with Escrow Holder the additional sum of \$ _____ to be applied to the Purchase Price at the Closing.

(c) If an Additional Deposit is not received by Escrow Holder within the time period provided then Seller may notify Buyer, Escrow Holder, and Brokers, in writing that, unless the Additional Deposit is received by Escrow Holder within 2 business days following said notice, the Escrow shall be deemed terminated without further notice or instructions.

4.3 Escrow Holder shall deposit the funds deposited with it by Buyer pursuant to paragraphs 4.1 and 4.2 (collectively the "Deposit"), in a State or Federally chartered bank in an interest bearing account whose term is appropriate and consistent with the timing requirements of this transaction. The interest therefrom shall accrue to the benefit of Buyer, who hereby acknowledges that there may be penalties or interest forfeitures if the applicable instrument is redeemed prior to its specified maturity. Buyer's Federal Tax Identification Number is _____. NOTE: Such interest bearing account cannot be opened until Buyer's Federal Tax Identification Number is provided.

4.4 Notwithstanding the foregoing, within 5 days after Escrow Holder receives the monies described in paragraph 4.1 above, Escrow Holder shall release \$100 of said monies to Seller as and for independent consideration for Seller's execution of this Agreement and the granting of the contingency period to Buyer as herein provided. Such independent consideration is non-refundable to Buyer but shall be credited to the Purchase Price in the event that the purchase of the Property is completed.

4.5 Upon waiver of all of Buyer's contingencies the Deposit shall become non-refundable but applicable to the Purchase Price except in the event of a Seller breach, or in the event that the Escrow is terminated pursuant to the provisions of Paragraph 9.1(n) (Destruction, Damage or Loss) or 9.1(o) (Material Change).

5. Financing Contingency. (Strike if not applicable)

5.1 This offer is contingent upon Buyer obtaining from an insurance company, financial institution or other lender, a commitment to lend to Buyer a sum equal to at least _____ % of the Purchase Price, on terms reasonably acceptable to Buyer. Such loan ("**New Loan**") shall be secured by a first deed of trust or mortgage on the Property. If this Agreement provides for Seller to carry-back junior financing, then Seller shall have the right to approve the terms of the New Loan. Seller shall have 7 days from receipt of the commitment setting forth the proposed terms of the New Loan to approve or disapprove of such proposed terms. If Seller fails to notify Escrow Holder, in writing, of the disapproval within said 7 days it shall be conclusively presumed that Seller has approved the terms of the New Loan.

5.2 Buyer hereby agrees to diligently pursue obtaining the New Loan. **If Buyer shall fail to notify its Broker, Escrow Holder and Seller, in writing within _____ days following the Date of Agreement, that the New Loan has not been obtained, it shall be conclusively presumed that Buyer has either obtained said New Loan or has waived this New Loan contingency.**

5.3 If, after due diligence, Buyer shall notify its Broker, Escrow Holder and Seller, in writing, within the time specified in paragraph 5.2 hereof, that Buyer has not obtained said New Loan, this Agreement shall be terminated, and Buyer shall be entitled to the prompt return of the Deposit, plus any interest earned thereon, less only Escrow Holder and Title Company cancellation fees and costs, which Buyer shall pay.

6. Seller Financing (Purchase Money Note). (Strike if not applicable)

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6.1 If Seller approves Buyer's financials (see paragraph 6.5) the Purchase Money Note shall provide for interest on unpaid principal at the rate of _____ % per annum, with principal and interest paid as follows: _____

The Purchase Money Note and Purchase Money Deed of Trust shall be on the current forms commonly used by Escrow Holder, and be junior and subordinate only to the Existing Note(s) and/or the New Loan expressly called for by this Agreement.

6.2 The Purchase Money Note and/or the Purchase Money Deed of Trust shall contain provisions regarding the following (see also paragraph 10.3 (b)):

(a) ~~Prepayment~~. Principal may be prepaid in whole or in part at any time without penalty, at the option of the Buyer.

(b) ~~Late Charge~~. A late charge of 6% shall be payable with respect to any payment of principal, interest, or other charges, not made within 10 days after it is due.

(c) ~~Due On Sale~~. In the event the Buyer sells or transfers title to the Property or any portion thereof, then the Seller may, at Seller's option, require the entire unpaid balance of said Note to be paid in full.

6.3 If the Purchase Money Deed of Trust is to be subordinate to other financing, Escrow Holder shall, at Buyer's expense prepare and record on Seller's behalf a request for notice of default and/or sale with regard to each mortgage or deed of trust to which it will be subordinate.

~~6.4 WARNING: CALIFORNIA LAW DOES NOT ALLOW DEFICIENCY JUDGEMENTS ON SELLER FINANCING. IF BUYER ULTIMATELY DEFAULTS ON THE LOAN, SELLER'S SOLE REMEDY IS TO FORECLOSE ON THE PROPERTY.~~

6.5 Seller's obligation to provide financing is contingent upon Seller's reasonable approval of Buyer's financial condition. Buyer to provide a current financial statement and copies of its Federal tax returns for the last 3 years to Seller within 10 days following the Date of Agreement. Seller has 10 days following receipt of such documentation to satisfy itself with regard to Buyer's financial condition and to notify Escrow Holder as to whether or not Buyer's financial condition is acceptable. If Seller fails to notify Escrow Holder, in writing, of the disapproval of this contingency within said time period, it shall be conclusively presumed that Seller has approved Buyer's financial condition. If Seller is not satisfied with Buyer's financial condition or if Buyer fails to deliver the required documentation then Seller may notify Escrow Holder in writing that Seller Financing will not be available, and Buyer shall have the option, within 10 days of the receipt of such notice, to either terminate this transaction or to purchase the Property without Seller financing. If Buyer fails to notify Escrow Holder within said time period of its election to terminate this transaction then Buyer shall be conclusively presumed to have elected to purchase the Property without Seller financing. If Buyer elects to terminate, Buyer's Deposit shall be refunded less Title Company and Escrow Holder cancellation fees and costs, all of which shall be Buyer's obligation.

7. Real Estate Brokers.

7.1 The following real estate broker(s) ("**Brokers**") and brokerage relationships exist in this transaction and are consented to by the Parties (check the applicable boxes):

AE Commercial Real Estate represents Seller exclusively ("**Seller's Broker**");

Big Block Realty represents Buyer exclusively ("**Buyer's Broker**"); or

_____ represents both Seller and Buyer ("**Dual Agency**").

The Parties acknowledge that other than the Brokers listed above, there are no other brokers representing the Parties or due any fees and/or commissions under this Agreement. See paragraph 24 regarding the nature of a real estate agency relationship. Buyer shall use the services of Buyer's Broker exclusively in connection with any and all negotiations and offers with respect to the Property for a period of 1 year from the date inserted for reference purposes at the top of page 1.

7.2 Buyer and Seller each represent and warrant to the other that he/she/it has had no dealings with any person, firm, broker or finder in connection with the negotiation of this Agreement and/or the consummation of the purchase and sale contemplated herein, other than the Brokers named in paragraph 7.1, and no broker or other person, firm or entity, other than said Brokers is/are entitled to any commission or finder's fee in connection with this transaction as the result of any dealings or acts of such Party. Buyer and Seller do each hereby agree to indemnify, defend, protect and hold the other harmless from and against any costs, expenses or liability for compensation, commission or charges which may be claimed by any broker, finder or other similar party, other than said named Brokers by reason of any dealings or act of the indemnifying Party.

8. Escrow and Closing.

8.1 Upon acceptance hereof by Seller, this Agreement, including any counteroffers incorporated herein by the Parties, shall constitute not only the agreement of purchase and sale between Buyer and Seller, but also instructions to Escrow Holder for the consummation of the Agreement through the Escrow. Escrow Holder shall not prepare any further escrow instructions restating or amending the Agreement unless specifically so instructed by the Parties or a Broker herein. Subject to the reasonable approval of the Parties, Escrow Holder may, however, include its standard general escrow provisions. In the event that there is any conflict between the provisions of the Agreement and the provisions of any additional escrow instructions the provisions of the Agreement shall prevail as to the Parties and the Escrow Holder.

8.2 As soon as practical after the receipt of this Agreement and any relevant counteroffers, Escrow Holder shall ascertain the Date of Agreement as defined in paragraphs 1.2 and 20.2 and advise the Parties and Brokers, in writing, of the date ascertained.

8.3 Escrow Holder is hereby authorized and instructed to conduct the Escrow in accordance with this Agreement, applicable law and custom and practice of the community in which Escrow Holder is located, including any reporting requirements of the Internal Revenue Code. In the event of a conflict between the law of the state where the Property is located and the law of the state where the Escrow Holder is located, the law of the state where the Property is located shall prevail.

8.4 Subject to satisfaction of the contingencies herein described, Escrow Holder shall close this escrow (the "**Closing**") by recording a general warranty deed (a grant deed in California) and the other documents required to be recorded, and by disbursing the funds and documents in accordance with this Agreement.

8.5 Buyer and Seller shall each pay one-half of the Escrow Holder's charges and Seller shall pay the usual recording fees and any required documentary transfer taxes. Seller shall pay the premium for a standard coverage owner's or joint protection policy of title insurance. (See also paragraph 11)

8.6 Escrow Holder shall verify that all of Buyer's contingencies have been satisfied or waived prior to Closing. The matters contained in paragraphs 9.1 subparagraphs (b), (c), (d), (e), (g), (i), (n), and (o), 9.4, 12, 13, 14, 16, 18, 20, 21, 22, and 24 are, however, matters of agreement between the Parties only and are not instructions to Escrow Holder.

8.7 If this transaction is terminated for non-satisfaction and non-waiver of a Buyer's Contingency, as defined in paragraph 9.2, then neither of the

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Parties shall thereafter have any liability to the other under this Agreement, except to the extent of a breach of any affirmative covenant or warranty in this Agreement. In the event of such termination, Buyer shall, subject to the provisions of paragraph 8.10, be promptly refunded all funds deposited by Buyer with Escrow Holder, less only the \$100 provided for in paragraph 4.4 and the Title Company and Escrow Holder cancellation fees and costs, all of which shall be Buyer's obligation. If this transaction is terminated as a result of Seller's breach of this Agreement then Seller shall pay the Title Company and Escrow Holder cancellation fees and costs.

8.8 The Closing shall occur on the Expected Closing Date, or as soon thereafter as the Escrow is in condition for Closing; provided, however, that if the Closing does not occur by the Expected Closing Date and said Date is not extended by mutual instructions of the Parties, a Party not then in default under this Agreement may notify the other Party, Escrow Holder, and Brokers, in writing that, unless the Closing occurs within 5 business days following said notice, the Escrow shall be deemed terminated without further notice or instructions.

8.9 Except as otherwise provided herein, the termination of Escrow shall not relieve or release either Party from any obligation to pay Escrow Holder's fees and costs or constitute a waiver, release or discharge of any breach or default that has occurred in the performance of the obligations, agreements, covenants or warranties contained therein.

8.10 If this sale of the Property is not consummated for any reason other than Seller's breach or default, then at Seller's request, and as a condition to any obligation to return Buyer's deposit (see paragraph 21), Buyer shall within 5 days after written request deliver to Seller, at no charge, copies of all surveys, engineering studies, soil reports, maps, master plans, feasibility studies and other similar items prepared by or for Buyer that pertain to the Property. Provided, however, that Buyer shall not be required to deliver any such report if the written contract which Buyer entered into with the consultant who prepared such report specifically forbids the dissemination of the report to others.

9. Contingencies to Closing.

9.1 The Closing of this transaction is contingent upon the satisfaction or waiver of the following contingencies. **IF BUYER FAILS TO NOTIFY ESCROW HOLDER, IN WRITING, OF THE DISAPPROVAL OF ANY OF SAID CONTINGENCIES WITHIN THE TIME SPECIFIED THEREIN, IT SHALL BE CONCLUSIVELY PRESUMED THAT BUYER HAS APPROVED SUCH ITEM, MATTER OR DOCUMENT.** Buyer's conditional approval shall constitute disapproval, unless provision is made by the Seller within the time specified therefore by the Buyer in such conditional approval or by this Agreement, whichever is later, for the satisfaction of the condition imposed by the Buyer. Escrow Holder shall promptly provide all Parties with copies of any written disapproval or conditional approval which it receives. With regard to subparagraphs (a) through (m) the pre-printed time periods shall control unless a different number of days is inserted in the spaces provided.

(a) *Disclosure.* Seller shall make to Buyer, through Escrow, all of the applicable disclosures required by law (See AIR Commercial Real Estate Association ("**AIR**") standard form entitled "Seller's Mandatory Disclosure Statement") and provide Buyer with a completed Property Information Sheet ("**Property Information Sheet**") concerning the Property, duly executed by or on behalf of Seller in the current form or equivalent to that published by the AIR within 10 or _____ days following the Date of Agreement. Buyer has 10 days from the receipt of said disclosures to approve or disapprove the matters disclosed.

(b) *Physical Inspection.* Buyer has 10 or _____ days following the receipt of the Property Information Sheet or the Date of Agreement, whichever is later, to satisfy itself with regard to the physical aspects and size of the Property.

(c) *Hazardous Substance Conditions Report.* Buyer has 30 or _____ days following the receipt of the Property Information Sheet or the Date of Agreement, whichever is later, to satisfy itself with regard to the environmental aspects of the Property. Seller recommends that Buyer obtain a Hazardous Substance Conditions Report concerning the Property and relevant adjoining properties. Any such report shall be paid for by Buyer. A "**Hazardous Substance**" for purposes of this Agreement is defined as any substance whose nature and/or quantity of existence, use, manufacture, disposal or effect, render it subject to Federal, state or local regulation, investigation, remediation or removal as potentially injurious to public health or welfare. A "**Hazardous Substance Condition**" for purposes of this Agreement is defined as the existence on, under or relevantly adjacent to the Property of a Hazardous Substance that would require remediation and/or removal under applicable Federal, state or local law.

(d) *Soil Inspection.* Buyer has 30 or _____ days following the receipt of the Property Information Sheet or the Date of Agreement, whichever is later, to satisfy itself with regard to the condition of the soils on the Property. Seller recommends that Buyer obtain a soil test report. Any such report shall be paid for by Buyer. Seller shall provide Buyer copies of any soils report that Seller may have within 10 days of the Date of Agreement.

(e) *Governmental Approvals.* Buyer has 30 or _____ days following the Date of Agreement to satisfy itself with regard to approvals and permits from governmental agencies or departments which have or may have jurisdiction over the Property and which Buyer deems necessary or desirable in connection with its intended use of the Property, including, but not limited to, permits and approvals required with respect to zoning, planning, building and safety, fire, police, handicapped and Americans with Disabilities Act requirements, transportation and environmental matters.

(f) *Conditions of Title.* Escrow Holder shall cause a current commitment for title insurance ("**Title Commitment**") concerning the Property issued by the Title Company, as well as legible copies of all documents referred to in the Title Commitment ("**Underlying Documents**"), and a scaled and dimensioned plot showing the location of any easements to be delivered to Buyer within 10 or _____ days following the Date of Agreement. Buyer has 10 days from the receipt of the Title Commitment, the Underlying Documents and the plot plan to satisfy itself with regard to the condition of title. The disapproval by Buyer of any monetary encumbrance, which by the terms of this Agreement is not to remain against the Property after the Closing, shall not be considered a failure of this contingency, as Seller shall have the obligation, at Seller's expense, to satisfy and remove such disapproved monetary encumbrance at or before the Closing.

(g) *Survey.* Buyer has 30 or _____ days following the receipt of the Title Commitment and Underlying Documents to satisfy itself with regard to any ALTA title supplement based upon a survey prepared to American Land Title Association ("**ALTA**") standards for an owner's policy by a licensed surveyor, showing the legal description and boundary lines of the Property, any easements of record, and any improvements, poles, structures and things located within 10 feet of either side of the Property boundary lines. Any such survey shall be prepared at Buyer's direction and expense. If Buyer has obtained a survey and approved the ALTA title supplement, Buyer may elect within the period allowed for Buyer's approval of a survey to have an ALTA extended coverage owner's form of title policy, in which event Buyer shall pay any additional premium attributable thereto.

(h) *Existing Leases and Tenancy Statements.* Seller shall within 10 or _____ days following the Date of Agreement provide both Buyer and Escrow Holder with legible copies of all leases, subleases or rental arrangements (collectively, "**Existing Leases**") affecting the Property, and with a tenancy statement ("**Estoppel Certificate**") in the latest form or equivalent to that published by the AIR, executed by Seller and/or each tenant and subtenant of the Property. Seller shall use its best efforts to have each tenant complete and execute an Estoppel Certificate. If any tenant fails or refuses to provide an Estoppel Certificate then Seller shall complete and execute an Estoppel Certificate for that tenancy. Buyer has 10 days from the receipt of said Existing Leases and Estoppel Certificates to satisfy itself with regard to the Existing Leases and any other tenancy issues.

(i) *Owner's Association.* Seller shall within 10 or _____ days following the Date of Agreement provide Buyer with a statement and transfer package from any owner's association servicing the Property. Such transfer package shall at a minimum include: copies of the association's bylaws, articles of incorporation, current budget and financial statement. Buyer has 10 days from the receipt of such documents to satisfy itself with regard to

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the association.

(j) *Other Agreements.* Seller shall within 10 or _____ days following the Date of Agreement provide Buyer with legible copies of all other agreements ("**Other Agreements**") known to Seller that will affect the Property after Closing. Buyer has 10 days from the receipt of said Other Agreements to satisfy itself with regard to such Agreements.

(k) *Financing.* If paragraph 5 hereof dealing with a financing contingency has not been stricken, the satisfaction or waiver of such New Loan contingency.

(l) *Existing Notes.* If paragraph 3.1(e) has not been stricken, Seller shall within 10 or _____ days following the Date of Agreement provide Buyer with legible copies of the Existing Notes, Existing Deeds of Trust and related agreements (collectively, "**Loan Documents**") to which the Property will remain subject after the Closing. Escrow Holder shall promptly request from the holders of the Existing Notes a beneficiary statement ("**Beneficiary Statement**") confirming: (1) the amount of the unpaid principal balance, the current interest rate, and the date to which interest is paid, and (2) the nature and amount of any impounds held by the beneficiary in connection with such loan. Buyer has 10 or _____ days following the receipt of the Loan Documents and Beneficiary Statements to satisfy itself with regard to such financing. Buyer's obligation to close is conditioned upon Buyer being able to purchase the Property without acceleration or change in the terms of any Existing Notes or charges to Buyer except as otherwise provided in this Agreement or approved by Buyer, provided, however, Buyer shall pay the transfer fee referred to in paragraph 3.2 hereof. Likewise if Seller is to carry back a Purchase Money Note then Seller shall within 10 or _____ days following the Date of Agreement provide Buyer with a copy of the proposed Purchase Money Note and Purchase Money Deed of Trust. Buyer has 10 or _____ days from the receipt of such documents to satisfy itself with regard to the form and content thereof.

(m) *Personal Property.* In the event that any personal property is included in the Purchase Price, Buyer has 10 or _____ days following the Date of Agreement to satisfy itself with regard to the title condition of such personal property. Seller recommends that Buyer obtain a UCC-1 report. Any such report shall be paid for by Buyer. Seller shall provide Buyer copies of any liens or encumbrances affecting such personal property that it is aware of within 10 or _____ days following the Date of Agreement.

(n) *Destruction, Damage or Loss.* Subsequent to the Date of Agreement and prior to Closing there shall not have occurred a destruction, or damage or loss to, the Property or any portion thereof, from any cause whatsoever, which would cost more than \$10,000.00 to repair or cure. If the cost of repair or cure is \$10,000.00 or less, Seller shall repair or cure the loss prior to the Closing. Buyer shall have the option, within 10 days after receipt of written notice of a loss costing more than \$10,000.00 to repair or cure, to either terminate this Agreement or to purchase the Property notwithstanding such loss, but without deduction or offset against the Purchase Price. If the cost to repair or cure is more than \$10,000.00, and Buyer does not elect to terminate this Agreement, Buyer shall be entitled to any insurance proceeds applicable to such loss. Unless otherwise notified in writing, Escrow Holder shall assume no such destruction, damage or loss has occurred prior to Closing.

(o) *Material Change.* Buyer shall have 10 days following receipt of written notice of a Material Change within which to satisfy itself with regard to such change. "**Material Change**" shall mean a substantial adverse change in the use, occupancy, tenants, title, or condition of the Property that occurs after the date of this offer and prior to the Closing. Unless otherwise notified in writing, Escrow Holder shall assume that no Material Change has occurred prior to the Closing.

(p) *Seller Performance.* The delivery of all documents and the due performance by Seller of each and every undertaking and agreement to be performed by Seller under this Agreement.

(q) *Brokerage Fee.* Payment at the Closing of such brokerage fee as is specified in this Agreement or later written instructions to Escrow Holder executed by Seller and Brokers ("**Brokerage Fee**"). It is agreed by the Parties and Escrow Holder that Brokers are a third party beneficiary of this Agreement insofar as the Brokerage Fee is concerned, and that no change shall be made with respect to the payment of the Brokerage Fee specified in this Agreement, without the written consent of Brokers.

9.2 All of the contingencies specified in subparagraphs (a) through (m) of paragraph 9.1 are for the benefit of, and may be waived by, Buyer, and may be elsewhere herein referred to as "**Buyer's Contingencies.**"

9.3 If any of Buyer's Contingencies or any other matter subject to Buyer's approval is disapproved as provided for herein in a timely manner ("**Disapproved Item**"), Seller shall have the right within 10 days following the receipt of notice of Buyer's disapproval to elect to cure such Disapproved Item prior to the Expected Closing Date ("**Seller's Election**"). Seller's failure to give to Buyer within such period, written notice of Seller's commitment to cure such Disapproved Item on or before the Expected Closing Date shall be conclusively presumed to be Seller's Election not to cure such Disapproved Item. If Seller elects, either by written notice or failure to give written notice, not to cure a Disapproved Item, Buyer shall have the right, within 10 days after Seller's Election to either accept title to the Property subject to such Disapproved Item, or to terminate this Agreement. Buyer's failure to notify Seller in writing of Buyer's election to accept title to the Property subject to the Disapproved Item without deduction or offset shall constitute Buyer's election to terminate this Agreement. The above time periods only apply once for each Disapproved Item. Unless expressly provided otherwise herein, Seller's right to cure shall not apply to the remediation of Hazardous Substance Conditions or to the Financing Contingency. Unless the Parties mutually instruct otherwise, if the time periods for the satisfaction of contingencies or for Seller's and Buyer's elections would expire on a date after the Expected Closing Date, the Expected Closing Date shall be deemed extended for 3 business days following the expiration of: (a) the applicable contingency period(s), (b) the period within which the Seller may elect to cure the Disapproved Item, or (c) if Seller elects not to cure, the period within which Buyer may elect to proceed with this transaction, whichever is later.

9.4 The Parties acknowledge that extensive local, state and Federal legislation establish broad liability upon owners and/or users of real property for the investigation and remediation of Hazardous Substances. The determination of the existence of a Hazardous Substance Condition and the evaluation of the impact of such a condition are highly technical and beyond the expertise of Brokers. The Parties acknowledge that they have been advised by Brokers to consult their own technical and legal experts with respect to the possible presence of Hazardous Substances on the Property or adjoining properties, and Buyer and Seller are not relying upon any investigation by or statement of Brokers with respect thereto. The Parties hereby assume all responsibility for the impact of such Hazardous Substances upon their respective interests herein.

10. Documents Required at or Before Closing:

10.1 Five days prior to the Closing date Escrow Holder shall obtain an updated Title Commitment concerning the Property from the Title Company and provide copies thereof to each of the Parties.

10.2 Seller shall deliver to Escrow Holder in time for delivery to Buyer at the Closing:

(a) Grant or general warranty deed, duly executed and in recordable form, conveying fee title to the Property to Buyer.

(b) If applicable, the Beneficiary Statements concerning Existing Note(s).

(c) If applicable, the Existing Leases and Other Agreements together with duly executed assignments thereof by Seller and Buyer. The assignment of Existing Leases shall be on the most recent Assignment and Assumption of Lessor's Interest in Lease form published by the AIR or its equivalent.

(d) If applicable, Estoppel Certificates executed by Seller and/or the tenant(s) of the Property.

(e) An affidavit executed by Seller to the effect that Seller is not a "foreign person" within the meaning of Internal Revenue Code Section 1445

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or successor statutes. If Seller does not provide such affidavit in form reasonably satisfactory to Buyer at least 3 business days prior to the Closing, Escrow Holder shall at the Closing deduct from Seller's proceeds and remit to the Internal Revenue Service such sum as is required by applicable Federal law with respect to purchases from foreign sellers.

(f) If the Property is located in California, an affidavit executed by Seller to the effect that Seller is not a "nonresident" within the meaning of California Revenue and Tax Code Section 18662 or successor statutes. If Seller does not provide such affidavit in form reasonably satisfactory to Buyer at least 3 business days prior to the Closing, Escrow Holder shall at the Closing deduct from Seller's proceeds and remit to the Franchise Tax Board such sum as is required by such statute.

(g) If applicable, a bill of sale, duly executed, conveying title to any included personal property to Buyer.

(h) If the Seller is a corporation, a duly executed corporate resolution authorizing the execution of this Agreement and the sale of the Property.

10.3 Buyer shall deliver to Seller through Escrow:

(a) The cash portion of the Purchase Price and such additional sums as are required of Buyer under this Agreement shall be deposited by Buyer with Escrow Holder, by federal funds wire transfer, or any other method acceptable to Escrow Holder in immediately collectable funds, no later than 2:00 P.M. on the business day prior to the Expected Closing Date provided, however, that Buyer shall not be required to deposit such monies into Escrow if at the time set for the deposit of such monies Seller is in default or has indicated that it will not perform any of its obligations hereunder. Instead, in such circumstances in order to reserve its rights to proceed Buyer need only provide Escrow with evidence establishing that the required monies were available.

(b) If a Purchase Money Note and Purchase Money Deed of Trust are called for by this Agreement, the duly executed originals of those documents, the Purchase Money Deed of Trust being in recordable form, together with evidence of fire insurance on the improvements in the amount of the full replacement cost naming Seller as a mortgage loss payee, and a real estate tax service contract (at Buyer's expense), assuring Seller of notice of the status of payment of real property taxes during the life of the Purchase Money Note.

(c) The Assignment and Assumption of Lessor's Interest in Lease form specified in paragraph 10.2(c) above, duly executed by Buyer.

(d) Assumptions duly executed by Buyer of the obligations of Seller that accrue after Closing under any Other Agreements.

(e) If applicable, a written assumption duly executed by Buyer of the loan documents with respect to Existing Notes.

(f) If the Buyer is a corporation, a duly executed corporate resolution authorizing the execution of this Agreement and the purchase of the Property.

10.4 At Closing, Escrow Holder shall cause to be issued to Buyer a standard coverage (or ALTA extended, if elected pursuant to 9.1(g)) owner's form policy of title insurance effective as of the Closing, issued by the Title Company in the full amount of the Purchase Price, insuring title to the Property vested in Buyer, subject only to the exceptions approved by Buyer. In the event there is a Purchase Money Deed of Trust in this transaction, the policy of title insurance shall be a joint protection policy insuring both Buyer and Seller.

IMPORTANT: IN A PURCHASE OR EXCHANGE OF REAL PROPERTY, IT MAY BE ADVISABLE TO OBTAIN TITLE INSURANCE IN CONNECTION WITH THE CLOSE OF ESCROW SINCE THERE MAY BE PRIOR RECORDED LIENS AND ENCUMBRANCES WHICH AFFECT YOUR INTEREST IN THE PROPERTY BEING ACQUIRED. A NEW POLICY OF TITLE INSURANCE SHOULD BE OBTAINED IN ORDER TO ENSURE YOUR INTEREST IN THE PROPERTY THAT YOU ARE ACQUIRING.

11. Prorations and Adjustments.

11.1 *Taxes.* Applicable real property taxes and special assessment bonds shall be prorated through Escrow as of the date of the Closing, based upon the latest tax bill available. The Parties agree to prorate as of the Closing any taxes assessed against the Property by supplemental bill levied by reason of events occurring prior to the Closing. Payment of the prorated amount shall be made promptly in cash upon receipt of a copy of any supplemental bill.

11.2 *Insurance.* **WARNING:** Any insurance which Seller may have maintained will terminate on the Closing. Buyer is advised to obtain appropriate insurance to cover the Property.

11.3 *Rentals, Interest and Expenses.* Scheduled rentals, interest on Existing Notes, utilities, and operating expenses shall be prorated as of the date of Closing. The Parties agree to promptly adjust between themselves outside of Escrow any rents received after the Closing.

11.4 *Security Deposit.* Security Deposits held by Seller shall be given to Buyer as a credit to the cash required of Buyer at the Closing.

11.5 *Post Closing Matters.* Any item to be prorated that is not determined or determinable at the Closing shall be promptly adjusted by the Parties by appropriate cash payment outside of the Escrow when the amount due is determined.

11.6 *Variations in Existing Note Balances.* In the event that Buyer is purchasing the Property subject to an Existing Deed of Trust(s), and in the event that a Beneficiary Statement as to the applicable Existing Note(s) discloses that the unpaid principal balance of such Existing Note(s) at the closing will be more or less than the amount set forth in paragraph 3.1(c) hereof ("**Existing Note Variation**"), then the Purchase Money Note(s) shall be reduced or increased by an amount equal to such Existing Note Variation. If there is to be no Purchase Money Note, the cash required at the Closing per paragraph 3.1(a) shall be reduced or increased by the amount of such Existing Note Variation.

11.7 *Variations in New Loan Balance.* In the event Buyer is obtaining a New Loan and the amount ultimately obtained exceeds the amount set forth in paragraph 5.1, then the amount of the Purchase Money Note, if any, shall be reduced by the amount of such excess.

11.8 *Owner's Association Fees.* Escrow Holder shall: (i) bring Seller's account with the association current and pay any delinquencies or transfer fees from Seller's proceeds, and (ii) pay any up front fees required by the association from Buyer's funds.

12. Representations and Warranties of Seller and Disclaimers.

12.1 Seller's warranties and representations shall survive the Closing and delivery of the deed for a period of 3 years, and any lawsuit or action based upon them must be commenced within such time period. Seller's warranties and representations are true, material and relied upon by Buyer and Brokers in all respects. Seller hereby makes the following warranties and representations to Buyer and Brokers:

(a) *Authority of Seller.* Seller is the owner of the Property and/or has the full right, power and authority to sell, convey and transfer the Property to Buyer as provided herein, and to perform Seller's obligations hereunder.

(b) *Maintenance During Escrow and Equipment Condition At Closing.* Except as otherwise provided in paragraph 9.1(n) hereof, Seller shall maintain the Property until the Closing in its present condition, ordinary wear and tear excepted.

(c) *Hazardous Substances/Storage Tanks.* Seller has no knowledge, except as otherwise disclosed to Buyer in writing, of the existence or prior existence on the Property of any Hazardous Substance, nor of the existence or prior existence of any above or below ground storage tank.

(d) *Compliance.* Seller has no knowledge of any aspect or condition of the Property which violates applicable laws, rules, regulations, codes or covenants, conditions or restrictions, or of improvements or alterations made to the Property without a permit where one was required, or of any unfulfilled order or directive of any applicable governmental agency or casualty insurance company requiring any investigation, remediation, repair, maintenance or improvement be performed on the Property.

(e) *Changes in Agreements.* Prior to the Closing, Seller will not violate or modify any Existing Lease or Other Agreement, or create any new leases or other agreements affecting the Property, without Buyer's written approval, which approval will not be unreasonably withheld.

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(f) *Possessory Rights.* Seller has no knowledge that anyone will, at the Closing, have any right to possession of the Property, except as disclosed by this Agreement or otherwise in writing to Buyer.

(g) *Mechanics' Liens.* There are no unsatisfied mechanics' or materialmen's lien rights concerning the Property.

(h) *Actions, Suits or Proceedings.* Seller has no knowledge of any actions, suits or proceedings pending or threatened before any commission, board, bureau, agency, arbitrator, court or tribunal that would affect the Property or the right to occupy or utilize same.

(i) *Notice of Changes.* Seller will promptly notify Buyer and Brokers in writing of any Material Change (see paragraph 9.1(o)) affecting the Property that becomes known to Seller prior to the Closing.

(j) *No Tenant Bankruptcy Proceedings.* Seller has no notice or knowledge that any tenant of the Property is the subject of a bankruptcy or insolvency proceeding.

(k) *No Seller Bankruptcy Proceedings.* Seller is not the subject of a bankruptcy, insolvency or probate proceeding.

(l) *Personal Property.* Seller has no knowledge that anyone will, at the Closing, have any right to possession of any personal property included in the Purchase Price nor knowledge of any liens or encumbrances affecting such personal property, except as disclosed by this Agreement or otherwise in writing to Buyer.

12.2 Buyer hereby acknowledges that, except as otherwise stated in this Agreement, Buyer is purchasing the Property in its existing condition and will, by the time called for herein, make or have waived all inspections of the Property Buyer believes are necessary to protect its own interest in, and its contemplated use of, the Property. The Parties acknowledge that, except as otherwise stated in this Agreement, no representations, inducements, promises, agreements, assurances, oral or written, concerning the Property, or any aspect of the occupational safety and health laws, Hazardous Substance laws, or any other act, ordinance or law, have been made by either Party or Brokers, or relied upon by either Party hereto.

12.3 In the event that Buyer learns that a Seller representation or warranty might be untrue prior to the Closing, and Buyer elects to purchase the Property anyway then, and in that event, Buyer waives any right that it may have to bring an action or proceeding against Seller or Brokers regarding said representation or warranty.

12.4 Any environmental reports, soils reports, surveys, and other similar documents which were prepared by third party consultants and provided to Buyer by Seller or Seller's representatives, have been delivered as an accommodation to Buyer and without any representation or warranty as to the sufficiency, accuracy, completeness, and/or validity of said documents, all of which Buyer relies on at its own risk. Seller believes said documents to be accurate, but Buyer is advised to retain appropriate consultants to review said documents and investigate the Property.

13. Possession.

Possession of the Property shall be given to Buyer at the Closing subject to the rights of tenants under Existing Leases.

14. Buyer's Entry.

At any time during the Escrow period, Buyer, and its agents and representatives, shall have the right at reasonable times and subject to rights of tenants, to enter upon the Property for the purpose of making inspections and tests specified in this Agreement. No destructive testing shall be conducted, however, without Seller's prior approval which shall not be unreasonably withheld. Following any such entry or work, unless otherwise directed in writing by Seller, Buyer shall return the Property to the condition it was in prior to such entry or work, including the recompaction or removal of any disrupted soil or material as Seller may reasonably direct. All such inspections and tests and any other work conducted or materials furnished with respect to the Property by or for Buyer shall be paid for by Buyer as and when due and Buyer shall indemnify, defend, protect and hold harmless Seller and the Property of and from any and all claims, liabilities, losses, expenses (including reasonable attorneys' fees), damages, including those for injury to person or property, arising out of or relating to any such work or materials or the acts or omissions of Buyer, its agents or employees in connection therewith.

15. Further Documents and Assurances.

The Parties shall each, diligently and in good faith, undertake all actions and procedures reasonably required to place the Escrow in condition for Closing as and when required by this Agreement. The Parties agree to provide all further information, and to execute and deliver all further documents, reasonably required by Escrow Holder or the Title Company.

16. Attorneys' Fees.

If any Party or Broker brings an action or proceeding (including arbitration) involving the Property whether founded in tort, contract or equity, or to declare rights hereunder, the Prevailing Party (as hereafter defined) in any such proceeding, action, or appeal thereon, shall be entitled to reasonable attorneys' fees. Such fees may be awarded in the same suit or recovered in a separate suit, whether or not such action or proceeding is pursued to decision or judgment. The term "**Prevailing Party**" shall include, without limitation, a Party or Broker who substantially obtains or defeats the relief sought, as the case may be, whether by compromise, settlement, judgment, or the abandonment by the other Party or Broker of its claim or defense. The attorneys' fees award shall not be computed in accordance with any court fee schedule, but shall be such as to fully reimburse all attorneys' fees reasonably incurred.

17. Prior Agreements/Amendments.

17.1 This Agreement supersedes any and all prior agreements between Seller and Buyer regarding the Property.

17.2 Amendments to this Agreement are effective only if made in writing and executed by Buyer and Seller.

18. Broker's Rights.

18.1 If this sale is not consummated due to the default of either the Buyer or Seller, the defaulting Party shall be liable to and shall pay to Brokers the Brokerage Fee that Brokers would have received had the sale been consummated. If Buyer is the defaulting party, payment of said Brokerage Fee is in addition to any obligation with respect to liquidated or other damages.

18.2 Upon the Closing, Brokers are authorized to publicize the facts of this transaction.

19. Notices.

19.1 Whenever any Party, Escrow Holder or Brokers herein shall desire to give or serve any notice, demand, request, approval, disapproval or other communication, each such communication shall be in writing and shall be delivered personally, by messenger, or by mail, postage prepaid, to the address set forth in this agreement or by facsimile transmission, electronic signature, digital signature, or email.

19.2 Service of any such communication shall be deemed made on the date of actual receipt if personally delivered, or transmitted by facsimile transmission, electronic signature, digital signature, or email. Any such communication sent by regular mail shall be deemed given 48 hours after the same is mailed. Communications sent by United States Express Mail or overnight courier that guarantee next day delivery shall be deemed delivered 24 hours after delivery of the same to the Postal Service or courier. If such communication is received on a Saturday, Sunday or legal holiday, it shall be deemed received on the next business day.

19.3 Any Party or Broker hereto may from time to time, by notice in writing, designate a different address to which, or a different person or additional persons to whom, all communications are thereafter to be made.

20. Duration of Offer.

20.1 If this offer is not accepted by Seller on or before 5:00 P.M. according to the time standard applicable to the city of

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23.4 **Counterparts.** This Agreement may be executed by Buyer and Seller in counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument. Escrow Holder, after verifying that the counterparts are identical except for the signatures, is authorized and instructed to combine the signed signature pages on one of the counterparts, which shall then constitute the Agreement.

23.5 **Waiver of Jury Trial.** THE PARTIES HEREBY WAIVE THEIR RESPECTIVE RIGHTS TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING INVOLVING THE PROPERTY OR ARISING OUT OF THIS AGREEMENT.

23.6 **Conflict.** Any conflict between the printed provisions of this Agreement and the typewritten or handwritten provisions shall be controlled by the typewritten or handwritten provisions. Seller and Buyer must initial any and all handwritten provisions.

23.7 **1031 Exchange.** Both Seller and Buyer agree to cooperate with each other in the event that either or both wish to participate in a 1031 exchange. Any party initiating an exchange shall bear all costs of such exchange. The cooperating Party shall not have any liability (special or otherwise) for damages to the exchanging Party in the event that the sale is delayed and/or that the sale otherwise fails to qualify as a 1031 exchange.

23.8 **Days.** Unless otherwise specifically indicated to the contrary, the word "days" as used in this Agreement shall mean and refer to calendar days.

24. Disclosures Regarding The Nature of a Real Estate Agency Relationship.

24.1 The Parties and Brokers agree that their relationship(s) shall be governed by the principles set forth in the applicable sections of the California Civil Code, as summarized in paragraph 24.2.

24.2 When entering into a discussion with a real estate agent regarding a real estate transaction, a Buyer or Seller should from the outset understand what type of agency relationship or representation it has with the agent or agents in the transaction. Buyer and Seller acknowledge being advised by the Brokers in this transaction, as follows:

(a) *Seller's Agent.* A Seller's agent under a listing agreement with the Seller acts as the agent for the Seller only. A Seller's agent or subagent has the following affirmative obligations: (1) *To the Seller:* A fiduciary duty of utmost care, integrity, honesty, and loyalty in dealings with the Seller. (2) *To the Buyer and the Seller:* a. Diligent exercise of reasonable skills and care in performance of the agent's duties. b. A duty of honest and fair dealing and good faith. c. A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the Parties. An agent is not obligated to reveal to either Party any confidential information obtained from the other Party which does not involve the affirmative duties set forth above.

(b) *Buyer's Agent.* A selling agent can, with a Buyer's consent, agree to act as agent for the Buyer only. In these situations, the agent is not the Seller's agent, even if by agreement the agent may receive compensation for services rendered, either in full or in part from the Seller. An agent acting only for a Buyer has the following affirmative obligations. (1) *To the Buyer:* A fiduciary duty of utmost care, integrity, honesty, and loyalty in dealings with the Buyer. (2) *To the Buyer and the Seller:* a. Diligent exercise of reasonable skills and care in performance of the agent's duties. b. A duty of honest and fair dealing and good faith. c. A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the Parties. An agent is not obligated to reveal to either Party any confidential information obtained from the other Party which does not involve the affirmative duties set forth above.

(c) *Agent Representing Both Seller and Buyer.* A real estate agent, either acting directly or through one or more associate licenses, can legally be the agent of both the Seller and the Buyer in a transaction, but only with the knowledge and consent of both the Seller and the Buyer. (1) In a dual agency situation, the agent has the following affirmative obligations to both the Seller and the Buyer: a. A fiduciary duty of utmost care, integrity, honesty and loyalty in the dealings with either Seller or the Buyer. b. Other duties to the Seller and the Buyer as stated above in their respective sections (a) or (b) of this paragraph 24.2. (2) In representing both Seller and Buyer, the agent may not without the express permission of the respective Party, disclose to the other Party that the Seller will accept a price less than the listing price or that the Buyer will pay a price greater than the price offered. (3) The above duties of the agent in a real estate transaction do not relieve a Seller or Buyer from the responsibility to protect their own interests. Buyer and Seller should carefully read all agreements to assure that they adequately express their understanding of the transaction. A real estate agent is a person qualified to advise about real estate. If legal or tax advice is desired, consult a competent professional.

(d) *Further Disclosures.* Throughout this transaction Buyer and Seller may receive more than one disclosure, depending upon the number of agents assisting in the transaction. Buyer and Seller should each read its contents each time it is presented, considering the relationship between them and the real estate agent in this transaction and that disclosure. Buyer and Seller each acknowledge receipt of a disclosure of the possibility of multiple representation by the Broker representing that principal. This disclosure may be part of a listing agreement, buyer representation agreement or separate document. Buyer understands that Broker representing Buyer may also represent other potential buyers, who may consider, make offers on or ultimately acquire the Property. Seller understands that Broker representing Seller may also represent other sellers with competing properties that may be of interest to this Buyer. Brokers have no responsibility with respect to any default or breach hereof by either Party. The Parties agree that no lawsuit or other legal proceeding involving any breach of duty, error or omission relating to this transaction may be brought against Broker more than one year after the Date of Agreement and that the liability (including court costs and attorneys' fees), of any Broker with respect to any breach of duty, error or omission relating to this Agreement shall not exceed the fee received by such Broker pursuant to this Agreement; provided, however, that the foregoing limitation on each Broker's liability shall not be applicable to any gross negligence or willful misconduct of such Broker.

24.3 *Confidential Information:* Buyer and Seller agree to identify to Brokers as "Confidential" any communication or information given Brokers that is considered by such Party to be confidential.

25. **Construction of Agreement.** In construing this Agreement, all headings and titles are for the convenience of the Parties only and shall not be considered a part of this Agreement. Whenever required by the context, the singular shall include the plural and vice versa. This Agreement shall not be construed as if prepared by one of the Parties, but rather according to its fair meaning as a whole, as if both Parties had prepared it.

26 **Additional Provisions:** Additional provisions of this offer, if any, are as follows or are attached hereto by an addendum or addenda consisting of paragraphs 26.1. through 26.2. . (If there are no additional provisions write "NONE".)

26. 1. Buyer hereby understands and agrees that there is currently an existing lease with a Tenant at the subject property and agrees to buy the property with the existing lease in place.

26. 2. Upon expiration of the contingency period, the \$25,000 deposit shall become non-refundable and released to the seller.

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ATTENTION: NO REPRESENTATION OR RECOMMENDATION IS MADE BY THE AIR COMMERCIAL REAL ESTATE ASSOCIATION OR BY ANY BROKER AS TO THE LEGAL SUFFICIENCY, LEGAL EFFECT, OR TAX CONSEQUENCES OF THIS AGREEMENT OR THE TRANSACTION TO WHICH IT RELATES. THE PARTIES ARE URGED TO:

- SEEK ADVICE OF COUNSEL AS TO THE LEGAL AND TAX CONSEQUENCES OF THIS AGREEMENT.
- RETAIN APPROPRIATE CONSULTANTS TO REVIEW AND INVESTIGATE THE CONDITION OF THE PROPERTY. SAID INVESTIGATION SHOULD INCLUDE BUT NOT BE LIMITED TO: THE POSSIBLE PRESENCE OF HAZARDOUS SUBSTANCES, THE ZONING OF THE PROPERTY, THE INTEGRITY AND CONDITION OF ANY STRUCTURES AND OPERATING SYSTEMS, AND THE SUITABILITY OF THE PROPERTY FOR BUYER'S INTENDED USE.

WARNING: IF THE PROPERTY IS LOCATED IN A STATE OTHER THAN CALIFORNIA, CERTAIN PROVISIONS OF THIS AGREEMENT MAY NEED TO BE REVISED TO COMPLY WITH THE LAWS OF THE STATE IN WHICH THE PROPERTY IS LOCATED.

NOTE:

- THIS FORM IS NOT FOR USE IN CONNECTION WITH THE SALE OF RESIDENTIAL PROPERTY.
- IF EITHER PARTY IS A CORPORATION, IT IS RECOMMENDED THAT THIS AGREEMENT BE SIGNED BY TWO CORPORATE OFFICERS.

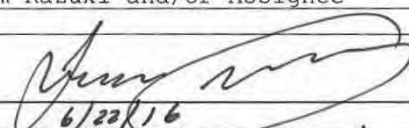
The undersigned Buyer offers and agrees to buy the Property on the terms and conditions stated and acknowledges receipt of a copy hereof.
BROKER: BUYER:

Big Block Realty

Salam Razuki and/or Assignee

Attn: Ninus Malan
 Title: _____
 Address: _____
 Telephone: (19) 750-2024
 Facsimile: () _____
 Email: _____
 Federal ID No. _____

Broker/Agent BRE License #: - 01885775
Ninus Malan - 01465681

By: 
 Date: 6/22/16
 Name Printed: Salam Razuki
 Title: _____
 Telephone: () _____
 Facsimile: () _____
 Email: Salam Razuki@yahoo.com

By: _____
 Date: _____
 Name Printed: _____
 Title: _____
 Address: _____
 Telephone: () _____
 Facsimile: () _____
 Email: _____
 Federal ID No. _____

27. Acceptance.

27.1 Seller accepts the foregoing offer to purchase the Property and hereby agrees to sell the Property to Buyer on the terms and conditions therein specified.

27.2 In consideration of real estate brokerage service rendered by Brokers, Seller agrees to pay Brokers a real estate Brokerage Fee in a sum equal to 6% of the Purchase Price to be divided between the Brokers as follows: Seller's Broker 3% and Buyer's Broker 3%. This Agreement shall serve as an irrevocable instruction to Escrow Holder to pay such Brokerage Fee to Brokers out of the proceeds

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accruing to the account of Seller at the Closing.

27.3 Seller acknowledges receipt of a copy hereof and authorizes Brokers to deliver a signed copy to Buyer.

NOTE: A PROPERTY INFORMATION SHEET IS REQUIRED TO BE DELIVERED TO BUYER BY SELLER UNDER THIS AGREEMENT.

BROKER:

AE Commercial Real Estate

SELLER:

Cobbs Survivors Trust (11-03-87)

Attn: Alan Angeles
Title: Broker
Address: 3456 Camino Del Rio N #208
San Diego, CA. 92108
Telephone: (619) 800-6070
Facsimile: (619) 512-4428
Email:
Federal ID No.:
Broker/Agent BRE License #:

By:
Date:
Name Printed: Patricia Cobbs
Title:
Telephone: ()
Facsimile: ()
Email:
By:
Date:
Name Printed:
Title:
Address:
Telephone: ()
Facsimile: ()
Email:
Federal ID No.:

NOTICE: These forms are often modified to meet changing requirements of law and industry needs. Always write or call to make sure you are utilizing the most current form: AIR Commercial Real Estate Association, 500 N Brand Blvd, Suite 900, Glendale, CA 91203. Telephone No. (213) 687-8777. Fax No.: (213) 687-8616.

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6 james@elialaw.com

7 Attorneys for Plaintiff
SALAM RAZUKI

8
9 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
10 **COUNTY OF SAN DIEGO, CENTRAL DIVISION**

11 SALAM RAZUKI, an individual,

12 Plaintiff,

13 v.

14 NINUS MALAN, an individual; CHRIS
HAKIM, an individual; MONARCH
15 MANAGEMENT CONSULTING, INC. a
California corporation; SAN DIEGO
16 UNITED HOLDING GROUP, LLC, a
California limited liability company; FLIP
17 MANAGEMENT, LLC, a California limited
liability company; MIRA ESTE
18 PROPERTIES, LLC, a California limited
liability company; ROSELLE PROPERTIES,
19 LLC, a California limited liability company;
BALBOA AVE COOPERATIVE, a
20 California nonprofit mutual benefit
corporation; CALIFORNIA CANNABIS
21 GROUP, a California nonprofit mutual
benefit corporation; DEVILISH DELIGHTS,
22 INC., a California nonprofit mutual benefit
corporation; and DOES 1-100, inclusive,

23 Defendants.
24

CASE NO. 37-2018-00034229-CU-BC-CTL

**DECLARATION OF MAURA GRIFFIN,
ESQ. IN SUPPORT OF PLAINTIFF
SALAM RAZUKI'S SUPPLEMENTAL
MEMORANDUM OF POINTS AND
AUTHORITIES IN SUPPORT OF
APPOINTMENT OF RECEIVER AND
OPPOSITION TO DEFENDANT NINUS
MALAN'S EX PARTE APPLICATION TO
VACATE RECEIVERSHIP ORDER**

Date: August 14, 2018
Time: 8:30 a.m.
Dept: C-67
Judge: Hon. Eddie C. Sturgeon

25 I, Maura Griffin, declare:

26 1. I am an attorney duly licensed to practice law in the State of California. I am of
27
28

1 counsel for the Law Offices of Steven A. Elia, APC which represents Plaintiff Salam Razuki
2 (“Plaintiff”) in the above-entitled matter. All facts stated within the Declaration are within my
3 personal knowledge or based upon information and belief if so stated and, if called as a witness, I
4 would and could competently testify to them.

5 2. Plaintiff filed his complaint on July 10, 2018 against all currently named defendants
6 with the exception of Chris Hakim, California Cannibis Group, Balboa Ave Cooperative and Devilish
7 Delights, Inc. The case was initially assigned to Judge Kenneth Medel. Upon learning of the judicial
8 assignment, our office immediately scheduled an ex parte for appointment of receiver and temporary
9 restraining order which was scheduled for July 17, 2018 (the “July 17th Ex Parte”).

10 3. On July 13, 2018, our office contacted by telephone David Jarvis, Esq., who confirmed
11 that he represented both Ninus Malan and Chris Hakim, and we discussed with Mr. Jarvis at length
12 the subject matter and nature of the July 17th Ex Parte including, but not limited to, that Plaintiff
13 would be seeking the appointment of a receiver and temporary restraining order (“TRO”), as well as
14 the date, time and place for the hearing. As of July 13, 2018, Mr. Jarvis was also the registered agent
15 for Mira Este Properties, LLC (“Mira Este”), Roselle Properties, LLC (“Roselle”), Monarch
16 Management Consulting, Inc. (“Monarch”), California Cannibis Group (“CCG”) and Devilish
17 Delights, Inc. (“Devilish”). Meanwhile, Ninus Malan (“Malan”) was the registered agent for Flip
18 Management, LLC (“Flip”) and George Costa Panagiotou (“Panagiotou”) was the registered agent for
19 both San Diego United Holding Group, LLC (“SD United”) and Balboa Ave Cooperative (“Balboa
20 Coop.”). However, I am informed and believe, based on business searches of the entity Defendants
21 that I conducted on August 9, 2018 and August 10, 2018, that Gina Austin, Esq. of Austin Legal
22 Group is now the registered agent for service of process for SD United and Balboa Coop. This
23 telephonic notice of the July 17th Ex Parte to Mr. Jarvis was followed by an e-mail sent on July 13,
24 2018, by Steven A. Elia to both Mr. Jarvis and Tamara Leetham, Esq. of Austin Legal Group, APC,
25 who has represented Malan and Chris Hakim (“Hakim”) in the past, and was ultimately retained to
26 represent Malan in this case. I was copied on Mr. Elia’s July 13, 2018 e-mail to Mr. Jarvis and Ms.
27 Leetham. A true and correct copy of this e-mail is attached hereto as **Exhibit 1**.

28 4. On July 13, 2018, Plaintiff filed a First Amended Complaint (the “FAC”) adding four
additional defendants (Hakim, CCG, Balboa Coop. and Devilish). A conformed copy of the FAC was

1 not received by Plaintiff's office until August 1, 2018, however, a conformed copy of the original
2 Complaint and an unconformed copy of the FAC were e-mailed to Mr. Jarvis, Ms. Leetham and Ms.
3 Austin on July 16, 2018, one day before the July 17th Ex Parte. A true and correct copy of the above-
4 mentioned e-mail is attached hereto as **Exhibit 2**. It was impossible for Plaintiff to serve defendants
5 with the FAC prior to the July 17th Ex Parte because the conformed copy of the FAC had not been
6 returned from the Court. The FAC and Amended Summons were properly served on all defendant
7 entities with the exception of Flip Management, LLC on August 10, 2018, however, we are currently
8 awaiting the Proof of Service.

9 5. On July 16, 2018, Plaintiff filed his ex parte application for appointment of receiver
10 and a temporary restraining order ("Plaintiff's Ex Parte Application") with the Court requesting Mike
11 Essary be immediately appointed as the receiver, a copy of which is attached hereto as **Exhibit 3**
12 (without exhibits). A copy of Plaintiff's Ex Parte Application was then e-mailed to Mr. Jarvis, Ms.
13 Leetham and Ms. Austin via several e-mails at approximately 10:15 a.m. on July 16, 2018. A true and
14 correct copy of the above-mentioned e-mails are attached hereto collectively as **Exhibit 4**.

15 6. On July 17, 2018, the Court heard Plaintiff's Ex Parte Application. At the July 17th Ex
16 Parte, Gina Austin, Esq., who specially appeared on behalf of all defendants, argued that the notice
17 was not valid because Mr. Jarvis was a transactional attorney, not a litigation attorney. This is of
18 course false as Attorney Dave Jarvis is a partner of the firm of Gorla, Weber and Jarvis, which is
19 currently representing Hakim in this instant action. As Plaintiff's counsel timely notified Mr. Jarvis
20 via telephone of the nature of the ex parte and Mr. Jarvis represented to Plaintiff's counsel that he
21 represented both Malan and Hakim, proper notice of the ex parte was given to, at the very least, Malan
22 and Hakim.

23 7. Ultimately, Judge Medel granted Plaintiff's application appointing Mike Essary as the
24 receiver (the "Receiver") and the TRO. Judge Medel did not immediately sign the Order and
25 Plaintiff's counsel returned to court later that day to pick up the signed Order, a copy of which is
26 attached hereto as **Exhibit 5**. Although the Judge made statements that he hadn't reviewed the Order
27 as of the time of the hearing, presumably he did so before executing it. The judge also set an OSC
28 confirming the appointment of the receiver and regarding the preliminary injunction for August 10,
2018 (the "OSC"). However, on July 17, 2018, after the execution and receipt of the Order by

1 Plaintiff, Malan filed a Preemptory Challenge removing Judge Medel from the case. On July 25,
2 2018, the case was reassigned to Judge Strauss and Plaintiff immediately scheduled an ex parte on
3 July 31, 2018 to reset the OSC. Malan also set an ex parte for the same date to vacate the
4 receivership.

5 8. I am informed and believe that on July 17, 2018, following Judge Medel’s execution of
6 the Order, the Receiver went to the Balboa Dispensary to take possession and control of the Balboa
7 Dispensary. I am further informed and believe that most of the events that occurred during the
8 Receiver’s takeover of the Balboa Dispensary on July 17, 2018 were captured on security camera
9 footage which our office is in possession of and could provide to the Court if requested.

10 9. Upon reassignment of the case to Judge Strauss, Malan scheduled an ex parte hearing
11 seeking an order vacating the receiver’s appointment (“Malan’s Ex Parte Application”) for July 31,
12 2018. In support of Malan’s Ex Parte Application, he submitted the Declaration of Gina Austin, a
13 copy of which is attached hereto as **Exhibit 6(A)** (without exhibits) and the Declaration of Ninus
14 Malan, a copy of which is attached hereto as **Exhibit 6(B)** (without exhibits).

15 10. In support of their opposition to Malan’s Ex Parte Application, SoCal Building
16 Ventures, LLC (“SoCal Building”) submitted the Declaration of Michael Essary dated July 30, 2018,
17 a copy of which is attached hereto as **Exhibit 7**, which provided facts regarding the events which
18 occurred during the Receiver’s takeover on July 17, 2018. On August 12, 2018, I received a copy of
19 the Declaration of Michael Essary dated August 12, 2018, which is attached hereto as **Exhibit 8**,
20 which further described the July 17, 2018 takeover of the Balboa Dispensary and the Receiver’s
21 dispute of certain allegations made against him by Malan and his counsel.

22 11. Although the transcript of the July 31st Ex Parte hearing is somewhat unclear, Judge
23 Strauss clearly indicated that although he had read Malan’s Ex Parte Application and SoCal
24 Building’s opposition thereto, he had not read Plaintiff’s Ex Parte Application or reviewed the
25 exhibits thereto. Ultimately, Judge Strauss orally granted Malan’s request to vacate the Order but
26 instructed counsel to “prepare a proposed order for the Court’s review and approval”, *i.e.* to submit a
27 proposed order after the hearing. A true and correct copy of the Court’s July 31, 2018 Minute Order
28 is attached hereto as **Exhibit 9**. SoCal Building filed a preemptory challenge before Judge Strauss
executed an order after the July 31, 2018 hearing and, therefore, no final order after the hearing was

1 ever executed. The case was ultimately assigned to this Court who sua sponte scheduled the ex parte
2 hearing to revisit the appointment of the receiver and Malan's Ex Parte Application to Vacate the
3 Receivership Order. On Wednesday, August 8, 2018, I received a call from Judge Sturgeon's clerk
4 who notified me of the August 14, 2018 hearing. The clerk furthermore advised me that because
5 Judge Strauss had directed counsel to prepare an order after the hearing which was never signed, the
6 July 31, 2018 Minute Order did not constitute a valid and final order and the receivership was never
7 vacated.

8 12. On August 12, 2018, counsel for SoCal Building Ventures, LLC provided me with
9 copies of several declarations that it had obtained from various witnesses, as follows:

- 10 (i) The Declaration of James Holler dated August 12, 2018 (**Exhibit 10** hereto);
11 (ii) The Declaration of John H. Yaeger dated August 12, 2018 (**Exhibit 11** hereto);
12 and,
13 (iii) The Declaration of Jim Townsend dated August 11, 2018 (**Exhibit 12** hereto).

14 13. The Declaration of Jim Townsend included an accounting of the payments made by
15 SoCal Building for the Balboa Property and the Mira Este Property from 2017 through July 2018,
16 which total \$2,731,811.03. On August 11, 2018, I had a telephone conference with John Yeager to
17 discuss certain entries on the accounting and to confirm the nature of certain payments. Based on the
18 accounting provided by Mr. Townsend and the information I obtained from Mr. Yaeger in our phone
19 call on August 11, 2018, I am informed and believe that SoCal Building has invested a total of
20 approximately \$2,731,811 in furtherance of the three Management Agreements, as follows: (i)
21 Approximately \$936,245 under the Balboa Management Agreement; and, (ii) Approximately
22 \$1,795,566 under the Mira Este Management. While I am further informed and believe that some of
23 these funds were used for tenant improvements and to pay vendors, it is my understanding that SoCal
24 Building has paid a total of \$1,298,500 in rent, minimum guarantees, purchase option fees and
25 monthly management fees under the Management Agreements (\$465,000 for the Balboa Property and
26 \$833,500 for the Mira Este Property). Based on the Management Agreements, we originally
27 estimated that SoCal Building had paid \$225,000 to exercise its purchase options under the three
28 Management Agreements, however, based on the additional information I received from SoCal
Building on August 11, 2018, I now believe that the purchase option fee has yet been paid for the

1 Roselle Management Agreement because it has not yet become due. I am further informed and believe
2 that certain of these funds, estimated to be approximately \$150,000, were paid in cash to Defendants.
3 I was informed by Mr. Yaeger that any notation that a payment was "paid by Sales" indicates that it
4 was paid for in cash. According to my client, Plaintiff has not received any of the money that SoCal
5 Building has paid for rent, monthly minimum guarantees and option to purchase fees.

6 14. On August 12, 2018, I contacted the Receiver and requested a copy of his Interim
7 Report, which he provided me with. It is Plaintiff's understanding from the Receiver that he was
8 unable to obtain any other information or bank statements for various other bank accounts which
9 might exist for the defendant entities during the period in which he controlled the receivership assets,
10 *i.e.* between July 17, 2018 and July 31, 2018.

11 15. Based on information which has been provided to Plaintiff by SoCal Building, Plaintiff
12 is informed that SoCal Building will be addressing the accusations made against it by Malan and in
13 the interests of judicial efficiency will not address all of the allegations made nor the evidence which
14 disputes them.

15 I declare under penalty of perjury under the laws of the State of California that the foregoing is
16 true and correct, and that this declaration is executed on August 13, 2018, at San Diego, California.


17 By: 
18 Maura Griffin, Attorney for Plaintiff
19 Salam Razuki
20
21
22
23
24
25
26
27
28

EXHIBIT 1

From: [Steven Elia](#)
To: davejarvisii@yahoo.com; Leetham, Tamara
Cc: [Maura Griffin](#); [Holly Attiq](#); [James Joseph](#); [Maria](#); [Ashley Jabro](#)
Subject: NOTICE OF EX PARTE - SALAM RAZUKI v. NINUS MALAN, et al
Date: Friday, July 13, 2018 4:02:04 PM
Attachments: [Notice of Ex Parte dated 7-13-2018.pdf](#)

Counsel,

Please see attached letter regarding notice of an ex parte hearing which I've copied and pasted below for your convenience.

VIA U.S. MAIL AND EMAIL (davejarvisii@yahoo.com & tamara@austinlegalgroup.com)

DAVID JARVIS, ESQ.	TAMARA MARIE LEETHAM, ESQ.
GORIA & WEBER	AUSTIN LEGAL GROUP, APC
1011 CAMINO DEL RIO S. #210	3990 OLD TOWN AVENUE, SUITE A112
SAN DIEGO, CA 92108	SAN DIEGO, CA 92110

Re: SALAM RAZUKI v. NINUS MALAN, et al
Superior Court Case Number 37-2018-00034229-CU-BC-CTL

NOTICE OF EX PARTE HEARING

Dear Ms. Leetham and Mr. Jarvis:

My firm represents Mr. Salam Razuki who is the Plaintiff in the above entitled action.

Following my call at approximately noon today with Mr. Jarvis where I gave notice of Tuesday's ex parte, written notice is hereby given that our office scheduled an ex parte application to be heard on Tuesday, July 17, 2018 at 8:30am in Department 66 before the Honorable Judge Kenneth Medel located at the Superior Court of the State of California, Hall of Justice at 330 West Broadway, San Diego, CA 92101. Please advise Messrs. Malan and Hakim of the same.

LAW OFFICES OF
STEVEN A. ELIA, APC

By: _____
Steven A. Elia

Cc: Salam Razuki



Steven A. Elia
Attorney At Law



2221 Camino Del Rio South, Suite 207 | San Diego, CA 92108
Telephone (619) 444-2244 | Fax (619) 440-2233
Website www.elialaw.com | Email steve@elialaw.com
[Click Here to Add Me to Your Contacts](#)

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EXHIBIT 2

From: [James Joseph](#)
To: [Leetham, Tamara](#); [Steven Elia](#); [Rhonda Soll](#); davejarvisii@yahoo.com; [Austin, Gina](#)
Cc: [Zachary Rothenberg](#); [Salvatore J. Zimmitti](#); [Maura Griffin](#); [Holly Attig](#); [Maria](#); [Ashley Jabro](#)
Subject: RE: RAZUKI v. MALAN, et al, Case No. 37-2018-00034229-CU-BC-CTL NOTICE OF EX PARTE HEARING
Date: Monday, July 16, 2018 10:16:51 AM
Attachments: [FAC - Razuki v. Malan, et al..pdf](#)
[Complaint - CONFORMED 7.10.18.pdf](#)
[image013.png](#)
[image014.png](#)
[image015.png](#)
[image016.png](#)
[image017.png](#)
[image019.png](#)

Ms. Leetham,

As per Steve's previous email, here is a copy of the Complaint and the FAC. I will be sending the Ex Parte Papers in another email as the documents are too large to send in one email.

James Joseph
Attorney At Law



2221 Camino Del Rio South, Suite 207 | San Diego, CA 92108
Telephone (619) 444-2244 | Fax (619) 440-2233
Website www.elialaw.com | Email james@elialaw.com

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From: Leetham, Tamara [<mailto:tamara@austinlegalgroup.com>]
Sent: Monday, July 16, 2018 10:08 AM
To: Steven Elia <Steve@EliaLaw.com>; Rhonda Soll <rsoll@nelsonhardiman.com>;
davejarvisii@yahoo.com; Austin, Gina <gaustin@austinlegalgroup.com>

Cc: Zachary Rothenberg <zrothenberg@nelsonhardiman.com>; Salvatore J. Zimmitti <szimmitti@nelsonhardiman.com>; Maura Griffin <Maura@elialaw.com>; James Joseph <james@elialaw.com>; Holly Attiq <Holly@elialaw.com>; Maria <maria@elialaw.com>; Ashley Jabro <Ashley@elialaw.com>

Subject: RE: RAZUKI v. MALAN, et al, Case No. 37-2018-00034229-CU-BC-CTL NOTICE OF EX PARTE HEARING

Dear Steve,

Let me clarify, this firm represents Ninus Malan. I am not sure why Mr. Jarvis indicated that he represents Mr. Malan. Mr. Malan has not been served, we have not agreed to accept service, and we have not been given any documentation this case. In addition, your ex parte notice is improper as you failed to state with specificity the nature of the relief to be requested. This, of course, is the most important part of the ex parte notice and your failure to give any indication as to what purported emergency Salam Razuki has that requires relief when none of the defendants have been served or have had the ability to retain representation.

We will have a court reporter there. Ms. Austin will specially appear and object to the proceeding in its entirety for its impropriety.

Thank you,

Tamara Leetham

From: Steven Elia [<mailto:Steve@EliaLaw.com>]

Sent: Monday, July 16, 2018 9:52 AM

To: Leetham, Tamara; Rhonda Soll; davejarvisii@yahoo.com; Austin, Gina

Cc: Zachary Rothenberg; Salvatore J. Zimmitti; Maura Griffin; James Joseph; Holly Attiq; Maria; Ashley Jabro

Subject: RE: RAZUKI v. MALAN, et al, Case No. 37-2018-00034229-CU-BC-CTL NOTICE OF EX PARTE HEARING

Tamara,

We will be proceeding with the ex parte tomorrow as scheduled. James Joseph from my office will provide a courtesy copy of the summons and complaint along with the ex parte application and related papers. Per my telephone conversation last Friday around noon with Attorney David Jarvis, he confirmed he represented both Mr. Malan and Mr. Hakim. He also stated he had a copy of the complaint that he downloaded from the court's website hours before we spoke. Finally, I notified him of the nature of the ex parte after a lengthy discussion with him. I'm sure he passed along this information to your clients. Your client's efforts to trip, stumble and delay while they continue their theft of millions of dollars of assets will be presented to Judge Medel tomorrow.

I will not be responding to your meritless allegations. It clearly appears your clients are being less than truthful with you. We will see Ms. Austin in court tomorrow. Thank you.



Steven A. Elia
Attorney At Law



2221 Camino Del Rio South, Suite 207 | San Diego, CA 92108
Telephone (619) 444-2244 | Fax (619) 440-2233
Website www.elialaw.com | Email steve@elialaw.com
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From: Leetham, Tamara <tamara@austinlegalgroup.com>

Sent: Monday, July 16, 2018 9:19 AM

To: Rhonda Soll <rsoll@nelsonhardiman.com>; Steven Elia <Steve@EliaLaw.com>;
davejarvisii@yahoo.com; Austin, Gina <gaustin@austinlegalgroup.com>

Cc: Zachary Rothenberg <zrothenberg@nelsonhardiman.com>; Salvatore J. Zimmitti
<szimmitti@nelsonhardiman.com>

Subject: RE: RAZUKI v. MALAN, et al, Case No. 37-2018-00034229-CU-BC-CTL NOTICE OF EX PARTE HEARING

All,

This is directed at both ex parte matters for tomorrow morning July 17, 2018. I have not seen the Summons and Complaint, I am not authorized to accept for a Summons and Complaint, and Mr. Elia's purported ex parte notice on Friday gave no indication of its subject matter. Because NO DEFENDANT has been served or has retained counsel in this matter, we strenuously object to ANY ex parte request for relief. In addition, it is my understanding that Mr. Razuki is claiming entitlement to

assets pursuant to an oral agreement. Mr. Razuki's purported claim to assets (the extent to which I have no knowledge) is not urgent or immediate. I suspect this is being driven by the approximate \$250,000 judgment against him which as I understand is causing one of his commercial properties into foreclosure.

I am unavailable tomorrow morning as I am in an ex parte in a different department. I am requesting that you take ex parte off calendar and serve the Summons and Complaint and that both ex parte's noticed for tomorrow morning are done by noticed motion. In the event you refuse, I am asking you to trail the matter until next Thursday or the following week so you at least appropriately serve the Summons and Complaint and all moving papers. In the event you further refuse, I am sending a Court reporter and my partner Gina Austin will specially appear to object to the proceeding in its entirety. She will notify the Court I made this request this morning.

In terms of the Complaint in Intervention, as I have not seen the Summons and Complaint nor am I retained or authorized to accept service for any of the named defendants, of course we will oppose as premature and procedurally improper.

On another note, Mr. Razuki and/or Mr. Bornstein conspired to manufacture a fraudulent lease in an attempt to unlawfully take over Mira Este on Friday July 13. The police were called and Mr. Bornstein and/or Mr. Rauki's people were told to leave. We know this because Dan Spillane was there and informed either Mr. Malan or Mr. Hakim that Salam Razuki says hello. We also know that the security company was involved. It is my understanding the head of the security company told the police he owned the building. As you all know, Mira Este Properties owns the Mira Este. This was an intentional lie intended to take control of property and assets that belong to Mira Este Properties. This behavior is deceitful and unlawful and must immediately cease. Accordingly, please instruct Mr. Bornstein, Mr. Patel and his girlfriend Diana, Mr. Townsend, Mr. Razuki, and any others involved in this fraudulent conspiracy to cease and desist all acts of intentional interference at Mira Este as well as Balboa Ave Cooperative.

Thank you,

Tamara Leetham

From: Rhonda Soll [<mailto:rsoll@nelsonhardiman.com>]

Sent: Monday, July 16, 2018 7:35 AM

To: steve@eljalaw.com; davejarvisii@yahoo.com; Leetham, Tamara

Cc: Zachary Rothenberg; Salvatore J. Zimmitti

Subject: RAZUKI v. MALAN, et al, Case No. 37-2018-00034229-CU-BC-CTL NOTICE OF EX PARTE HEARING

Counsel,

Attached please find the Notice of *Ex Parte* hearing for July 17, 2018 at 8:30 a.m.

Rhonda Soll | Litigation Secretary
t 310.203.2817 | f 310.203.2727
rsoll@nelsonhardiman.com

For sending large files and documents please use my sharefile link below.

<https://nelsonhardiman.sharefile.com/r-r5f72bee8f5b41859>



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EXHIBIT 3

1 Steven A. Elia (State Bar No. 217200)
 2 Maura Griffin (State Bar No. 264461)
 3 James Joseph (State Bar No. 309883)
 LAW OFFICES OF STEVEN A. ELIA, APC
 4 2221 Camino Del Rio South, Suite 207
 San Diego, California 92108
 5 Telephone: (619) 444-2244
 Facsimile: (619) 440-2233
 6 Email: steve@elialaw.com
 maura@elialaw.com
 james@elialaw.com

7 Attorneys for Plaintiff
 8 SALAM RAZUKI

9 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
 10 **COUNTY OF SAN DIEGO, CENTRAL DIVISION**

11 SALAM RAZUKI, an individual,

12 Plaintiff,

13 v.

14 NINUS MALAN, an individual; CHRIS
 15 HAKIM, an individual; MONARCH
 MANAGEMENT CONSULTING, INC. a
 16 California corporation; SAN DIEGO
 UNITED HOLDING GROUP, LLC, a
 17 California limited liability company; FLIP
 MANAGEMENT, LLC, a California limited
 18 liability company; MIRA ESTE
 PROPERTIES, LLC, a California limited
 19 liability company; ROSELLE PROPERTIES,
 LLC, a California limited liability company;
 20 BALBOA AVE COOPERATIVE, a
 California nonprofit mutual benefit
 21 corporation; CALIFORNIA CANNABIS
 GROUP, a California nonprofit mutual
 22 benefit corporation; DEVILISH DELIGHTS,
 INC., a California nonprofit mutual benefit
 23 corporation; and DOES 1-100, inclusive,

24 Defendants.

CASE NO. 37-2018-00034229-CU-BC-CTL

**EX PARTE APPLICATION FOR
 APPOINTMENT OF RECEIVER AND
 PRELIMINARY INJUNCTION OR, IN
 THE ALTERNATIVE, A TEMPORARY
 RESTRAINING ORDER AND AN OSC RE
 APPOINTMENT OF RECEIVER AND
 PRELIMINARY INJUNCTION;
 MEMORANDUM OF POINTS AND
 AUTHORITIES IN SUPPORT OF EX
 PARTE APPLICATION; DECLARATION
 OF JAMES JOSEPH, ESQ.;
 DECLARATION OF SALAM RAZUKI;
 DECLARATION OF JAMES
 TOWNSEND; [PROPOSED] ORDER**

Date: July 17, 2018
 Time: 8:30 a.m.
 Dept: C-66
 Judge: Hon. Kenneth J. Medel

1 Plaintiff SALAM RAZUKI (“Plaintiff” or “Razuki”), by and through his counsel, hereby applies
2 *ex parte* for the appointment of a receiver and preliminary injunction or, in the alternative, a temporary
3 restraining order (TRO) and an OSC re appointment of receiver and preliminary injunction.

4 1. This application is based on the ground that Razuki’s interest in real property is in
5 immediate danger of being lost due to Defendants NINUS MALAN (“Malan”) and CHRIS HAKIM’s
6 (“Hakim”) conspiracy to defraud Razuki by (a) failing to comply with the terms of an *Agreement of*
7 *Compromise, Settlement and Mutual General Release* dated November 9, 2017 entered into between
8 Razuki and Malan (the “Settlement Agreement”) whereby Malan agreed to transfer partnership assets
9 (including, but not limited to, his interests in and to several limited liability companies that either own
10 real property or manage legal marijuana businesses on said properties (referred to herein as the
11 “Marijuana Operations”) which are held in Malan’s name to RM Property Holdings, LLC (“RM
12 Holdings”), a limited liability company that was formed specifically to hold such interests and is owned
13 by Razuki and Malan; and, (b) for diverting \$2.6 million in assets and rental or management income
14 from Razuki and/or RM Holdings in relation to the afore-mentioned real properties and the Marijuana
15 Operations.

16 2. This application is based on the attached memorandum of points and authorities (the
17 “Memorandum”), the Declarations of Salam Razuki and James Townsend, and the records and files in
18 this action, and any further evidence and argument that the Court will receive at or before the hearing
19 on this motion.

20 3. Based on the foregoing, Razuki now moves this Court for the following relief:

21 a. For an order appointing MICHAEL W. ESSARY as receiver (the “Receiver”) to
22 take possession of the assets of RM Holdings, as well as San Diego United Property Holdings, LLC
23 (“SD United”), Flip Management, LLC (“Flip”), Mira Este Properties, LLC (“Mira Este”), Roselle
24 Properties, LLC (“Roselle”), Balboa Ave Cooperative (“Balboa”), California Cannabis Group (“CCG”),
25 and Devilish Delights, Inc. (“Devilish”) which are collectively referred to herein as the “Marijuana
26 Operations” (as further described in Section II(B) of the Memorandum), for the purpose of the
27

1 following: (i) preserving and protecting said entities ownership interests in and to both the Marijuana
2 Operations and the subject real properties which are assets of RM Holdings pursuant to the terms of the
3 Settlement Agreement pending resolution of this action; (ii) determining whether any member,
4 shareholder, director and/or officer of RM Holdings has committed waste as to any of its assets; (iii)
5 establishing the current fair market value of the assets of RM Holdings and/or the Marijuana Operations;
6 (iv) performing an accounting of the assets and debts of RM Holdings and the Marijuana Operations
7 including, but not limited to, determining the monetary contributions of its members and/or the parties
8 to this lawsuit; (v) establishing whether any fraudulent transfers of the assets of RM Holdings and/or
9 the Marijuana Operations have occurred; (vi) determining whether Malan and/or Hakim have the proper
10 authority to act on behalf of the Marijuana Operations and/or any of the LLC's which should have been
11 transferred to RM Holdings pursuant to the Settlement Agreement; (vii) determining what secured and
12 unsecured loans have been taken by Defendants to operate the Marijuana Operations; (viii) performing
13 an accounting as to the Marijuana Operations including, but not limited to, determining what salaries
14 and/or dividends have been paid, determining the amount invested by each shareholder/member, and
15 making any and all other determinations regarding the management and operation of the Marijuana
16 Operations as required by the Court; (ix) marketing and selling the assets of RM Holdings and/or the
17 Marijuana Operations for the purposes of paying the respective debts of RM Holdings and Marijuana
18 Operations with the balance to be allocated amongst the shareholders/members of RM Holdings and the
19 Marijuana Operations as determined by the Court; (ix) managing the rental units owned by the
20 Marijuana Operations including collecting rents, paying expenses, repairing and maintaining the subject
21 properties, and preparing the subject properties for sale pending dissolution of partnership between
22 Razuki and Malan and the sale of said properties; and, (xi) any and all other actions required to dissolve
23 RM Holdings and/or the entities involved in the Marijuana Operations. In the alternative, Plaintiff
24 requests that the Court set an OSC re appointment of receiver and preliminary injunction. A proposed
25 order further describing the duties and powers of the Receiver is being submitted herewith.

26 b. For a preliminary injunction (or, alternatively a TRO) restraining and enjoining
27
28

1 Defendants' use, modification, taking, removal and/or conversion of any and all furniture, fixtures, other
2 equipment and/or inventory currently located at any of the following parcels of real property: 8863
3 Balboa Ave, San Diego, CA 92123, 8861 Balboa Ave, San Diego, CA 92123, 9212 Mira Este Ct., San
4 Diego, CA 92126, and 10685 Roselle Street, San Diego, CA 92121.

5 c. For a preliminary injunction (or, alternatively a TRO), restraining and enjoining
6 Malan and/or Hakim from: (i) committing or permitting waste of the assets of RM Holdings and/or the
7 Marijuana Operations; (ii) removing, transferring, encumbering or otherwise disposing of the assets of
8 RM Holdings and/or the Marijuana Operations; (iii) demanding, collecting and/or diverting business
9 profits, rents and/or management fees from RM Holdings and/or the Marijuana Operations; and, (iv)
10 interfering with the discharge of the Receiver's duties.

11 d. For an order requiring Malan and Hakim to do the following: (i) to turn over
12 possession of the real properties owned by RM Holdings and the Marijuana Operations to the Receiver
13 including, but not limited to, all keys and access codes; (ii) to turn over all financial and management
14 records, including books, ledgers, spreadsheets, contracts, bills, tax records, bank account information
15 and computers; (iii) to turn over all information concerning insurance coverage related to the Marijuana
16 Operations and/or its assets; (iv) to turn over all information concerning insurance coverage related to
17 RM Holdings, or any entities owing any interest in the Marijuana Operations; (v) to turn over any and
18 all licenses and/or permits related to the Marijuana Operations; and, (vi) to turn over all monies relating
19 to RM Holdings and the Marijuana Operations and/or their assets, including security deposits, rental
20 income and/or any other monetary funds held in any accounts pending trial or further order of this Court.

21 4. This Motion is made pursuant to California Code of Civil Procedure Section 564(b)(9)
22 which authorizes the appointment of a receiver where it is necessary to preserve the property rights of
23 a party to a lawsuit; and, California Rule of Court 3.1175 allowing the ex parte appointment of a
24 receiver.

25 5. A receiver is necessary to protect the interests of Plaintiff in that the partnership property
26 has deteriorated significantly as a result of Defendant Malan's fraud and mismanagement. Defendants
27

28

1 Malan and Hakim have diverted rents and management fees from the Marijuana Operations and/or the
2 subject properties. Plaintiff will be irreparably injured if they are unable to take control of the subject
3 properties and the Marijuana operations from Defendants in order to protect the value of the assets of
4 the partnership and/or RM Holdings pending final determination of this action.

5 6. I am familiar with Mr. Essary who has worked as a receiver on at least two of my prior
6 cases. He is not a party nor an attorney representing a party in this action. I am informed and believe
7 based on my office's conversations with Mr. Essary that he is not a person interested in this action nor
8 related to any judge of the Court within the third degree.

9 7. On July 13, 2018, at approximately 12:00 p.m., my office called counsel for Malan and
10 Hakim and informed him of the instant ex parte application. At approximately 4:00 p.m. on July 13,
11 2018, my office e-mailed notice of this ex parte application to counsel for Malan and Hakim.

12 8. At the time of filing this application, I am unaware of whether Malan and/or Hakim
13 intend to oppose this application.

14 9. Counsel for SoCal Building Ventures, LLC ("SoCal Building") has informed me that it
15 intends to file an *ex parte* application in intervention on this matter to ensure its interests are represented
16 at the hearing as well.

17 I declare under penalty of perjury under the laws of the State of California that the forgoing is
18 true and correct. This Declaration was executed on July 16, 2018, at San Diego, California.

19
20 
21 _____
22 James Joseph

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1 **MEMORANDUM OF POINTS AND AUTHORITIES IN SUPPORT OF**
2 **PLAINTIFF'S EX PARTE APPLICATION FOR A TEMPORARY**
3 **RESTRAINING ORDER AND APPOINTMENT OF A RECEIVER**

4 **I.**
5 **INTRODUCTION**

6 This case involves a partnership driven to collapse by the greed of one partner, Defendant Ninus
7 Malan ("Malan"), who has conspired with Defendant Chris Hakim ("Hakim") to steal millions of dollars
8 from his partner, Plaintiff Salam Razuki ("Razuki"). Razuki and Malan were partners in several legal
9 marijuana businesses (which included the ownership of real property) and finally memorialized their
10 oral agreements by way of a written agreement entitled *Agreement of Compromise, Settlement and*
11 *Mutual General Release* entered into on November 9, 2017 (the "Settlement Agreement"). However,
12 Malan failed to comply with the terms of the Settlement Agreement and transfer his interest in the
13 partnership assets held in his name to RM Properties Holdings, Inc. ("RM Holdings") and for the past
14 several months has conspired with Hakim to lie and steal millions of dollars from Razuki and others.

15 Since approximately January 2, 2018, SoCal Building Ventures, LLC ("SoCal Building") has
16 served as the operator for the Marijuana Operations (as defined in Section II(B) below) and invested
17 approximately 2.6 million dollars into the Management Operations most of which was received or stolen
18 by Malan and Hakim. Most of these funds were diverted from an entity called Flip Management, LLC
19 ("Flip") which is owned by Razuki and Malan. SoCal Building made these investments with the intent
20 to ultimately purchase half of the Marijuana Operations. During this time, Malan and Hakim told
21 Razuki that SoCal Building was refusing to pay their management fees and claiming that the Marijuana
22 Operations were struggling. In May of 2018, Razuki began to discover Malan and Hakim's fraudulent
23 scheme and learned the truth about the diversion of profits from Flip to an entity owned jointly by Malan
24 and Hakim called Monarch Management Consulting, Inc. ("Monarch"). On July 10, 2018, Razuki sued
25 Malan and Hakim, among others, to secure and protect his interests in the real properties and the
26 Marijuana Operations.

27 When SoCal Building began questioning Malan and Hakim's ownership, it stopped making
28 monthly payments until Malan and Hakim came clean as to the true owners of the Marijuana Operations.
Consequently, Malan and Hakim resorted to self-help measures and locked out SoCal Building from

1 the Marijuana Operations replacing them with a new operator who is unaware of the true ownership of
 2 the Marijuana Operations. Malan and Hakim have wrongfully claimed ownership and possession over
 3 SoCal's inventory, furniture, fixtures and equipment with no intent to ever return it. Razuki now seeks
 4 this emergency remedy to prevent incurring future liabilities associated with Malan and Hakim's illegal
 5 conduct and to protect his ownership interests in the subject partnership assets all of which rightfully
 6 belong to RM Holdings pursuant to the Settlement Agreement.

7 **II.**

8 **PERTINENT FACTUAL BACKGROUND**

9 **A. The Relationship Between Razuki and Malan.**

10 Razuki and Malan have been business partners investing in multiple businesses and properties.
 11 See the Declaration of Salam Razuki ("Razuki Decl.") at ¶3. Per their oral agreement, Razuki provided
 12 the initial investment capital and Malan managed the investment asset. *Id.* at ¶4. After Razuki
 13 recuperated his initial investment, Razuki and Malan agreed they would split the profits of the
 14 investment 75%/25%, respectively. *Id.* Over the course of their business relationship, Malan and
 15 Razuki acquired the following assets (referred to herein as the "Partnership Assets"):

Asset	Membership Interest	Membership Interest Held By
San Diego United Property Holdings, LLC ("SD United") which owns the following real property: 8859 Balboa Avenue, Suites A-E, 8861 Balboa Avenue, Suite B, and 8863 Balboa Avenue, Suite E.	100%	Malan
Flip Management, LLC ("Flip")	100%	Malan
Mira Este Properties, LLC ("Mira Este") which owns the following real property: 9212 Mira Este Court, San Diego, CA 92126.	50%	Malan
Roselle Properties, LLC ("Roselle") which owns the following real property: 10685 Roselle Street, San Diego, CA 92121	50%	Malan
Sunrise Properties, LLC ("Sunrise")	20%	Razuki
Super 5 Consulting, LLC ("Super 5")	27%	Razuki

1 *Id.* at ¶¶5 and 8. Hakim owns the other 50% interest in both Mira Este and Roselle. *Id.* at ¶7.
2 Regardless of any paperwork, Razuki and Malan maintained an oral agreement to split the profits for
3 all Partnership Assets 75%/25%, respectfully. *Id.* at ¶5.

4 **B. The Settlement Agreement.**

5 On or about November 9, 2017, Razuki and Malan entered into the Settlement Agreement to
6 memorialize their oral agreement regarding the Partnership Assets in an Agreement entitled *Agreement*
7 *of Compromise, Settlement and Mutual General Release.* *Id.* at ¶11. A true and correct copy of the
8 Settlement Agreement is attached to the Razuki Decl. as **Exhibit D**. The Settlement Agreement required
9 each of Malan and Razuki to transfer any and all of their ownership interest in and to the Partnership
10 Assets to a newly formed entity called RM Property Holdings, LLC (“RM Holdings”), a California
11 limited liability company of which Malan and Razuki were the only members. *Id.* The Settlement
12 Agreement provided that each member would transfer their interest in the Partnership Assets within
13 thirty (30) days of executing the agreement. *Id.* Just as with their oral agreements regarding the profit
14 split, the Settlement Agreement stated that after recuperating their initial capital investments (if any),
15 Razuki would be entitled to 75% of all profits of RM Holdings and Malan would be entitled to the
16 remaining 25% of the profits. *Id.*

17 **C. The Marijuana Operations.**

18 Four of the Partnership Assets (SD United, Flip, Mira Este, and Roselle, which are shaded in the
19 table below) are all entities involved in the “Marijuana Operations.” *Id.* at ¶8. The Marijuana
20 Operations consist of the following:

Role	Entity Name
Holder of California State License	-Balboa Ave Cooperative (“Balboa”) -California Cannabis Group (“CCG”) -Devilish Delights, Inc. (“Devilish”)
Operator (day-to-day management)	-Flip
Landlords (and owner of Conditional use Permits (CUPS))	-SD United (Cannabis Dispensary Only) -Mira Este (Cannabis Manufacturing and Dispensary) -Roselle (Note: No active cannabis operations at present time)

1 *Id.* The Marijuana Operations possessed the necessary licenses and capacity to legally cultivate,
2 manufacture, distribute and/or sell marijuana products in San Diego. *Id.*

3 **D. Dealings with SoCal Building.**

4 Razuki and Malan originally agreed that Flip would manage the day-to-day business of the
5 Marijuana Operations. *Id.* at ¶12. However, on or around January 2, 2018, Malan and Hakim
6 unilaterally contracted with SoCal Building, a third-party operator, to manage the day-to-day business
7 of the Marijuana Operations thereby replacing Flip. *Id.* This arrangement was memorialized in three
8 separate agreements for each of the properties owned by SD United, Mira Este and Roselle, known as
9 the Management Agreements. *Id.* True and correct copies of each of the Management Agreement are
10 attached to the Razuki Decl. as **Exhibit E** (SD United owned property), **Exhibit F** (Mira Este owned
11 property) and **Exhibit G** (Roselle owned property).

12 Under the terms of the Management Agreements, SoCal Building would retain all revenue from
13 the Marijuana Operations but would pay a guaranteed payment of approximately \$100,000 a month for
14 the opportunity to manage and profit from the Balboa retail location and the Mira Este manufacturing
15 and cultivation (referred to herein as the “Management Fees”). *Id.* at ¶13. The Roselle location is in
16 the process of operating a cultivation business, but operations have yet to begin. *Id.* Based on Malan’s
17 representations, Razuki believed SoCal Building would pay the Management Fees to either SD United,
18 Flip, Mira Este, or Roselle under the Management Agreements. *Id.*

19 SoCal Building has spent approximately \$2,600,000 in tenant improvements, machinery, and
20 the guaranteed monthly payments it paid to Malan and Hakim. *Id.* The Management Agreements also
21 state SoCal paid Malan and Hakim nearly \$1,000,000 in loans, for the sale of furniture fixtures and
22 equipment (FF&E’s) and for the grants of certain options under said agreements. *Id.* Malan and Hakim
23 never told me Razuki that they received this money and did not give Razuki any share of these funds.
Id.

24 **E. Discovery of Malan & Hakim’s Fraudulent Diversion of Management Fees to Monarch.**

25 Before the Management Agreements were finalized and pursuant to the terms of the Settlement
26 Agreement, Razuki pressed Malan to transfer his interest in the Partnership Assets to RM Holdings. *Id.*

1 at ¶¶14 and 18. Malan, through his counsel, intentionally delayed the transfer, claiming that effectuating
2 the transfer would “complicate” the Management Agreements. *Id.* Based on Malan’s
3 misrepresentations, Razuki then orally agreed to extend the time in which to transfer the Partnership
4 Assets to RM Holdings. *Id.* at ¶19. Malan never provided copies of the Management Agreements to
5 Razuki. *Id.* at ¶14. Razuki did eventually obtain copies of the executed Management Agreements from
6 SoCal Building in July of 2018. *Id.*

7 Upon Razuki’s inquiry as to the Management Fees that SoCal Building was supposed to be
8 paying to either SD United, Flip, Mira Este or Roselle, Malan claimed that the Marijuana Operations
9 and/or SoCal Building were suffering financial hardship and SoCal Building was simply not paying the
10 required Management Fees. *Id.* at ¶20.

11 In May of 2018, Razuki happened to learn from SoCal Building that the Management Fees due
12 under the Management Agreements (*i.e.* about \$100,000 a month) were actually being paid to Monarch
13 Management Consulting, Inc. (“Monarch”) and other entities owned by Malan and Hakim rather than
14 being paid to SD United, Flip, Mira Este or Roselle. *Id.* at ¶¶21 through 23. Razuki had no knowledge
15 of Monarch’s existence or which entities were receiving the Management Fees before May 2018. *Id.* at
16 ¶22. This money should have been deposited into Flip (or, alternatively, the respective owners of the
17 properties) to ensure Razuki would receive his share of the profits. *Id.*

18 At the same time, Razuki informed SoCal Building that he had a substantial ownership interest
19 in each of SD United, Mira Este and Roselle. *Id.* at ¶25. Before this, SoCal Building believed that only
20 Malan and Hakim had an ownership interest in these entities. *Id.*; see also the Declaration of James
21 Townsend (“Townsend Decl.”) at ¶4. Shortly after this, SoCal Building sent a letter to Malan and
22 Hakim demanding proof of their ownership interest. Razuki Decl. at ¶26; Townsend Decl. at ¶ 7.

23 **F. Malan and Hakim’s Recent Attempts to Steal the Marijuana Operations.**

24 Less than a week ago, Malan and Hakim took the drastic action to find a new operator and
25 convert SoCal Building’s assets. On July 10, SoCal Building was locked out of the property and the
26 Marijuana Operations were closed so that a new operator could be contracted with the operate the
27 marijuana business. *Id.* at ¶27. Malan changed the locks and access codes for the security features at
28 the property. *Id.* SoCal Building was denied access to the cash in safes or the bank accounts for the

1 Marijuana Operations at all three locations. Townsend Decl. at ¶10. On July 10, 2018, a letter was sent
2 to SoCal Building informing it that the Management Agreements were immediately terminated for non-
3 performance. Razuki Dec. at ¶28(b).

4 At the Mira Este Site, SoCal Building has approximately \$1,000,000 in equipment installed.
5 Townsend Decl. at ¶11. At the SD United Site, SoCal Building has approximately \$160,000 in
6 inventory, cash, fixtures and equipment, and has advanced a total of over \$750,000. *Id.* SoCal Building
7 also believes there is over \$100,000 in the safe and ATM and \$60,000 in a bank account associated with
8 that property. *Id.* SoCal Building has now been denied access to all these assets by Malan and Hakim.
9 *Id.* On July 13, 2018, SoCal Building employees observed Malan and Hakim entering the Mira Este
10 property and taking possession of equipment that belonged to SoCal Building. Razuki Decl. at ¶28(g).
11 They attempted to call the police on Malan and Hakim. *Id.* at ¶28(h). However, because Malan and
12 Hakim were the property owners, the police were unable to stop this theft. *Id.*

12 III. 13 ARGUMENT

14 A. The Court May Appoint a Receiver on an Ex Parte Basis.

15 CCP §564(b)(9) allows for the appointment of a receiver “where necessary to preserve the
16 property or rights of any party.” *Armbrust v. Armbrust* (1946) 75 Cal.App.2d 272, 275. The trial court
17 is not required to determine the ultimate issues involving the precise relationship of the parties; ***nothing***
18 ***more than a probable joint or common interest in the property concerned need be shown.*** See
19 *Maggiora v. Palo Alto Inn, Inc.* (1967) 249 Cal.App.2d 706, 711. The pertinent question is whether the
20 facts establish that an enterprise is “in danger of loss, removal, or material injury.” *Maggiora, supra*,
21 at 712.

22 CRC 3.1175 authorizes the Court to appoint a receiver on an ex parte if the applicant can show,
23 by declarations of verified pleading, the following:

- 24 (1) The nature of the emergency and the reasons why “irreparable injury” would be
25 suffered if no ex parte receiver was appointed;
- 26 (2) A description of the property and the names, addresses, and telephone numbers
27 of the persons in possession of it;
- 28 (3) If the property in question is used by a business, facts sufficient to show the nature
and size of the business and the impact that appointment of a receiver might have
on the business (affecting the amount of bond); and,

1 (4) Reasonable diligence to ascertain any of these matters if such matters have not
2 been fully ascertained. CRC 3.1175.

3 Finally, the moving party must also provide a bond to secure any potential injury the defendants may
4 suffer by the appointment of a receiver. CCP §566.

5 **B. The Appointment of A Receiver is Warranted in this Case.**

6 It is in interest of justice to appoint a receiver in this case as Plaintiff has a “probable interest”
7 in property (including, but not limited to, real property) that is in danger of being lost, removed or
8 injured. CCP §564(b)(1). Here, there is both real property and the significant monthly income
9 generated from the Marijuana Operations that needs to be protected. In the case of the real property,
10 Defendants Malan and Hakim have already received a non-refundable Option Exercise Price from
11 SoCal Building of \$75,000 per Management Agreement (*i.e.* a total of \$225,000) to purchase a fifty
12 percent (50%) interest in certain properties. See Sections 8.1 of each of the Management Agreements.
13 Now Malan and Hakim have locked out SoCal Building and have found a new operator to manage the
14 day-to-day business of the Marijuana Operation. Although Plaintiff does not have a copy of any new
15 management contracts, presumably Malan and Hakim will continue to attempt to collect non-refundable
16 option deposits from the new operators, misappropriate said funds for their own benefit and leave the
17 Marijuana Operations (and Plaintiff who has personal guarantees on the properties) exposed to even
18 more liability in relation to the properties.

19 Meanwhile, the Marijuana Operations were generating approximately \$100,000 per month prior
20 to the lockout of SoCal Building. These funds have been paid to Monarch for months and are
21 unaccounted for. Assuming the new operators will be paying Monarch a similar monthly Management
22 Fee, hundreds of thousands of dollars could disappear into the hands of Malan and Hakim pending
23 resolution of this dispute. The only way to ensure that these funds are secured and ultimately allocated
24 to the proper entity is to appoint a receiver to take control of the Marijuana Operations, the properties
25 and the income generated by them.

26 Without this control offered by the appointment of a receiver, Malan and Hakim will scuttle a
27 potential sale worth over \$10 million in order to cover up their fraudulent conduct. SoCal Building has
28 already invested over two million dollars into the Marijuana Operations. It made these investments
because the Management Agreements gave SoCal Building the options to purchase a 50% interest in

1 the Marijuana Operations and they clearly intended to exercise these options given they paid the \$75,000
2 non-refundable option fees.

3 Now, Malan and Hakim's recent actions threaten SoCal Building's entire investment and any
4 chance of exercising the option. As soon as the instant litigation began, Malan and Hakim's counsel
5 had the audacity to attempt to terminate the Management Agreements and lock SoCal Building out of
6 the properties. Despite SoCal Building successfully running the Marijuana Operations for 10 months,
7 Malan and Hakim are hiring new operators.

8 A new operator risks irreparable harm to SoCal and Razuki. First, a new operator will disrupt
9 SoCal Building's business operations and strategy. Without the ability to control its FF&E, SoCal
10 Building cannot ensure proper maintenance or use of its assets. SD United, Mira Este, and Roselle, all
11 of which are parties to the Management Agreements, will be liable for the wasted investment. This will
12 directly affect Razuki, who has an ownership interest in these entities. Second, Razuki will be
13 irreparable harmed because there is no guarantee a new buyer will offer the same purchase price for the
14 Marijuana Operations.

15 Razuki is not asking the Court to enforce a favorable business deal. Rather, Razuki is asking
16 the Court to protect him against Malan and Hakim's fraudulent conduct. *The only reason Malan and*
17 *Hakim are attempting to terminate their relationship with SoCal Building is because SoCal Building*
18 *learned about Razuki's interest in SD United, Mira Este, and Roselle.* On June 22, 2018, SoCal
19 Building sent a letter to Malan and Hakim demanding due diligence documents that proved their
20 ownership in SD United, Mira Este, and Roselle. SoCal Building wanted to ensure they would be able
21 to receive clear title when they exercised their option. SoCal Building withheld the monthly payments
22 until Malan and Hakim provided the necessary documents. *Instead of providing documents to save a*
\$10.5 million dollar deal, Malan and Hakim attempted to terminate the Management Agreements.

23 Malan and Hakim's conduct demonstrate they are willing to scuttle a \$10.5 million deal in order
24 to avoid recognizing Razuki's ownership interest. It is likely that Malan and Hakim are attempting to
25 negotiate a new sale agreement with a new operator that does not know about Razuki's interest or the
26 liability created by Monarch, Malan and Hakim's attempt to cancel the Management Agreements with
27 SoCal Building.

1 In order to prevent further irreparable harm and protect the business the Court must appoint a
2 receiver with broad power over all Marijuana Operations and the real property involved. As explained
3 in Razuki's Declaration, Balboa, CCG and Devilish hold the State license to sell marijuana. SD United,
4 Mira Este, and Roselle own the CUPs from the City of San Diego that allow marijuana cultivation,
5 distribution, manufacturing, and retail to occur. Both the state license and the CUPs are required to
6 legally operate a marijuana business in San Diego. If a receiver only controlled SD United, Mira Este,
7 and Roselle, Malan could still withhold authority to operate the business.

8 This Court does not need to make any final determination regarding Razuki's interest in the
9 Marijuana Operations or the Partnership Assets. The Settlement Agreement alone established that
10 Razuki has "probable joint or common interest in the property" in question. Given that Razuki has an
11 interest in SD United, Mira Este, and Roselle, he has an interest in any contracts those entities are parties
12 to. Therefore, the Court should protect further damage to the Partnership Assets and appoint a receiver
13 to control all Marijuana Operations.

14 Finally, the receiver must have control over all Marijuana Operations to ensure funds are not
15 diverted into Monarch. As previously mentioned, Monarch is an entity that Malan and Hakim created
16 in order to hide any profits from Razuki. Malan repeatedly lied to Razuki, telling him that SoCal
17 Building was not remitting the Management Fee of \$100,000 PER MONTH while Malan and Hakim
18 were simply pocketing the funds sent to Monarch. If a receiver is appointed over all Marijuana
19 Operations, the receiver can reinstate SoCal Building as the operator of the Marijuana Operations
20 thereby avoiding further liability to Plaintiff relating to the unwarranted termination of the Management
21 Agreements and the lockout and ensure the Management Fees due to Flip, SD United, Mira Este and
22 Roselle are preserved pending the Court's allocation of funds amongst the parties.

23 **C. The Immediate Appointment of a Receiver Is the Only Viable Remedy at this Time.**

24 At a minimum, it could cost Plaintiff and RM Holdings \$100,000 PER MONTH if a receiver is
25 not immediately appointed. This does not even consider the exposure to Plaintiff for Monarch, Malan
26 and/or Hakim's reckless termination of the SoCal Building Management Agreements. Merely issuing
27 a Preliminary Injunction or TRO that restricts Malan and Hakim's access to the properties will not allow
28 the Marijuana Operations to continue business. Malan, as the CEO of Balboa, CCG, and Devilish,

1 controls the state licenses that permit the Marijuana Operations to operate. Without the receiver to
2 ensure coordination with Balboa, CCG, and Devilish, there is no way to legally run the Marijuana
3 Operations.

4 Waiting to appoint a receiver on a noticed motion risks damage to SoCal Building's FF&Es (as
5 defined in Section III(H)(2) below). Unless SoCal Building is given immediate control and access to
6 the Marijuana Operations and a receiver takes control of the pertinent licenses and CUPs, irreparable
7 harm is likely.

8 **D. A Receiver Will Not Disrupt the Marijuana Operations**

9 Malan and Hakim have already disrupted the Marijuana Operations by terminating the
10 Management Agreements with SoCal Building and hiring a new operator. A receiver will merely
11 reestablish the status quo by allowing SoCal Building to run the Marijuana Operations, as it has
12 successfully done for the past ten months. Considering SoCal Building is able to remit monthly
13 payments of approximately \$100,000, the receiver's expenses should not be of concern.

14 **E. Michael Essary Is a Qualified Receiver**

15 Razuki proposes the appointment of Michael Essary to serve as receiver for this matter. Mr.
16 Essary is widely recognized and well respected receiver in San Diego. Mr. Essary charges a reasonable
17 rate for his time (\$250/hr) and has years of experience as a receiver in San Diego. See Mr. Essary's CV
18 and rate sheet which are attached collectively as **Exhibit J** to the Razuki Dec. Mr. Essary has also
19 informed Plaintiff that he is ready and willing to step and serve as a receiver on this matter and is a
20 neutral in this action.

21 **F. Razuki has Provided All Information Required under CRC 3.1175.**

22 The Declaration of Razuki contains all the relevant information required to obtain the ex parte
23 appointment of a receiver under CRC 3.1175.

24 **G. Razuki Intends to Secure an Adequate Bond Prior to the Hearing on this Application.**

25 Razuki is currently investigating obtaining a bond to protect Malan and Hakim's potential
26 interests. Although the Marijuana Operations are profitable, the bond in question should not be very
27 high as there is sufficient evidence to demonstrate Plaintiff's likelihood of success. Razuki is attempting
28 to reinstate SoCal Building as the operator of the Marijuana Operations under the Management

1 Agreements, thereby repairing any damage done by Malan and Hakim. Therefore, a bond in the amount
2 of \$10,000 will sufficiently cover any potential damages Malan and Hakim may claim given it is
3 unlikely they will prevail in this matter. In the event the Court determines a higher bond is warranted,
4 Plaintiff will obtain such a bond in the time period proscribed by the Court.

5 **H. A TRO Should Be Issued Pending an OSC Re Preliminary Injunction.**

6 A TRO may issue when “[i]t appears from the facts shown by affidavit . . . that great or
7 irreparable injury will result to the applicant before the matter can be heard on notice...” CCP
8 §527(c)(1).) The Court should evaluate two interrelated factors: (1) the likelihood that the plaintiff will
9 prevail on the merits at trial and (2) the interim harm that the plaintiff is likely to sustain if the restraining
10 order is denied, as compared to the harm that the defendant is likely to suffer if the order is issued.
11 (*Church of Christ in Hollywood v. Superior Court* (2002) 99 Cal. App. 4th 1244, 1251.) The granting
12 or denial of a temporary restraining order is discretionary with the trial judge and amounts to a mere
13 preliminary or interlocutory order to keep the subject of the litigation *in status quo* pending the
14 determination of the action on its merits. (*Gray v. Bybee* (1943) 60 Cal. App. 2d 564, 571.)

15 **I. Razuki Is Likely to Prevail on the Merits of the Instant Litigation.**

16 There are two fundamental issues for the instant litigation: (1) determining Razuki’s ownership
17 interest in SD United, Flip, Mira Este, and Roselle; and, (2) determining whether Malan & Hakims
18 committed fraud. Razuki is likely to prevail on both claims.

19 Razuki’s ownership interest can be proven by a written contract, an oral agreement, and by
20 tracing Razuki’s investments into the assets in question. First, the Settlement Agreement is a valid
21 agreement between Razuki and Malan. It was drafted by Razuki and Malan’s attorney after many
22 meetings between them. Under the expressed terms of the Settlement Agreement, Malan is required to
23 transfer his ownership in SD United, Flip, Mira Este, and Roselle to RM Holdings (which Razuki has a
24 75% ownership interest in). Malan entered this agreement while represented by counsel. When Razuki
25 wanted to complete the transfer, Malan requested more time to complete the deal with SoCal. Therefore,
26 Razuki was excused from performance, as he was attempting to accommodate Malan. Under the terms
27 of the Settlement Agreement, Malan is still obligate to transfer the Partnership Assets to RM Holdings.

1 Second, the recitals of the Settlement Agreement expressly recognize the previous oral
2 agreement between Razuki and Malan. As stated in Section 1.2 of the Settlement Agreement:

3
4 RAZUKI and MALAN have an understanding such that *regardless of*
5 *which Party or entity holds title and ownership to the Partnership Assets,*
6 RAZUKI is entitled to a seventy-five percent (75%) interest in the capital,
7 profits, and losses of each Partnership Asset and MALAN is entitled to a
8 twenty five percent (25%) interest, and no Party is entitled to receive any
9 profits whatsoever until, and unless the Parties have first been repaid their
10 investment in full (hereinafter referred to as the "Partnership Agreement").
11 [Emphasis added.]

12 Third, Razuki will be able to trace his initial investment into SD United, Flip, Mira Este, and
13 Roselle. Razuki's declaration shows he has invested between five to six million dollars in the
14 Partnership Assets. Malan will only be able to show a nominal investment, if any. At this early stage
15 of litigation, this evidence should suffice as Razuki has not completed discovery. Additionally, Malan
16 has intentionally denied Razuki financial records that would demonstrate his ownership in the
17 Partnership Assets. The Court should not reward Malan for intentional withholding the financial records
18 from Razuki.

19 Additionally, there is ample evidence of Malan and Hakim's fraudulent conduct. Razuki's
20 declaration shows that Malan repeatedly represented that the Partnership Assets were not generating
21 revenue. These representations were false because SoCal has remitted approximately \$2,600,000 under
22 the Management Agreements. Malan conspired with Hakim to divert this revenue to Monarch without
23 telling Razuki. Hakim has no interest whatsoever in SD United, yet shared in the profits earned by SD
24 United that SoCal Building paid to Monarch for the retail marijuana operations. These funds were
25 supposed to be paid to Flip Management. There is no doubt Razuki will prevail on his claims.

26 **2. Razuki Will Suffer Irreparable Harm Without the TRO While Malan and Hakim**
27 **Will Not Suffer Any Harm if the TRO Is Granted.**

28 Razuki is requesting a TRO to prevent the use, modification, taking, removal and/or
conversation of any and all equipment currently located at 8863 Balboa Ave, San Diego, CA 92123,
8861 Balboa Ave, San Diego, CA 92123, and 9212 Mira Este Ct., San Diego, CA 92126. According

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DATED: Jul 16, 18, 9:07 AM

LAW OFFICES OF STEVEN A. ELIA, APC

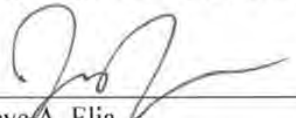
By: 
Steve A. Elia
Maura Griffin
James Joseph
Attorneys for Plaintiff SALAM RAZUKI

EXHIBIT 4

From: [James Joseph](#)
To: [Leetham, Tamara](#); [Steven Elia](#); [Rhonda Soll](#); davejarvisii@yahoo.com; [Austin, Gina](#)
Cc: [Zachary Rothenberg](#); [Salvatore J. Zimmitti](#); [Maura Griffin](#); [Holly Attiq](#); [Maria](#); [Ashley Jabro](#)
Subject: RE: RAZUKI v. MALAN, et al, Case No. 37-2018-00034229-CU-BC-CTL NOTICE OF EX PARTE HEARING
Date: Monday, July 16, 2018 10:22:13 AM
Attachments: [TRO and Rec"er - Razuki Decl -FINAL.pdf](#)
[image004.png](#)
[image005.png](#)
[image006.png](#)
[image007.png](#)
[image008.png](#)
[image010.png](#)

This is the final document.

James Joseph
Attorney At Law



2221 Camino Del Rio South, Suite 207 | San Diego, CA 92108
Telephone (619) 444-2244 | Fax (619) 440-2233
Website www.elialaw.com | Email james@elialaw.com

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From: James Joseph
Sent: Monday, July 16, 2018 10:21 AM
To: 'Leetham, Tamara' <tamara@austinlegalgroup.com>; Steven Elia <Steve@EliaLaw.com>; 'Rhonda Soll' <rsoll@nelsonhardiman.com>; 'davejarvisii@yahoo.com' <davejarvisii@yahoo.com>; 'Austin, Gina' <gastin@austinlegalgroup.com>
Cc: 'Zachary Rothenberg' <zrothenberg@nelsonhardiman.com>; 'Salvatore J. Zimmitti' <szimmitti@nelsonhardiman.com>; Maura Griffin <Maura@elialaw.com>; Holly Attiq <Holly@elialaw.com>; Maria <maria@elialaw.com>; Ashley Jabro <Ashley@elialaw.com>

Subject: RE: RAZUKI v. MALAN, et al, Case No. 37-2018-00034229-CU-BC-CTL NOTICE OF EX PARTE HEARING

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From: James Joseph

Sent: Monday, July 16, 2018 10:21 AM

To: 'Leetham, Tamara' <tamara@austinlegalgroup.com>; Steven Elia <Steve@EliaLaw.com>; 'Rhonda Soll' <rsoll@nelsonhardiman.com>; 'davejarvisii@yahoo.com' <davejarvisii@yahoo.com>; 'Austin, Gina' <gaustin@austinlegalgroup.com>

Cc: 'Zachary Rothenberg' <zrothenberg@nelsonhardiman.com>; 'Salvatore J. Zimmitti' <szimmitti@nelsonhardiman.com>; Maura Griffin <Maura@elialaw.com>; Holly Attiq <Holly@elialaw.com>; Maria <maria@elialaw.com>; Ashley Jabro <Ashley@elialaw.com>

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Here are the Ex Parte papers. Unfortunately, the document is very large and will require multiple emails.

In total, there are four documents:

- o The Memo of P's and A's
- o Razuki Declaration
- o Townsend Declaration
- o Proposed Order

James Joseph
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From: James Joseph
Sent: Monday, July 16, 2018 10:16 AM
To: 'Leetham, Tamara' <tamara@austinlegalgroup.com>; Steven Elia <Steve@EliaLaw.com>; Rhonda Soll <rsoll@nelsonhardiman.com>; davejarvisii@yahoo.com; Austin, Gina <gaustin@austinlegalgroup.com>
Cc: Zachary Rothenberg <zrothenberg@nelsonhardiman.com>; Salvatore J. Zimmitti <szimmitti@nelsonhardiman.com>; Maura Griffin <Maura@elialaw.com>; Holly Attiq <Holly@elialaw.com>; Maria <maria@elialaw.com>; Ashley Jabro <Ashley@elialaw.com>
Subject: RE: RAZUKI v. MALAN, et al, Case No. 37-2018-00034229-CU-BC-CTL NOTICE OF EX PARTE HEARING

Ms. Leetham,

As per Steve's previous email, here is a copy of the Complaint and the FAC. I will be sending the Ex Parte Papers in another email as the documents are too large to send in one email.

James Joseph
Attorney At Law



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From: Leetham, Tamara [<mailto:tamara@austinlegalgroup.com>]
Sent: Monday, July 16, 2018 10:08 AM
To: Steven Elia <Steve@EliaLaw.com>; Rhonda Soll <rsoll@nelsonhardiman.com>; davejarvisii@yahoo.com; Austin, Gina <gaustin@austinlegalgroup.com>
Cc: Zachary Rothenberg <zrothenberg@nelsonhardiman.com>; Salvatore J. Zimmitti <szimmitti@nelsonhardiman.com>; Maura Griffin <Maura@elialaw.com>; James Joseph <james@elialaw.com>; Holly Attiq <Holly@elialaw.com>; Maria <maria@elialaw.com>; Ashley Jabro <Ashley@elialaw.com>
Subject: RE: RAZUKI v. MALAN, et al, Case No. 37-2018-00034229-CU-BC-CTL NOTICE OF EX PARTE HEARING

Dear Steve,

Let me clarify, this firm represents Ninus Malan. I am not sure why Mr. Jarvis indicated that he represents Mr. Malan. Mr. Malan has not been served, we have not agreed to accept service, and we have not been given any documentation this case. In addition, your ex parte notice is improper

as you failed to state with specificity the nature of the relief to be requested. This, of course, is the most important part of the ex parte notice and your failure to give any indication as to what purported emergency Salam Razuki has that requires relief when none of the defendants have been served or have had the ability to retain representation.

We will have a court reporter there. Ms. Austin will specially appear and object to the proceeding in its entirety for its impropriety.

Thank you,

Tamara Leetham

From: Steven Elia [<mailto:Steve@EliaLaw.com>]
Sent: Monday, July 16, 2018 9:52 AM
To: Leetham, Tamara; Rhonda Soll; davejarvisii@yahoo.com; Austin, Gina
Cc: Zachary Rothenberg; Salvatore J. Zimmitti; Maura Griffin; James Joseph; Holly Attiq; Maria; Ashley Jabro
Subject: RE: RAZUKI v. MALAN, et al, Case No. 37-2018-00034229-CU-BC-CTL NOTICE OF EX PARTE HEARING

Tamara,

We will be proceeding with the ex parte tomorrow as scheduled. James Joseph from my office will provide a courtesy copy of the summons and complaint along with the ex parte application and related papers. Per my telephone conversation last Friday around noon with Attorney David Jarvis, he confirmed he represented both Mr. Malan and Mr. Hakim. He also stated he had a copy of the complaint that he downloaded from the court's website hours before we spoke. Finally, I notified him of the nature of the ex parte after a lengthy discussion with him. I'm sure he passed along this information to your clients. Your client's efforts to trip, stumble and delay while they continue their theft of millions of dollars of assets will be presented to Judge Medel tomorrow.

I will not be responding to your meritless allegations. It clearly appears your clients are being less than truthful with you. We will see Ms. Austin in court tomorrow. Thank you.



Steven A. Elia
Attorney At Law



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From: Leetham, Tamara <tamara@austinlegalgroup.com>

Sent: Monday, July 16, 2018 9:19 AM

To: Rhonda Soll <rsoll@nelsonhardiman.com>; Steven Elia <Steve@EliaLaw.com>;
davejarvisii@yahoo.com; Austin, Gina <gaustin@austinlegalgroup.com>

Cc: Zachary Rothenberg <zrothenberg@nelsonhardiman.com>; Salvatore J. Zimmitti <szimmitti@nelsonhardiman.com>

Subject: RE: RAZUKI v. MALAN, et al, Case No. 37-2018-00034229-CU-BC-CTL NOTICE OF EX PARTE HEARING

All,

This is directed at both ex parte matters for tomorrow morning July 17, 2018. I have not seen the Summons and Complaint, I am not authorized to accept for a Summons and Complaint, and Mr. Elia's purported ex parte notice on Friday gave no indication of its subject matter. Because NO DEFENDANT has been served or has retained counsel in this matter, we strenuously object to ANY ex parte request for relief. In addition, it is my understanding that Mr. Razuki is claiming entitlement to assets pursuant to an oral agreement. Mr. Razuki's purported claim to assets (the extent to which I have no knowledge) is not urgent or immediate. I suspect this is being driven by the approximate \$250,000 judgment against him which as I understand is causing one of his commercial properties into foreclosure.

I am unavailable tomorrow morning as I am in an ex parte in a different department. I am requesting that you take ex parte off calendar and serve the Summons and Complaint and that both ex parte's noticed for tomorrow morning are done by noticed motion. In the event you refuse, I am asking you to trail the matter until next Thursday or the following week so you at least appropriately serve the Summons and Complaint and all moving papers. In the event you further refuse, I am sending a Court reporter and my partner Gina Austin will specially appear to object to the proceeding in its entirety. She will notify the Court I made this request this morning.

In terms of the Complaint in Intervention, as I have not seen the Summons and Complaint nor am I retained or authorized to accept service for any of the named defendants, of course we will oppose as premature and procedurally improper.

On another note, Mr. Razuki and/or Mr. Bornstein conspired to manufacture a fraudulent lease in an attempt to unlawfully take over Mira Este on Friday July 13. The police were called and Mr. Bornstein and/or Mr. Rauki's people were told to leave. We know this because Dan Spillane was there and informed either Mr. Malan or Mr. Hakim that Salam Razuki says hello. We also know that the security company was involved. It is my understanding the head of the security company told the police he owned the building. As you all know, Mira Este Properties owns the Mira Este. This was an intentional lie intended to take control of property and assets that belong to Mira Este Properties. This behavior is deceitful and unlawful and must immediately cease. Accordingly, please instruct Mr. Bornstein, Mr. Patel and his girlfriend Diana, Mr. Townsend, Mr. Razuki, and any others involved in this fraudulent conspiracy to cease and desist all acts of intentional interference at Mira Este as well as Balboa Ave Cooperative.

Thank you,

Tamara Leetham

From: Rhonda Soll [<mailto:rsoll@nelsonhardiman.com>]
Sent: Monday, July 16, 2018 7:35 AM
To: steve@elijahlaw.com; davejarvisii@yahoo.com; Leetham, Tamara
Cc: Zachary Rothenberg; Salvatore J. Zimmitti
Subject: RAZUKI v. MALAN, et al, Case No. 37-2018-00034229-CU-BC-CTL NOTICE OF EX PARTE HEARING

Counsel,

Attached please find the Notice of *Ex Parte* hearing for July 17, 2018 at 8:30 a.m.

Rhonda Soll | Litigation Secretary
t 310.203.2817 | f 310.203.2727
rsoll@nelsonhardiman.com

For sending large files and documents please use my sharefile link below.

<https://nelsonhardiman.sharefile.com/r-r5f72bee8f5b41859>



Healthcare Attorneys

11835 West Olympic Blvd, Suite 900 | Los Angeles, CA 90064

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EXHIBIT 5

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FILED
Clerk of the Superior Court

JUL 17 2018

By: G. Mendoza, Clerk

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF SAN DIEGO, CENTRAL DIVISION**

SALAM RAZUKI, an individual,

Plaintiff,

v.

NINUS MALAN, an individual; CHRIS HAKIM, an individual; MONARCH MANAGEMENT CONSULTING, INC. a California corporation; SAN DIEGO UNITED HOLDING GROUP, LLC, a California limited liability company; FLIP MANAGEMENT, LLC, a California limited liability company; MIRA ESTE PROPERTIES, LLC, a California limited liability company; ROSELLE PROPERTIES, LLC, a California limited liability company; BALBOA AVE COOPERATIVE, a California nonprofit mutual benefit corporation; CALIFORNIA CANNABIS GROUP, a California nonprofit mutual benefit corporation; DEVILISH DELIGHTS, INC., a California nonprofit mutual benefit corporation; and DOES 1-100, inclusive,

Defendants.

CASE NO. 37-2018-00034229-CU-BC-CTL

~~PROPOSED~~ ORDER APPOINTING RECEIVER; PRELIMINARY INJUNCTION AND RELATED ORDERS

Date: July 17, 2018
Time: 8:30 a.m.
Dept: C-66
Judge: Hon. Kenneth J. Medel

1 Plaintiff's ex parte application for appointment of a receiver and preliminary injunction or, in
2 the alternative, a temporary restraining order (TRO) and an OSC re appointment of receiver and
3 preliminary injunction.

4 The Court, having considered the pleadings filed in this case, Plaintiff's ex parte application, the
5 Memorandum of Points and Authorities submitted therewith, and any and all supporting documents and
6 declarations filed in support of same, and any opposition filed, and having heard oral argument, and
7 good cause appearing,

8 **[] IT IS HEREBY ORDERED THAT Plaintiff's application is granted, and that:**

9 Michael W. Essary ("Receiver") is appointed Receiver over the following businesses:

- 10 a) RM Properties Holdings, LLC ("RM Holdings");
11 b) San Diego United Property Holdings, LLC ("SD United");
12 c) Flip Management, LLC ("Flip");
13 d) Mira Este Properties, LLC ("Mira Este");
14 e) Roselle Properties, LLC ("Roselle");
15 f) Balboa Ave Cooperative ("Balboa");
16 g) California Cannabis Group ("CCG"); and,
17 h) Devilish Delights, Inc. ("Devilish").

18 Collectively, these entities shall be referred to as the "Marijuana Operations." Pursuant to CCP
19 §§529 and 566, Plaintiff shall be required to post a bond in the amount of \$ 10,000.00, within
20 five (5) days of the issuance of this Order. The Receiver shall file his oath of receiver and bond, in the
21 penal sum of \$ 10,000.00, within five (5) days of entry of this Order. The Order shall be
22 enforceable and effective forthwith pending the filing of said oath and bond.

23 **BUSINESS OPERATIONS AND MANAGEMENT**

24 The Receiver is empowered and directed to take possession and control of all assets of the
25 Marijuana Operations, including without limitation:

- 26 1. All receivables, machines, furniture, fixtures, equipment, vehicles and inventory and
27 stock in trade of every description and nature (the "Marijuana Operations Property"), leases and any
28 other personal property found to be in the name of, held by or under the custody and control of the

1 Marijuana Operations whether tangible or intangible in nature, including, without limitation, business
2 licenses; city, state or county business permits of any nature; service agreements or contracts; and,
3 conditional use permits now known or hereafter discovered. The Receiver is hereby empowered to
4 manage the Marijuana Operations until such time as the Court orders that the Marijuana Operations
5 and/or its assets be sold, liquidated or otherwise disposed of or allocated amongst the
6 shareholders/members of the Marijuana Operations.

7 2. The Receiver shall take possession of all funds held for or arising out of the real property
8 owned by any of the Marijuana Operations, the operation of the Marijuana Operations, the Marijuana
9 Operations Property and/or on deposit in any and all bank and savings demand deposit accounts,
10 including without limitation, money on deposit at any bank, or located elsewhere, certificates of deposit,
11 warrants, Letter(s) of Credit, drafts, notes, deeds of trust and other negotiable instruments, choses in
12 action, chattel paper, accounts receivable, collateral of any kind and otherwise, in the name of, or held
13 for the benefit of the Marijuana Operations. All of the foregoing shall include, without limitation, such
14 accounts and/or instruments held in the name of the Marijuana Operations for which any director, officer
15 or employee of the Marijuana Operations is a signatory or authorized agent of the Marijuana Operations,
16 notwithstanding the actual name under which the account or instrument is held. The Receiver shall
17 exercise full control over said assets and Receiver shall have the right to assume any existing accounts
18 and be allowed to exclude access to other signors or other parties. If there is a third party claim thereto,
19 such claimant shall make said claim to this Court within such time as provided by statute, if any.

20 3. Each and every banking, savings and thrift institution having funds on deposit for, or
21 held for the benefit of the Marijuana Operations, shall deliver all of such funds and accrued interest, if
22 any, and all certificates and/or books, statements and records of account representing said funds, directly
23 to the Receiver without further inquiry or impediment to the exercise of the powers of the Receiver
24 herein. A receipt given by the Receiver shall be full acquittance to each party for funds so delivered.

25 4. The Receiver is empowered to instruct the United States Postmaster, and the Postmaster
26 is directed to hold, reroute and deliver any and all mail addressed to the Marijuana Operations, whether
27 in the name of Ninus Malan ("Malan"), Chris Hakim ("Hakim") and/or the directors, officers, members
28 of the Marijuana Operations and/or the Marijuana Operations, as the Receiver determines necessary and
appropriate. The Postmaster shall not respond to any change of address or instruction by Malan, Hakim

1 or by any person purporting to act on behalf of the Marijuana Operations, in the absence of further Order
2 of Court or express written instruction from the Receiver. All personal mail of Malan, Hakim, and
3 Razuki and any mail not related to the operation of the Marijuana Operations, the Marijuana Operations
4 Property or related to this Order shall be turned over to the named addressee by the Receiver.

5 5. All rents, issues and profits that may accrue from the Marijuana Operations, Marijuana
6 Operations Property, or any part thereof, or which may be received or receivable from any hiring,
7 operating, letting, leasing, sub-hiring, using, subletting, subleasing, renting thereof shall be subject to
8 this Order and controlled by the Receiver. Rents, issues and profits shall include, without limitation,
9 gross receipts from business operations, all rental proceeds of the Marijuana Operations' premises, if
10 any, discounts and rebates of every kind, any right arising from the operation of the Marijuana
11 Operations and/or Marijuana Operations Property and payment for storage, product development and
12 preparation of any kind, equipment rental, delivery, commercial rental of any Marijuana Operations
13 Property and any other service or rental rendered, whether or not yet earned by performance including,
14 but not limited to, accounts arising from the operations of the Marijuana Operations Property, rent,
15 security and advance deposits for use and/or hiring, in any manner, of the Marijuana Operations, and to
16 payment(s) from any consumer, credit/charge card organization or entity (hereinafter collectively called
"Rents and Profits").

17 6. The Receiver is authorized to place managers, servants, agents, employees, clerks and
18 accountants to administer collection of the accounts receivable, sale of inventory and stock in trade and
19 any other assets of the parties that are subject to sale under this Order. The reasonable value of said
20 services shall be payable from operating proceeds as incurred. No risk of operation or other obligation
21 undertaken by the Receiver shall be personal to the Receiver; rather, all such obligations shall be at the
22 sole risk of the receivership estate.

23 7. The Receiver shall demand, collect and receive all money, funds, and Rents and Profits
24 of every kind, and/or from any and all investments in which the Marijuana Operations may have an
25 interest, however denoted, and to hold the same pending further Order of Court.

26 8. The Receiver is empowered to execute and prepare all documents and to perform all
27 necessary acts, whether in the name of the Marijuana Operations, Malan, Hakim and/or directors,
28 officers, or members of the Marijuana Operations or in the Receiver's own name, that are necessary and

1 incidental to demanding, collecting and receiving said money, obligations, funds, licenses, Rents and
2 Profits and payments due the Marijuana Operations and/or Defendants and subject to enforcement under
3 this Order. The Receiver will have the authority and power to bind the Marijuana Operations to the
4 terms of the Management Agreements (a copy of which is attached as **Exhibits A, B, and C**, hereto)
5 with SoCal Building Ventures, LLC.

6 9. The Receiver is authorized to endorse and deposit into his receiver account(s) all of said
7 funds, cash, checks, warrants, drafts and other instruments of payment whatever their form, including
8 insurance refunds and/or claims proceeds payable to the Marijuana Operations, Malan, Hakim, or
9 Razuki and/or the agents of the Marijuana Operations and/or in connection with said Marijuana
10 Operations.

11 10. The Receiver shall duly account monthly for all funds and proceeds collected pursuant
12 to this Order and shall generally perform all of the acts as may be further ordered by this Court. The
13 Receiver, within thirty (30) days of this Order shall file herein an inventory of all property of which he
14 shall have taken possession pursuant to this Order, and shall file such supplemental inventories of
15 additional property that may subsequently come into his possession from time to time other than new
16 Marijuana Operations inventory and/or stock in trade.

17 11. The Receiver is authorized and empowered to compromise debts of the Marijuana
18 Operations; to make, control or modify agreements relating to the Marijuana Operations Property, to
19 fix or modify prices, rentals, sub-rentals, royalties and profits from the Marijuana Operations and
20 Marijuana Operations Property; and, to collect, demand, sue for, attach, levy, evict, recover and receive,
21 compromise and adjust, and execute and deliver receipts and releases for all Rents and Profits of the
22 Marijuana Operations and Marijuana Operations Property.

23 12. The Receiver is further authorized and empowered to demand, sue for, attach, levy,
24 recover and receive any and all assets of the Marijuana Operations, including any licenses issued to the
25 Marijuana Operations, if any, that any of the parties to this matter used to secure any debts of the
26 Marijuana Operations which were later transferred or sold in violation of any Security Agreements.

27 13. Malan, Hakim, and the directors, officers, and members of the Marijuana Operations and
28 their servants, agents, attorneys, accountants, employees, successors-in-interest and assigns, and all
other persons acting under and/or in concert with any of them shall provide, turn over and deliver to the

1 Receiver within forty-eight (48) hours of entry of this Order any and all instruments, profit and loss
2 statements, income and expense statements, documents, ledgers, receipts and disbursements journals,
3 books and records of accounts, including canceled checks and bank statements, for all Marijuana
4 Operations and Marijuana Operations Property, including electronic records consisting of hard and
5 floppy disks, checking and savings records, cash register tapes and sales slips and all check book
6 disbursement registers and memoranda and savings passbooks.

7 14. Malan, Hakim, and/or any of the directors, officers, members of the Marijuana
8 Operations shall notify the Receiver forthwith whether there is sufficient insurance coverage in force
9 on the Marijuana Operations Property, including the Marijuana Operations premises, if any. Said
10 persons shall inform the Receiver of the name, address and telephone number of all insurance agents
11 and shall be responsible for and are ordered to cause the Receiver to be named as an additional insured
12 on such policy(ies) of liability, casualty, property loss and Worker's Compensation for the period the
13 Receiver shall be in possession of the Marijuana Operations and the Marijuana Operations Property, if
14 any such insurance exists.

15 15. If there is insufficient or no insurance, the Receiver shall have thirty (30) business days
16 from entry of this Order within which to procure such insurance, if possible, provided he has funds from
17 the business to do so. During this "procurement" period, the Receiver shall not be personally liable for
18 any and all claims arising from business operations nor for the procurement of said insurance. The cost
19 thereof shall be payable by and become an obligation of the receivership, and not at the personal expense
20 of the Receiver. If there is insufficient operating revenue to pay for such insurance, the Receiver shall
21 apply to the Court for instructions.

22 SALE OF BUSINESS ASSETS

23 16. The Receiver is empowered to sell the Marijuana Operations Assets by private sale in
24 the event the Court deems such sale appropriate and approves such sale. The Receiver is authorized to
25 engage a licensed broker as a business opportunities broker to sell the Marijuana Operations Assets, in
26 the event it is necessary.

27 17. The broker may be engaged under an exclusive listing agreement, not to exceed ninety
28 (90) days at a time, without prior confirmation by the Court of said listing. However, the terms and
conditions of the listing agreement, if not pre-approved by the Court, shall be the subject of review and

1 confirmation or modification at the time of the Receiver's motion for confirmation of a proposed sale
2 of the Marijuana Operations Assets herein. The broker's commission, however, shall not exceed six
3 (6%) percent of each gross sales price.

4 18. The listing prices initially established by the Receiver for the Marijuana Operations
5 Assets, shall be the established listing prices unless the Court orders otherwise following a party's
6 objection(s) filed with the Court and noticed to the Receiver and other party in the following manner.

7 a) The Receiver shall give written notice ("Notice") of the proposed listing terms
8 and sales prices to the parties' counsel by facsimile transmission and by mail. The parties have five (5)
9 calendar days from receipt of facsimile transmission of said Notice within which to deliver to the
10 Receiver, by facsimile transmission or personal delivery, his or her specific objection(s) as to the price
11 and/or terms of the respective listing.

12 b) Within seven (7) calendar days of timely notice of objection(s) to the Receiver,
13 should the objection(s) not be resolved with the Receiver, the objecting party(ies) shall file, within five
14 (5) days thereafter, a noticed motion for hearing on their objections, on ten (10) days notice to the Court,
15 the Receiver and the other party. This Order shall constitute a continuing Order shortening time for
16 hearing of such objections or the matter may be heard ex parte on twenty-four (24) hours notice duly
17 given. In the absence of any such timely objection(s), said objections are deemed waived and the
18 Receiver may proceed with the listing as previously noticed.

19 19. Neither Plaintiffs nor Defendants named in the caption of this instant matter, or any
20 person on their behalf, shall undertake any act or conduct that shall constitute an impediment,
21 obstruction or act of interference with the marketing process by the Receiver, the broker(s) or agents
22 thereof, or act in any manner that may be construed as committing waste or injury upon the Marijuana
23 Operations or the Marijuana Operations Assets.

24 20. The broker for the Marijuana Operations Assets shall be entitled to show the Marijuana
25 Operations Assets to prospective buyers during normal business hours. In regard to the Marijuana
26 Operations Assets, the broker(s), prospective buyers, and their respective agents, shall not interfere with
27 the normal course of operations nor communicate with the Marijuana Operations' employees, if any, or
28 the parties herein. All information regarding the Marijuana Operations Assets that is necessary for the
brokers to be able to market said Marijuana Operations Assets shall be provided forthwith by Plaintiffs,

1 Defendants and/or Intervenor and/or the directors, officers, members of the Marijuana Operations
2 through and as requested by the Receiver.

3 21. Upon confirmation of sale of the Marijuana Operations Assets, the Receiver shall take
4 possession of all net proceeds of sale and shall duly file his report on sale to the Court for instructions
5 regarding disposition of said proceeds and for confirmation and award of the Receiver's then
6 outstanding fees and expenses. Said proceeds shall be held in a segregated interest bearing trust account
7 in a federally insured financial institution pending further Order of Court.

8 22. The Court acknowledges the professional rates of the Receiver and his employees as
9 follows: Receiver: pursuant to the Receiver's rate sheet and in no event greater than \$250.00 per hour;
10 and, Field Staff: pursuant to the Receiver's rate sheet (See Mr. Essary's rate sheet which is attached as
11 **Exhibit D.**) Such fees and expenses shall be the subject of interim Court review and approval upon
12 motion by the Receiver and/or in conjunction with the Receiver's report(s) of sales. Receiver shall
13 submit monthly accountings to the Court and the parties to this action disclosing his monthly fees, costs
14 and expenses and, if no objection is received within ten (10) days of the submittal of said monthly
15 accounting, the Receiver shall be authorized to pay the fees, costs and expenses related to his services.
16 Said payments shall also be subject to a final accounting to be submitted and approved by the Court
upon the Receiver's discharge in this matter.

17 23. From the proceeds that shall come into the Receiver's possession, from whatever source,
18 the Receiver shall apply and disburse said monies, from time to time, in the following general Order of
19 priority, subject to change in the Receiver's discretion:

20 a) To pay the expenses and charges of the Receiver in the conduct of his office;

21 b) To pay all expenses reasonably necessary or incidental to the continued
22 operation, care, preservation and maintenance of the Marijuana Operations Assets to maintain the status
23 quo and providing customers and tenants, if any, with uninterrupted service;

24 c) To pay all installments of principal and interest presently due or to become due
25 under the terms of Marijuana Operations notes secured by any Security Agreement, if any, and to pay,
26 as appropriate, all other liens and encumbrances secured by Marijuana Operations Property in the Order
27 of their priorities; and,
28

1 d) To pay for all expenses incurred for repairs, alterations, and improvements to the
2 Marijuana Operations Assets reasonably necessary or incidental to keep the Marijuana Operations
3 Assets in usable and rentable or sellable condition.

4 24. The Receiver shall hold all proceeds derived from the Marijuana Operations Assets and
5 heretofore described, less all costs, expenses and payments.

6 25. The Receiver is authorized and empowered to employ or continue to employ persons or
7 business entities presently employed by the Marijuana Operations on their present basis of employment,
8 should the Receiver determine the same is consistent with his official duties and responsibilities
9 hereunder.

10 26. The Receiver is empowered to establish such accounts as he may deem necessary at such
11 federally insured bank(s) as he may determine appropriate.

12 27. The Receiver shall take over and manage the business and affairs of the Marijuana
13 Operations and to preserve its property pending dissolution. The Receiver shall assist in the winding
14 up of the Marijuana Operations subject to the supervision of the Court and understands that the
15 Marijuana Operations shall cease to carry on business except to the extent necessary for the beneficial
16 winding up thereof. The Receiver shall be responsible for causing written notification of the
17 commencement of the proceeding for involuntary winding up to be given by mail to all shareholders
18 and to all known creditors and claimants whose address appear on the records of the corporation, unless
19 the order for winding up has been stayed by appeal therefrom or otherwise or the proceeding or the
20 execution of the order has been enjoined.

21 28. In addition to all the powers hereinabove set forth, the Receiver is hereby vested with
22 the general powers of receivers in cases of this kind, subject to further direction(s) from this Court.

23 **AND IT IS FURTHER ORDERED** that:

24 29. Malan, Hakim and/or their respective directors, officers, members, agents, employees,
25 servants, representatives, and persons acting in concert with them or under their direction or control are
26 hereby enjoined and restrained from interfering with or impeding the Receiver, or persons acting on
27 behalf of the Receiver, in the discharge of his duties or from withholding from the Receiver any of the
28 assets, properties, books or records to be delivered to, or as the Receiver may request pursuant to this
Order. Malan, Hakim and/or their respective directors, officers, members, agents, employees, servants,

1 representatives, and persons acting in concert with them or under their direction or control shall not
2 withdraw cash or money from the Marijuana Operations, in any form, or fail to deposit into the
3 Marijuana Operations' bank Account any money received by either of them on behalf of the Marijuana
4 Operations in any manner.

5 30. The Malan, Hakim, and their respective agents, employees, servants, representatives,
6 and all other persons and entities acting in concert with them or under their direction or control, or any
7 of them, shall be, and hereby are, enjoined and restrained from engaging in or performing, directly or
8 indirectly, any of the following acts:

9 a) Expending, disbursing, transferring, assigning, selling, conveying, devising,
10 pledging, mortgaging, creating a security interest in, encumbering, concealing, or in any manner
11 whatsoever disposing of the whole or any part of the Marijuana Operations or Marijuana Operations
12 Property, without the written consent of the Receiver first obtained;

13 b) Doing any act which will, or which will tend to impair, defeat, divert, prevent or
14 prejudice the preservation of the proceeds of the Marijuana Operations or the receivership's interest in
15 the subject Marijuana Operations Property, and/or Investments, in whatever form the interest is held or
16 used as of this date pending further proceedings in this action; and/or that interferes with or impedes the
17 marketing and sale process thereof; and,

18 c) Destroying, concealing, transferring, or failing to preserve any document which
19 evidences, reflects or pertains to any disposition of the Marijuana Operations Property, and/or
20 Investments, or any part thereof.

21 31. The Receiver is authorized to make entry onto any and all business premises utilized by
22 the Marijuana Operations and/or the Marijuana Operations Property. The Receiver shall make
23 peaceable entry onto said property and Malan, Hakim, their employees and representatives shall permit
24 the same forthwith, without excuse or limitation. Malan and Hakim are ordered to cooperate with the
25 Receiver in all respects under this Order. The Receiver is further authorized to change the locks of any
26 and all such premises and to take possession of any and all keys thereto held by Malan, Hakim and their
27 agents in Order to make entry initially, and/or thereafter to preserve and maintain the receivership assets.
28 The employees and agents of Malan and Hakim shall cooperate with the Receiver and his employees

1 and agents and shall assist him in making peaceable entry to the Marijuana Operations as directed by
2 the Receiver. The Receiver may also make entry through locksmiths and/or passkeys.

3 **[] IT IS HEREBY ORDERED THAT:**

4 Malan, Hakim and/or their respective directors, officers, members, agents, employees, servants,
5 representatives, and persons acting in concert with them or under their direction or control are hereby
6 enjoined and restrained from using, modifying, taking, removing and/or converting any and all furniture,
7 fixtures, or other equipment currently located at any of the following parcels of real property: 8863
8 Balboa Ave, San Diego, CA 92123, 8861 Balboa Ave, San Diego, CA 92123, 9212 Mira Este Ct., San
9 Diego, CA 92126, and 10685 Roselle Street, San Diego, CA 92121.

10 **IF THE COURT APPOINTS A RECEIVER AND/OR ISSUES A TRO AT THE HEARING FOR**
11 **RAZUKI'S EX PARTE APPLICATION ON JULY 17, 2018:**

12 **IT IS FURTHER ORDERED** that:

13 The Court will hold a hearing regarding an Order to Show Cause why the Appointment of the
14 Receiver should not be confirmed and/or an Order to Show Cause why a preliminary injunction should
15 not be granted on July 8-10-18, 2018, at 10:30 AM, in Department C-66
16 before the Honorable, Kenneth J. Medel.

17
18 DATED: JUL 17 2018

Kenneth J. Medel

Hon. Kenneth J. Medel

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Exhibit A

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, **Devilish 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

By:

By:

By:

Manager

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.

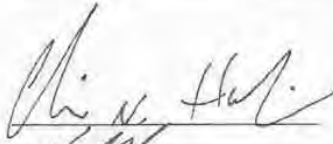
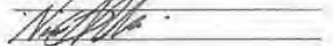
9.5. Notices. All notices, requests, demands or consents hereunder shall be in writing and shall be deemed given and received when delivered, if delivered in person, or four (4) days after being mailed by certified or registered mail, postage prepaid, return receipt requested, or one (1) day after being 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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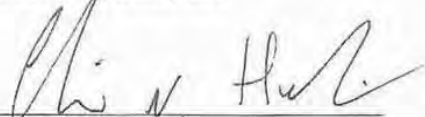


IN WITNESS WHEREOF, the Parties agree to the foregoing terms of agreement through the execution below by their respective, duly authorized representatives as of the Effective Date.

"COMPANY"

Mira Este Properties, LLC

California Cannabis Group

By: 
Its:

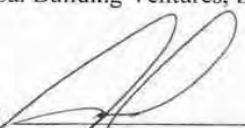
By: 
its:

Devilish Delights, Inc.

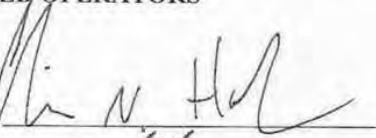
By: 
Its:

"MANAGER"

SoCal Building Ventures, LLC

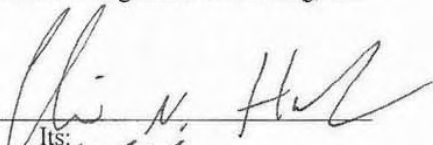
By: 
Its: managing Member

"OLD OPERATORS"

By: 

By: 

Monarch Management Consulting, Inc.

By: 
Its: 