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SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF SAN DIEGO - CENTRAL DIVISION

SALAM RAZUKI, an individual, , Plaintiff, v. NINUS MALAN, et al., Defendants.	CASE NO.: 37-2018-00034229-CU-BC-CTL Assigned to: Hon. Eddie E. Sturgeon **DECLARATION OF JAMES HOLLER IN SUPPORT OF PLAINTIFFS-IN-INTERVENTION'S SUPPLEMENTAL OPPOSITION TO *EX PARTE* APPLICATION TO VACATE RECEIVERSHIP ORDER** [*Filed concurrently with Plaintiffs-In-Intervention's Supplemental Opposition To Ex Parte Application To Vacate Receivership Order; Declaration of John H. Yaeger; Declaration of Jim Townsend; Declaration of Dean Bornstein; Declaration of Chris Berman; Declaration of Daniel J. Spillane IV; and Declaration of Salvatore Zimmitti*] Action Filed: July 10, 2018
AND RELATED COMPLAINT-IN-INTERVENTION	DATE: August 14, 2018 TIME: 8:30 a.m. DEPT: C-67

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DECLARATION OF JAMES HOLLER

I, James Holler, declare as follows:

1. I am an individual and former Manager of the dispensary known as the Tree House Balboa Facility ("Balboa Facility"). I make this declaration in support of Plaintiff-in-Intervention SoCal Building Ventures, LLC's ("SoCal") Supplemental Opposition to *Ex Parte* Application to Vacate Receivership Order. I have personal knowledge of the facts set forth herein, and if called upon to testify thereto, I could and would competently do so under oath.

2. I was hired by SoCal to manage the Balboa Facility, along with Chris Patel. I held this position from early December 2017 until July 2018, at which point a new management company was installed by Ninus Malan and his associates.

3. When Mr. Patel and I took over management, we were immediately struck by the enormous amount of waste and clutter and a lot of unsellable product. This product was not handled properly and allowed to deteriorate, rather than storing it in a manner that could have preserved it.

4. I also noticed that there was not much of a client base and, generally speaking, the dispensary's buying decisions appeared very ill-informed. One of the first things we did when we got there was to start instituting our own brands and products we were familiar with, and then increased our presence by putting up an actual Weedmaps page, getting on social media, building a website, getting business cards for the business, and doing other basic things that would be expected from any reputable dispensary. As a result of these efforts alone we saw a nice turnaround of the business in the first few months.

5. Upon taking over the Balboa Facility, we also started cleaning up the entire operation. We picked up brands that we knew had a better reputation and obtained higher quality flower and concentrates. We made sure that security was in place and guards were doing patrols, no one was smoking on site, and kept an eye on our comprehensive grid surveillance system which had coverage of the whole perimeter. We also instituted just a better sales atmosphere. Our goal was to become the friendly neighborhood spot where you get to know your clients. This worked because our revenue jumped compared to the very little business the dispensary was

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doing when we took over.

6. Mr. Malan and his attorney Gina Austin functioned as the interface between the Balboa Facility and the City for the purposes of licensing, audits, and compliance issues. SoCal was not responsible for providing information to auditors and I understood that Mr. Malan and Ms. Austin were in charge of that.

7. One day in March or April 2018, Mr. Malan decided to install signage including electricity, both outside around the perimeter of the property and along our immediate parking area. I very specifically remember asking him, "Did we get permits for these?", to which he responded: "Yeah absolutely no problem." Assuring me that we had gotten approvals, I did not consider it further. However, we got a visit several weeks later from a City Official who informed me that the signs were not permitted and somebody had lodged a complaint. I was surprised because Mr. Malan had assured me that we had in fact received the permits for those. I called Mr. Malan and he informed me that, no, we did not in fact have these permits.

8. There has never any smoking of marijuana or drinking of alcohol at Balboa during SoCal's management. Two security Guards are regularly posted, once SoCal took control. Other than the signage and electrical issues which were caused by Mr. Malan, I am not aware of any code violation issues.

9. I am also unaware of any issues or complaints with the HOA. I have always made cash payments to the HOA pursuant to the settlement agreement; however, I cannot be sure that Mr. Malan did not hold them or prevent them from getting to the HOA. There is a man named Daniel Burakowski who I understand is affiliated with the HOA, we would exchange pleasantries from time to time. Mr. Burakowski never complained about anything to me.

10. On the morning of July 10, 2018, I received a called from Steven Davis, Assistant Manager at Balboa. He reported to me that the locks had been changed, and security on site instructed him that Mr. Malan ordered for no one to be allowed inside. I drove to the dispensary, where Steven and the onsite security were waiting. Steven informed me that while he was locking up the previous night on July 9, 2018, Mr. Malan approached him and asked for his key. He obliged, and found the locks changed the following morning. On the morning of the 10th,

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I noticed that the password for camera access had been changed, and Diana De La Mora discovered that access to our Point of Sale Software called "Treez" had been blocked as well. Later that day, I received a notification from an app on my phone that controls the alarm that someone was inside the building and had used Steven's access code. I drove to the dispensary and found Mr. Malan there, where I inquired as to his motivations and whether or not I still was employed. He was unclear in his response, citing reasons like "it's more complicated than I can explain" and "it was never my intention to fuck you over."

11. Mr. Malan insisted was unclear on my employment status. When we ended our conversation he told me to call him in the morning. On the morning of July 11, 2018, I arrived at the dispensary as I normally would for my shift. There I found Steven and a number of people he informed me were a part of another dispensary called Golden State Greens, who were attempting to gain access to Treez. Steven and I spoke at length regarding his role in assisting with the takeover. He told me all he had done was give Mr. Malan his key and alarm code, and that he received a call on the 10th instructing him to be at the dispensary at 7:30 the morning of the 11th. We had learned that Stevens credentials had been used to request back end data reports, and when I questioned Steven regarding this he insisted had taken no part in that act. He reached out to Mr. Malan, who told him "they" had used his credentials, implicating the new staff members. Per his request, I then reached out to Mr. Malan at first using my own phone and discovered my number had been blocked. Steven loaned me his phone to call Mr. Malan, who, when I finally contacted him, still refused to give me a clear answer as to my employment status or the status of the management agreement between him and SoCal. I reached out to Alexandra Clarke and Maria Ortega, who are employed as sales associates and were scheduled to work that day and also very close to Mr. Malan. I told them there were some issues at the shop and that they could have the day off, but they already knew more than I did. They informed me that Mr. Malan had instructed them to come to the dispensary the afternoon of the 10th, where they were instructed to take inventory and be introduced to "New management". I received a call from Alexandra on the afternoon of the 11th, who had visited the dispensary to collect her tips from the previous week and inform the staff there that she would not be working that day. She informed me that

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there were people inside the dispensary painting the interior, and that a sign had been placed in front of the building that read "Golden State Balboa."

12. I was present at the Balboa Facility on July 17, 2018 when the court-appointed receiver, Michael Essary, attempted to take control of the Balboa Facility. I knew Mr. Essary was going to the Balboa Facility with the order because I had gone to the San Diego Central Courthouse and witnessed the court hearing in the morning where receivership was granted to Mr. Essary. I also met at the courthouse Mr. Malan's attorney, Gina Austin, who I've met before when she handled an audit between the City and the facility. So we were familiar and would say even friendly at that time. She said Hello to me in the courtroom that day.

13. After the hearing, I reported to the Balboa Facility and was met by a security guard from Archstone named Jose Mora sometime between 10 and 11 a.m. or so. The San Diego police arrived soon after, about four squad cars and eight police officers. Some were talking to me and Mr. Mora, and others were talking to Ms. Austin and Mr. Malan who were also there. I did not have a copy of the court order but Ms. Austin appeared to show it to the police and explained the reason I was there and what I was doing there. The police explained to us that we were allowed to be there and wait for the receiver as long as we did not do anything in the meantime, and they left.

14. While this was going on, Mr. Malan yelled and shouted at me saying, among other things, "I hope you packed your bags, you…." Ms. Austin eventually motioned to him and they both went inside. Mr. Malan left shortly after that. He departed quickly. I remained outside with Mr. Mora and we were joined later by my Assistant Manager Steven Davis.

15. We waited for Mr. Essary and watched, one by one, the employees of Golden State Greens leaving the facility. All the employees that left and came by us were very cordial and polite, very friendly with us. Mr. Essary arrived around somewhere between 2:30 to 3:00 p.m. When he arrived we joined him in knocking on the front door to inform them that the court order had been served and that they were required to vacate the building. He explained this to a female security guard, Marisa Kimber, who answered the door and relayed back the message. This was answered by a female voice who said "shut the door." Mr. Essary informed Ms.

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Kimber that refusing to permit entry is contempt of the court order and that he would suggest that she vacate and she did - she called a ride and she left. The other guard that was still there relayed Mr. Essary's message again and once again was met with the same voice saying "lock the door." Mr. Essary repeated his message and shouted back so the people further back could hear him. He shouted back his orders very clearly and politely, and they were met once more with "lock the door."

16. Mr. Essary and I went around the back door, because we believed the occupants to be in the back office. We knocked on the back door several times loudly and relayed the message loudly so anyone can hear, but there was no response whatsoever. I remember distinctly the whole time hearing the safes opening and rustling the whole time and things like "hand the money," which I understood meant that they were getting the money together. We then walked back around to the front. At this point, we are not trying to force our way in. We were giving them every chance to just come out so we did not have to just go in there.

17. They never came out. I should add that throughout the day Gina Austin had been coming and going in a bronze Range Rover. I say this because we briefly left the back door for a moment and during that time Mr. Mora notices movement and went to see what's going on. He runs back there and then we see the occupants are fleeing the building towards the bronze Range Rover. They all hop in the Range Rover and a blond woman is carrying a black or blue trash can. They then speed around the corner almost hitting Mr. Mora on the way out as he gets a picture of the license plate. I saw very clearly it was Ms. Austin driving this car.

18. They speed off and they left the back door to the office wide open and so we went inside the dispensary. We did a quick overview. It seemed like none of the product had been touched but all of the safes were empty. The camera system was also unlocked, and we just rewound it and watched everything that had just occurred. We watched them get the money together put it in that trash can and take off. The entire time we can see they are frantic and pacing on the phone and keeping a very close eye on us on the camera grid. Attached as **Exhibit A** is a true and correct copy of a series of screenshots of this video showing them gathering the money and escaping into Ms. Austin's Range Rover.

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19. I have heard that they are now saying they feared for their lives and that we broke down the door. These are lies. There were two armed guards there, one of whom worked for Edward Security - the same security company contracted to work at Balboa at the time and the other one was from Arch Stone. They are both licensed to carry open firearms - the police arrived and inspected Mr. Mora's carry permit and disarmed him while they did so. There was no threat of violence. That is why the police left us after coming the first time. The closest thing to anything that can be called violent was my banging on the door. No door was ever broken down.

20. On July 17, 2018, after we regained access to the dispensary, I went to go print a sign to put in the window to indicate that we were reopening. While trying to print, I noticed there was a paper jam in the printer on site preventing it from functioning. Because this paper jam evidently caused the printer to store the jammed document in the que, when we cleared the jam and started to print our documents, the jammed document printed first. A true and correct copy of this document, a "Management Services Agreement" between Balboa and "Far West Management, LLC," is attached hereto as **Exhibit B**.

21. We came back that Thursday and conducted an inventory of the existing product and reopened for sales the following Friday, July 20, 2018.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct, and that this declaration is executed on August 12, 2018, at Calabasas, California.

8/12/18

James Holler, Declarant

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Figure 1. Heidi Rising on the telephone in the budroom with Alexis Bridgewater at the door and Matthew Freeman.

Figure 2. Ms. Rising grabbing cash (from the open safe to her right) with both hands.

EXHIBIT A

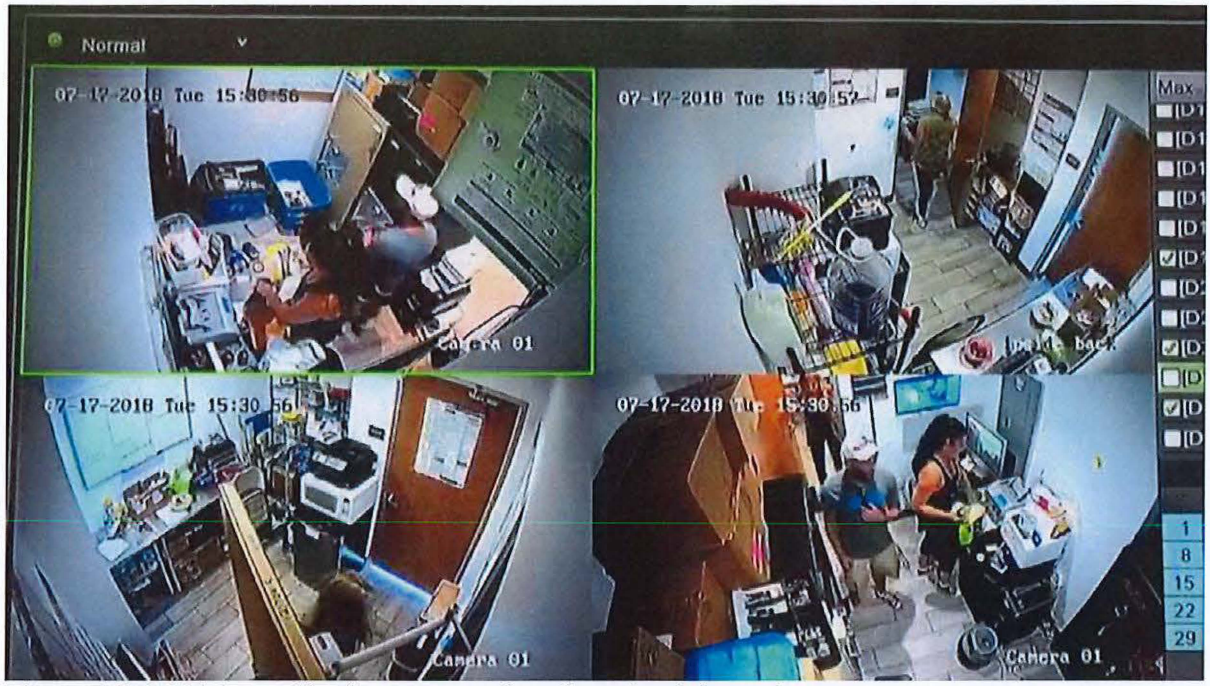

Figure 3. Ms. Rising collecting more cash and putting it into a bag.

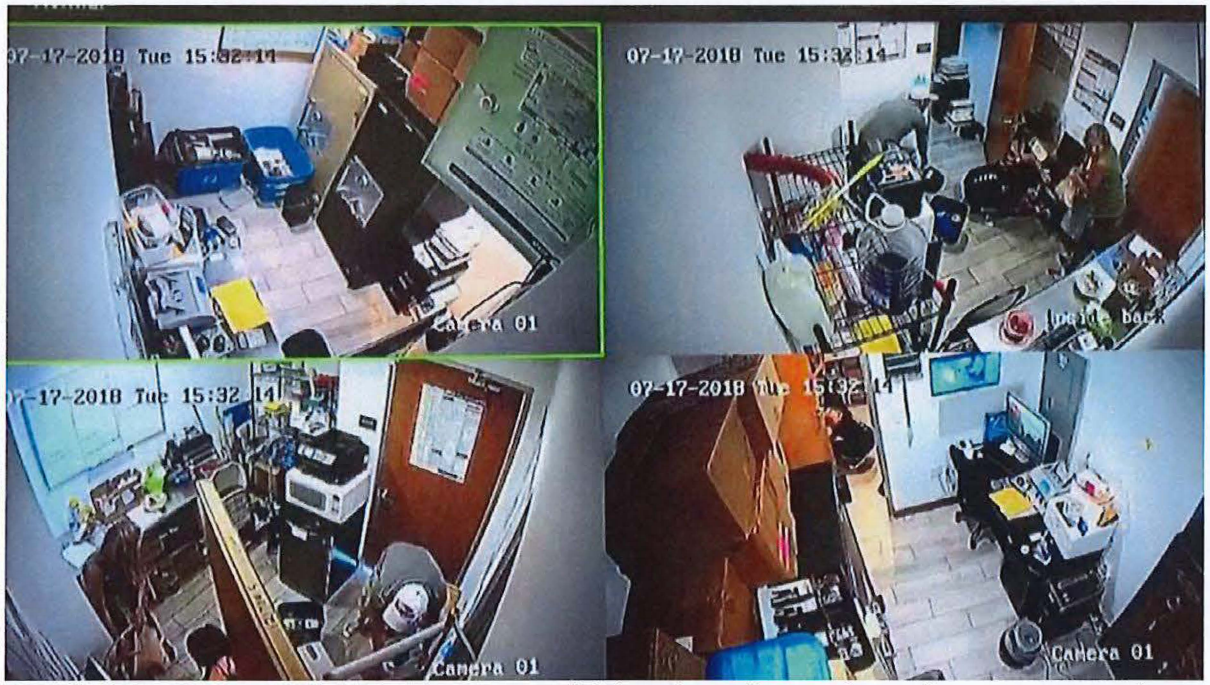

Figure 4. Ms. Rising crouching down (upper right) and opening another safe to get more cash.

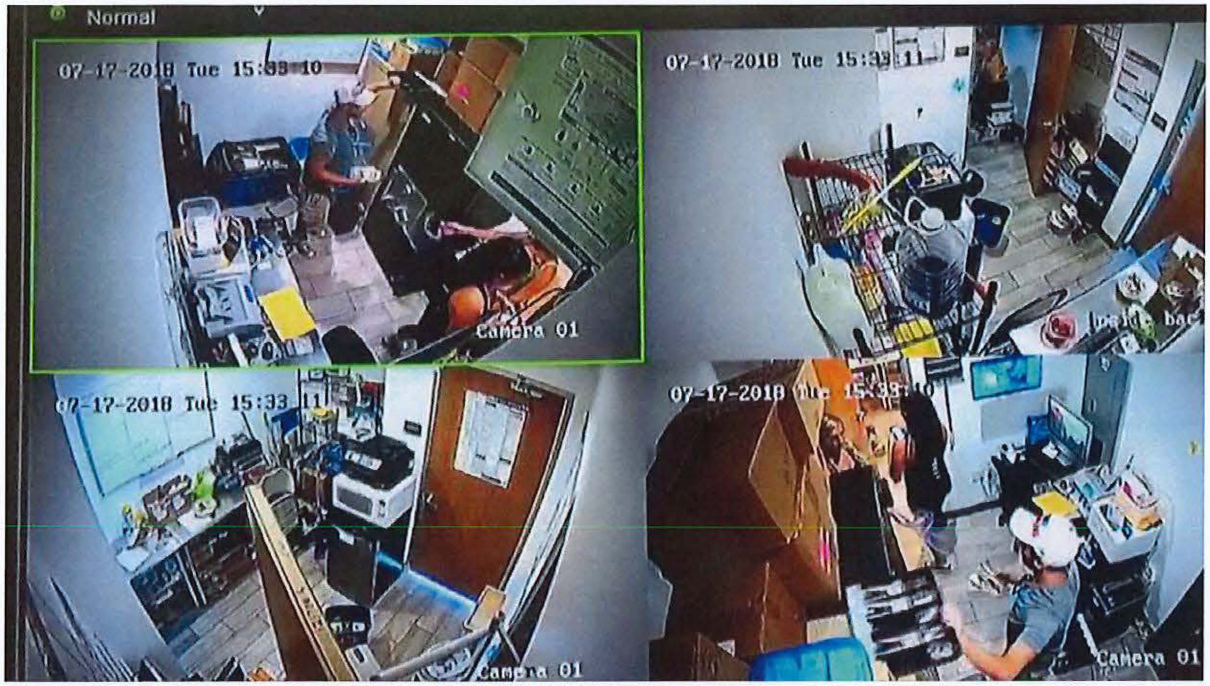

Figure 5. Mr. Freeman grabbing cash from register tray.

Figure 6. Ms. Rising, Ms. Bridgewater, and Mr. Freeman exiting the rear of the building.

Figure 7. Ms. Rising, Ms. Bridgewater, and Mr. Freeman running toward Gina Austin's Range Rover with the cash. Note Ms. Bridgewater (lower right) running with a trash can full of cash.

Figure 8. Ms. Rising, Ms. Bridgewater, and Mr. Freeman getting into Gina Austin's Range Rover with the cash.

Figure 8. Security Guard Jose Mora watching Ms. Austin speeding around the corner towards him.

Figure 9. Mr. Mora with cellphone out, taking picture of Ms. Austin's Range Rover as it speeds by him.

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