

ORIGINAL

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FILED
 Clerk of the Superior Court
 DEC 14 2020
 By: _____, Deputy

Attorneys for Plaintiff Chris Hakim

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
 FOR THE COUNTY OF SAN DIEGO**

CHRIS HAKIM, an individual,

Plaintiff,

vs.

NINUS MALAN, an individual; SALAM
 RAZUKI, an individual; RM Property
 Holdings LLC, a California Limited
 Liability Company; SAN DIEGO
 UNITED HOLDINGS GROUP, LLC, a
 California limited liability company;
 BALBOA AVE COOPERATIVE, a
 California nonprofit mutual benefit
 corporation; SUNRISE PROPERTY
 INVESTMENTS LLC, a California limited
 liability company; SUPER 5 HIGHWAY
 CONSULTING GROUP, LLC, a California
 limited liability company; all persons or
 entities unknown, claiming any legal or
 equitable right, title, estate, lien, or interest in
 the property described in the complaint
 adverse to Plaintiff's title, or any cloud upon
 Plaintiff's title thereto; and DOES 1 through
 50,

Defendants.

Case No. **37-2020-00045859-CU-BC-CTL**

COMPLAINT FOR DAMAGES FOR

- (1) BREACH OF WRITTEN CONTRACT;
- (2) BREACH OF FIDUCIARY DUTY;
- (3) FRAUD;
- (4) DECLARATORY RELIEF; and
- (5) QUIET TITLE

FILED

I. INTRODUCTION

1. This lawsuit involves a written contract dated February 1, 2018 entered into by and between plaintiff Chris Hakim and defendant Ninus Malan that created joint ownership of entities

1 holding, owning and/or operating real property and business interests in San Diego County. This
2 lawsuit arises out of promises and representations made by defendant Malan to plaintiff Hakim,
3 which were fraudulent; and material facts that should have been disclosed by Malan and defendant
4 Razuki to Hakim but were not. It also arises from Malan's subsequent conduct in breach of said
5 agreement and other duties owed to Hakim and the damages and other detriment caused to Hakim
6 as a result of Malan's and Razuki's conduct. Finally, it involves potential competing claims to the
7 ownership of businesses and properties made by the remaining defendants.

8 **II. THE PARTIES**

9 **Plaintiff**

10 2. Plaintiff Chris Hakim ("Plaintiff" or "Hakim") is an individual residing in the County
11 of San Diego.

12 **Defendants**

13 3. At all relevant times mentioned herein, Defendant Ninus Malan (Malan) is and has
14 been an individual residing in the County of San Diego, California.

15 4. At all relevant times mentioned herein, Defendant Salam Razuki ("Razuki") is and
16 has been an individual residing in the County of San Diego, California.

17 5. Plaintiff is informed and believes and thereon alleges that San Diego United
18 Holdings Group LLC ("SDUHG") was and is a California Limited Liability Company organized,
19 operating and existing pursuant to the provisions of the California Revised Uniform Limited
20 Liability Company Act, Cal. Corp. Code § 17701 et seq., with its principal place of business in San
21 Diego County, California. Plaintiff is further informed and believes and thereon alleges that
22 SDUHG is the owner of certain real property located at 8861 and 8863 Balboa ("Balboa
23 Properties").

24 6. Plaintiff is informed and believes and thereon alleges that Balboa Ave. Cooperative
25 is a California nonprofit mutual benefit corporation that is organized, operating and existing under
26 the laws of the State of California with its principal place of business in San Diego, California. At
27 all times herein mentioned, Balboa Ave. Cooperative owns and operates the retail cannabis
28 business located at the Balboa Properties.

1 7. Plaintiff is informed and believes and thereon alleges that Sunrise Property
2 Investments LLC ("Sunrise") was and is a California Limited Liability Company organized,
3 operating and existing pursuant to the provisions of the California Revised Uniform Limited
4 Liability Company Act, Cal. Corp. Code § 17701 et seq., with its principal place of business in San
5 Diego County, California. Plaintiff is further informed and believes and thereon alleges that
6 Sunrise is the owner of certain real property located at 3385 Sunrise Street, San Diego, California
7 ("Sunrise Property").

8 8. Plaintiff is further informed and believes and thereon alleges that Super 5 Highway
9 Consulting Group, LLC ("Super 5") was and is a California Limited Liability Company organized,
10 operating and existing pursuant to the provisions of the California Revised Uniform Limited
11 Liability Company Act, Cal. Corp. Code § 17701 et seq., with its principal place of business in San
12 Diego County, California. Plaintiff is further informed and believes and thereon alleges that Super
13 5 owns and operates a retail marijuana dispensary located at the Sunrise Property.

14 9. Plaintiff is further informed and believes and thereon alleges that at all relevant
15 times herein mentioned, Malan was and is the owner of a membership interest in and to Sunrise that
16 is no less than approximately 5% of the total ownership interest in and to said limited liability
17 company. Plaintiff is further informed and believes and thereon alleges that at all relevant times
18 herein mentioned, Malan was and is the owner of a membership interest in and to Super 5 that is no
19 less than approximately 6.75% of the total ownership interest in and to said limited liability
20 company.

21 10. At all relevant times mentioned herein, Defendant RM Property Holdings LLC
22 ("RM Holdings") was and is a California Limited Liability Company organized, operating and
23 existing pursuant to the provisions of the California Revised Uniform Limited Liability Company
24 Act, Cal. Corp. Code § 17701 et seq., with its principal place of business in San Diego County,
25 California. The purpose of RM Holdings was and is to hold certain real property assets to which
26 Razuki and Malan had some form of actual, alleged or disputed ownership claims.

27 11. Although RM Holdings was a limited liability company by name, defendants Razuki
28 and/or Malan, acted as the company de facto and controlled the Company. Razuki and/or Malan

1 are liable in their individual capacities to the same extent that RM Holdings may be liable because
2 they were the alter egos of RM Holdings and there exists, and at all times relevant hereto, has
3 existed, a unity of interest and ownership between and among Razuki, Malan, and/or RM Holdings
4 such that any individual and separateness between them and RM Holdings has ceased to exist.
5 Among other things, Plaintiff alleges that Razuki and/or Malan have at all times controlled,
6 dominated, managed and operated RM Holdings; and are disregarding and have disregarded the
7 legal formalities and separateness of RM Holdings.

8 12. Adherence to the fiction of the existence of RM Holdings as distinct from Razuki
9 and/or Malan would permit abuse of corporate privilege and would sanction a fraud and promote
10 injustice. Accordingly, RM Holding's corporate identity should be disregarded, and all of the
11 Defendants are therefore jointly and severally liable to Plaintiff for the conduct and omissions
12 alleged herein.

13 13. The true names and capacities of defendants sued herein under section 474 of the
14 Code of Civil Procedure as DOES 1 through 50, inclusive, and all persons unknown, claiming any
15 legal or equitable right, title, estate, lien, or interest in the property described in the complaint
16 adverse to Plaintiff's title, or any cloud on Plaintiff's title thereto, and each of them, are unknown
17 to Plaintiff, who therefore sues said defendants by such fictitious names. Plaintiff will seek leave to
18 amend this complaint to set forth the true names and capacities of said fictitiously named
19 defendants when the names and capacities of said fictitiously named defendants have been fully
20 ascertained. Each of the fictitiously named defendants is responsible in some manner for the events
21 and occurrences herein alleged, and Plaintiff's damages as herein alleged were directly and
22 proximately caused by the conduct, acts, and omissions of said defendants.

24 14. At all times herein mentioned, each of the defendants, including the fictitiously
25 named defendants, was and is the agent, servant, representative, fiduciary, independent contractor,
26 partner, joint venturer, alter ego, accessory, accomplice, aider, abettor, confederate, co-conspirator
27 and/or employee of each or some of the other co-defendants, and in doing those acts herein referred
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1 to, was acting within the scope of their authority as such agent, servant, representative, fiduciary,
2 independent contractor, partner, joint venturer, alter ego, accessory, accomplice, aider, abettor,
3 confederate, co-conspirator and/or employee, with the express and/or implied approval, permission,
4 knowledge, consent and ratification of all of said co-defendants.

5 **III. BACKGROUND FACTS**

6 **A. The Hakim-Malan Agreement, The Balboa Properties, and Sunrise**

7 15. On or about February 1, 2018, Plaintiff Hakim and Defendant Malan entered into an
8 agreement (the "Hakim-Malan Agreement"), the purpose of which was "to document various
9 agreements related to their ownership interests" in a number of businesses and, through those
10 businesses, real properties located in San Diego County. As a result of the Hakim-Malan
11 Agreement, these two individuals were to "equitably co-own their interests" in several
12 businesses/properties, namely "Balboa [Balboa Ave. Cooperative], CCG [California Cannabis
13 Group], DD [Devilish Delights, Inc.], and Sunrise." Also included among the businesses were
14 Roselle Properties LLC, Mira Este Properties LLC, Monarch Management Consulting, Inc., and
15 San Diego United Holdings Group LLC. The Hakim-Malan Agreement also provided that Malan
16 would become a co-manager of Roselle Properties LLC and Mira Este Properties LLC. A true and
17 correct copy of the Hakim-Malan Agreement is attached hereto as Exhibit A and incorporated
18 herein by reference.

19 16. The Hakim-Malan Agreement addressed properties that were to serve as potential
20 locations for the manufacture, production and distribution of marijuana and, in particular, addressed
21 the Balboa Properties that were the subject of a conditional use permit ("CUP") issued by the City,
22 allowing these properties to be operated as marijuana dispensaries.

23 17. The Hakim-Malan Agreement states that "Malan is currently the record ownership
24 or principal of Balboa and SDUHG [defined as San Diego United Holdings Group LLC]." As to
25 SDUHG, the record owner of the Balboa Properties, the Hakim-Malan Agreement states at
26 paragraph 2(a) that, "Malan agrees that the two (2) parcels of real property owned by SDUHG and
27 more particularly outlined in the Management Services and Option Agreement ("MSOA") with
28

1 SoCal Building Ventures, LLC and San Diego Building Ventures, LLC (collectively, "SoCal") are
2 equitably co-owned by Malan and Hakim..."

3 18. The separate MSOA with SoCal, dated January 2, 2018, identifies the Balboa
4 Properties as among those subject to its terms and conditions. A true and correct copy of the
5 MSOA applicable to the Balboa Properties is attached hereto and incorporated herein by reference
6 as Exhibit B.

7 19. Thus, according to the terms and conditions of the Hakim-Malan Agreement and the
8 MSOA with SoCal, which applied to the Balboa Properties, Hakim obtained equitable co-
9 ownership of the Balboa Properties with Malan.

10 20. Although the Balboa Properties were legally entitled to operate as marijuana
11 dispensaries under the CUP, Defendants had encountered difficulties in terms of financing
12 operations and both hiring and maintaining commercial cannabis operators to run the dispensaries
13 at this location and others identified in the Hakim-Malan Agreement. For example, Plaintiff alleges
14 based upon information and belief that Defendant Razuki had attempted to negotiate a deal with a
15 company, San Diego Patients Consumer Cooperative, to operate the Balboa Properties as a
16 marijuana dispensary, but this deal was not completed and later resulted in litigation.

17 21. As part of the Hakim-Malan Agreement, the parties acknowledged and agreed that
18 Plaintiff would or had already provided substantial financial backing to operations related to
19 properties identified in the agreement and to facilitate and negotiate the retention of a management
20 company, SoCal, to run the cannabis operations. The Hakim-Malan Agreement also provides that
21 SoCal would have an option, if certain conditions were met, to purchase an interest in portions of
22 the cannabis business and/or properties.

23 22. At all times prior to his execution of the Hakim-Malan Agreement, Defendant Malan
24 represented to Plaintiff that he had full ownership of the Balboa Properties and Balboa Ave
25 Cooperative, and that he owned a percentage interest in Sunrise, all of which were confirmed and
26 acknowledged in the Hakim-Malan Agreement. Additionally, Malan represented before the
27 execution of the Hakim-Malan Agreement and as part of the Hakim-Malan Agreement that Malan
28 exclusively controlled and owned the Balboa Properties and Balboa Ave Cooperative. In addition,

1 at no time prior to his execution of the Hakim-Malan Agreement did Defendant Malan inform
2 Plaintiff that defendant Razuki either had or claimed to have an interest in any of the properties
3 and/or businesses identified in the Hakim-Malan Agreement as being under Malan's ownership
4 and/or control.

5 **B. The Malan / Razuki Transfer Agreement**

6 23. Unbeknownst to Plaintiff, approximately four months earlier, in November of 2017
7 Defendant Malan entered into an agreement with Defendant Razuki (the "Transfer Agreement"),
8 the alleged purpose of which "was to establish a right to future revenues from real property and
9 businesses, including several businesses selling marijuana, by establishing a method for accounting
10 for profits from those businesses and parcels of real property, which included a proposal to transfer
11 shares in the businesses and real properties identified in the Hakim-Malan Agreement to a holding
12 company, RM Holdings, LLC." This is according to the verified Cross-Complaint ("Verified Cross
13 Complaint") of Defendant Malan in another matter involving Salam Razuki, San Diego Superior
14 Court case no. 37-2018-00034229-CU-BC-CTL ("Razuki Lawsuit"). A true and correct copy of
15 the Transfer Agreement is attached hereto and incorporated herein by reference as Exhibit C.

16 24. Razuki now alleges in the Razuki Lawsuit that as part of the Transfer Agreement
17 Malan transferred to him a 75% ownership interest in the Balboa Properties, among other
18 properties. Malan acknowledges execution of the Transfer Agreement and that the Transfer
19 Agreement includes the Balboa Properties, but he denies in his Verified Cross-Complaint that the
20 Transfer Agreement is enforceable. Plaintiff alleges upon information and belief that since the
21 filing of the Verified Cross-Complaint, Malan has taken inconsistent positions and has not agreed
22 that Razuki has no interest in the Balboa Properties, Balboa Ave. Cooperative, or other properties
23 and businesses identified in the Hakim-Malan Agreement.

24 25. At all times prior to his execution of the Hakim-Malan Agreement, Defendant Malan
25 had knowledge that Razuki could or would assert a claim under the Transfer Agreement to the
26 Balboa Properties, Balboa Ave. Cooperative, and to businesses identified in the Hakim-Malan
27 Agreement as being under Malan's ownership and/or control. At no time prior to his execution of
28 the Hakim-Malan Agreement did Defendant Malan inform Plaintiff that defendant Razuki, pursuant

1 to the terms of the Transfer Agreement, either had or claimed to have, an interest in any of the
2 properties and/or businesses identified in the Hakim-Malan Agreement as being under Malan's
3 ownership and/or control.

4 26. Jurisdiction is proper with the above-entitled Court as all parties are residents of this
5 County, and any contract/agreement that is the subject of this action was entered into in this
6 jurisdiction and was to be performed entirely within the jurisdiction of this Court.

7 **FIRST CAUSE OF ACTION**

8 **(Breach of Written Contract)**

9 **(Against Defendant Malan and Doe Defendants)**

10 27. Plaintiff repeats and realleges paragraphs 1 through 26 and incorporates them herein
11 by reference as though fully stated herein.

12 28. Plaintiff and Defendant Malan entered into the Hakim-Malan Agreement.

13 29. Plaintiff performed his obligations, or was excused from doing so, under the terms
14 of the Hakim-Malan Agreement.

15 30. By engaging in the conduct identified above, including his failure to provide sole
16 and undisputed ownership of the entities and properties identified in the Hakim-Malan Agreement,
17 which were to be equitably co-owned, Defendant Malan breached the express terms of the Hakim-
18 Malan Agreement.

19 31. As result of the breach of contract by Defendant Malan, Plaintiff has been damaged
20 in an amount in excess of the amount necessary to qualify for this court's unlimited jurisdiction but
21 in an amount to be proven at time of trial.

22 **SECOND CAUSE OF ACTION**

23 **(Breach of Fiduciary Duty)**

24 **(Against Defendants Malan, Razuki and Doe Defendants)**

25 32. Plaintiff repeats and realleges paragraphs 1 through 31 and incorporates them herein
26 by reference as though fully stated herein.

27 33. At all relevant times herein, a fiduciary relationship existed between Defendant;
28 Malan and Doe Defendants and Plaintiff Hakim, as, by operation of the Hakim-Malan Agreement,

1 Plaintiff Hakim obtained co-ownership of the businesses identified in paragraphs 15-22 above. As
2 to the operation of these businesses, including SDUHG and Balboa Ave. Cooperative, Defendants
3 Malan and Doe Defendants owed fiduciary duties to their equitable co-owner, Plaintiff Hakim.

4 34. The fiduciary duties imposed on Defendants Malan and Doe Defendants required
5 them to act with the utmost care, honesty and loyalty toward Plaintiff in carrying out their duties
6 and obligations under the Hakim-Malan Agreement and in relation to the businesses, properties and
7 operations identified therein..

8 35. Plaintiff Hakim placed trust and confidence in Defendants Malan and Doe
9 Defendants and justifiably relied on them as fiduciaries to conduct their business affairs in a fair
10 and honest manner..

11 36. Irrespective of the fiduciary duties emanating from the Hakim-Malan Agreement,
12 California statutory law and case law imposes a fiduciary duty on Defendants Malan and Doe
13 Defendants. Under California law, every member is bound to act in the highest good faith to his co-
14 member in all proceedings connected with the conduct of the companies and properties subject to
15 equitable co-ownership under the Hakim-Malan Agreement. In addition, every member owes a
16 duty of care to the other members to refrain from engaging in grossly negligent or reckless conduct,
17 intentional misconduct, or knowing violation of the law.

18 37. Defendants Malan and Doe Defendants breached their fiduciary obligations to
19 Plaintiff through: (1) concealing from Plaintiff the negotiations and execution of the Transfer
20 Agreement in or about November 2017; (2) concealing from Plaintiff the potential or likely claims
21 of Defendants Razuki and RM Holdings under the Transfer Agreement against the assets that were,
22 according to the Hakim-Malan Agreement, equitably co-owned by Plaintiff and defendant Malan;
23 (3) mismanagement of the properties co-owned by Hakim and Malan; and (4) engaging in
24 clandestine negotiations with Defendant Razuki aimed at undercutting Plaintiff Hakim's financial
25 interest in the businesses and properties that were the subject of the Hakim-Malan Agreement.

26 38. Defendant Razuki has alleged in court pleadings that there exists and/or existed a
27 fiduciary relationship between Plaintiff and Razuki since in or about June 2016. Plaintiff denies
28 that such a fiduciary relationship exists. However, should there be a legal finding that such a

1 fiduciary relationship does exist, then Defendant Razuki breached that fiduciary relationship by: (1)
2 concealing from Plaintiff the negotiations and execution of the Transfer Agreement in or about
3 November 2017; (2) concealing from Plaintiff the potential or likely claims of Defendants Razuki
4 and RM Holdings under the Transfer Agreement against the assets that were, according to the
5 Hakim-Malan Agreement, equitably co-owned by Plaintiff and defendant Malan; (3)
6 mismanagement of the properties co-owned by Hakim and Malan; and, (4) engaging in clandestine
7 negotiations with Defendant Malan aimed at undercutting Plaintiff Hakim's financial interest in the
8 businesses and properties that were the subject of the Hakim-Malan Agreement

9 39. Defendants' conduct has proximately caused Plaintiff damages in an amount in
10 excess of the jurisdictional minimum but in an amount to be determined at trial.

11 40. Defendants' conduct was intended to cause injury to the Plaintiff. Defendants'
12 conduct was despicable in that it was carried on by the Defendants with a willful and conscious
13 disregard of Plaintiff's rights. Defendants' conduct was oppressive in that it subjected Plaintiff to
14 cruel and unjust hardship in conscious disregard of Plaintiff's rights.

15 41. Defendants' conduct was fraudulent in that it entailed an intentional
16 misrepresentation, deceit, and/or concealment of a material fact known to Defendants with the
17 intention on the part of the Defendants of thereby depriving Plaintiff of property or legal rights or
18 otherwise causing injury.

19 THIRD CAUSE OF ACTION

20 (Fraud)

21 (Against Defendant Malan and Doe Defendants)

22 42. Plaintiff repeats and reallege paragraphs 1 through 41 and incorporates them herein
23 by reference as though fully stated herein.

24 43. As set forth in paragraph 22, at all times prior to his execution of the Hakim-Malan
25 Agreement, Defendant Malan had knowledge that Razuki could or would assert a claim under the
26 Transfer Agreement to the Balboa Properties and to businesses identified in the Hakim-Malan
27 Agreement as being under Malan's ownership and/or control. At no time prior to his execution of
28 the Hakim-Malan Agreement did Defendant Malan inform Plaintiff that defendant Razuki, pursuant

1 to the terms of the Transfer Agreement, either had or claimed to have, an interest in any of the
2 properties and/or businesses identified in the Hakim-Malan Agreement as being under Malan's
3 ownership and/or control.

4 44. By executing the Hakim-Malan Agreement, Malan confirmed that he had "record
5 ownership" and was the principal of Balboa Ave. Cooperative and SDUHG. As a consequence;
6 Malan confirmed that he held undisputed title to "two (2) parcels of real property owned by
7 SDUHG and more particularly outlined in the Management Services and Option Agreement with
8 SoCal," i.e. the Balboa Properties and to Balboa Ave. Cooperative. Malan also verified this point
9 verbally to Hakim in discussions related to said Agreement in and around the time of the execution
10 of the Hakim-Malan Agreement.

11 45. Given their fiduciary relationship with Plaintiff, Defendants' conduct constitutes not
12 only actual fraud but also constructive fraud.

13 46. Had Defendants disclosed the true facts to Hakim, that Malan had entered into the
14 Transfer Agreement with Razuki and that Razuki might claim three-fourths of the ownership
15 interest of Malan relative to the businesses and properties identified in the Hakim-Malan
16 Agreement, Hakim would not have entered into the aforementioned agreement in its present form.
17 Plaintiff reasonably relied upon Defendants' representations that Malan owned the businesses and
18 properties outright and that there was no extant or potential claim against them by Defendant
19 Razuki.

20 47. As result of Defendants' conduct, Plaintiff has been damaged in an amount in excess
21 of the amount necessary to qualify for this court's unlimited jurisdiction but in an amount to be
22 proven at time of trial.

23 48. Defendants' conduct was intended to cause injury to the Plaintiff. Defendants'
24 conduct was despicable in that it was carried on by the Defendants with a willful and conscious
25 disregard of Plaintiff's rights. Defendants' conduct was oppressive in that it subjected Plaintiff to
26 cruel and unjust hardship in conscious disregard of Plaintiff's rights.

1 49. Defendants' conduct was fraudulent in that it entailed the concealment of a material
2 fact known to the Defendants with the intention on the part of the Defendants of thereby depriving
3 Plaintiff of property or legal rights or otherwise causing injury.

4 **FOURTH CAUSE OF ACTION**

5 **(Declaratory Relief)**

6 **(Against All Defendants)**

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8 50. Plaintiff repeats and realleges paragraphs 1 through 49 and incorporates them herein
9 by reference as though fully stated herein.

10 51. Plaintiff has been and is still willing to perform his obligations under the terms and
11 conditions of the Hakim-Malan Agreement.

12 52. As a result of the Transfer Agreement between defendants Malan and Razuki, an
13 actual controversy has arisen as to the following issues: (1) as to the nature and extent of Plaintiff's
14 ownership and other rights in relation to each of businesses identified in the Hakim-Malan
15 Agreement vis-à-vis the Defendants, and each of them; (2) as to the nature and extent of Plaintiff's
16 ownership and other rights in relation to each of the real properties owned in whole or in part by
17 Malan through the businesses identified as being equitably co-owned pursuant to the terms and
18 conditions of the Hakim-Malan Agreement vis-à-vis the Defendants, and each of them; and, as a
19 corollary issue (3) whether any of the other Defendants identified herein, including Razuki and RM
20 Holdings, have any interest in the businesses and properties identified in the Hakim-Malan
21 Agreement.

22 53. A judicial determination of these issues and of the respective rights and duties of
23 Plaintiff and Defendants is necessary and appropriate under the circumstances in order to resolve
24 the above contractual issues and determine the aforementioned property ownership rights.

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FIFTH CAUSE OF ACTION

(Quiet Title)

(Against all Defendants)

54. Plaintiff refers to paragraphs 1 through 53 of this Complaint and, by this reference, incorporates the same herein as though fully set forth at length.

55. The basis of Plaintiff's ownership interest in the Balboa Properties, Balboa Ave. Cooperative, Sunrise, and Super 5 is the Hakim-Malan Agreement dated February 1, 2018. Plaintiff claims and defendants dispute that Plaintiff currently and at all times since February 1, 2018, has been the owner of an undivided one-half interest in and to said Balboa Properties and Balboa Ave. Cooperative and that defendant Malan is the owner of an undivided one-half interest in and to said Balboa Properties and Balboa Ave. Cooperative. Plaintiff also claims and defendants dispute that Plaintiff currently and at all times since February 1, 2018, has been the owner of an undivided one-half interest of Malan's interest in and to Sunrise and Super 5.

56. Plaintiff is informed and believes and thereon alleges that notwithstanding said February 1, 2018 Hakim-Malan Agreement, defendants each claim an interest, right, encumbrance, and/or title in and to said Balboa Properties, Balboa Ave. Cooperative, Sunrise and Super 5 superior to and exclusive of any claim by Plaintiff. Plaintiff is further informed and believes and thereon alleges that notwithstanding said February 1, 2018 Hakim-Malan Agreement, defendants deny that Plaintiff has any interest or claim in and to said Balboa Properties, Balboa Ave. Cooperative, Sunrise and Super 5.

57. The adverse claims of defendants described hereinabove, are all without any right whatsoever, and no such defendant has any right, title, estate, lien, or interest whatever in said Balboa Properties, Balboa Ave. Cooperative, Sunrise and Super 5 or any part of it adverse to that of Plaintiff.

1 58. Plaintiff seeks to quiet title in said Balboa Properties, Balboa Ave. Cooperative,
2 Sunrise and Super 5 against all adverse claims of all claimants, known and unknown, as of
3 February 1, 2018. A determination as of that date is sought and is appropriate in that Plaintiff's
4 interests in and to said Balboa Properties, Balboa Ave. Cooperative, Sunrise and Super 5 were
5 created on said date, and Plaintiff has been deprived of profits from the operations of said
6 properties and businesses since said date.
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8
9 Wherefore, Plaintiff requests that the Court provide the relief requested below.

10 **PRAYER FOR RELIEF**

11 WHEREFORE, Plaintiffs pray for judgment against all Defendants as follows:

- 12 1. For compensatory damages against all Defendants in excess of the jurisdictional
13 minimum for unlimited jurisdiction but to be proven at time of trial;
- 14 2. For punitive damages against Defendants Malan, Razuki, and Doe Defendants;
- 15 3. For prejudgment interest;
- 16 4. For costs of suit;
- 17 5. For a judicial declaration and judgment as to the respective rights of the parties as to
18 the issues identified in the declaratory relief cause of action;
- 19 6. For a declaration that Plaintiff is the owner of an undivided one-half interest in and
20 to said Balboa Properties and Balboa Ave. Cooperative as of February 1, 2018, in fee simple, free
21 and clear of any claims of defendants and that defendants have no interest in said Balboa Properties
22 and Balboa Ave. Cooperative adverse to Plaintiff;
- 23 7. For a declaration that Plaintiff is the owner of one-half of Malan's interest in and to
24 Sunrise and Super 5 as of February 1, 2018, free and clear of any claims of defendants and that
25 defendants have no interest in Sunrise and Super 5 adverse to Plaintiff;
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and

8. For such other and further relief as the Court deems just, equitable and proper.

Dated: December 11, 2020

G. HAGEN LAW OFFICE


By: 
G. Hagen Law Office
Gregory D. Hagen, Esq.
Attorneys for Plaintiff Chris Hakim

EXHIBIT A

EXHIBIT A

AGREEMENT

This Agreement (the "Agreement") is entered into on this 1st day of February, 2018 by and between **Chris N. Hakim** ("Hakim") and **Ninus Malan** ("Malan") with reference to the following:

Recitals

WHEREAS, the parties collectively hold actual, constructive, or equitable ownership interests in the following entities:

<u>Name of Entity</u>	<u>Business Activity</u>
Roselle Properties, LLC ("Roselle")	Real Estate Ownership
Mira Este Properties, LLC ("Mira Este")	Real Estate Ownership
California Cannabis Group ("CCG")	Licensed Cannabis Operations
Devilish Delights, Inc. ("DD")	Licensed Cannabis Operations
Monarch Management Consulting, Inc. ("MMC")	Management Services
Balboa Ave. Cooperative ("Balboa")	Retail Cannabis Operations
San Diego United Holdings Group, LLC ("SDUHG")	Real Estate Ownership
_____ ("Sunrise")	Retail Cannabis Operations
(collectively, the "Entities")	

WHEREAS, the parties desire to enter into this Agreement to document various agreements relating to their ownership interests in the above-referenced businesses and legal entities.

NOW, THEREFORE, the parties enter into this Agreement upon the following terms and conditions:

Agreement

1. Negotiations with SoCal. The parties have been in continuing negotiations with **SoCal Building Ventures, LLC** ("SoCal") and its affiliated entities relating to the creation of joint venture and other management arrangements relating to one or more of the above entities. Upon finalization of the transactions with SoCal, and upon the closing of SoCal's exercise of its option to acquire a partial interest in one or more of the above-entities, Malan will deliver the sum of \$300,000 to Hakim, of which \$25,000 of this amount has already been delivered to Hakim by Malan. This combined amount of \$300,000 is to balance contributions made by Hakim to or on behalf of one or more of the above-entities.

(a) Malan's Obligations Tied to His Ownership Interests. Malan's obligations to pay the \$300,000 specified above are secured by his ownership interests in the Entities. Except as may be provided herein, all ownership arrangements between either Hakim or Malan, on the one hand, and any third party, on the other hand, shall only affect such party's ownership interest in

the Entities, and the security interest referenced in this paragraph shall not be diminished by any subsequent changes of modifications of such party's ownership interest in the Entities.

(b) Change in Ownership Interest in Balboa. Upon SoCal's exercise of the options outlined in the Balboa Management Services and Option Agreement, SoCal has the right to purchase two-thirds (2/3) of Balboa's business and one-half (1/2) of two (2) parcels of real property owned by SDUHG, with Malan and Hakim retaining equal ownership in the remaining interest in Balboa and SDUHG. Notwithstanding anything herein to the contrary, upon the payment of the \$300,000 to Hakim referenced in this Section 1, Hakim agrees to transfer 7% of his ownership interest in Balboa to Malan, and 20% of Hakim's interest in the real property holdings to Malan, resulting in the following ownership breakdown of Balboa and the subject real property:

<u>Balboa Owner</u>	<u>Ownership Interest</u>
SoCal	66.67%
Malan	17.83%
Hakim	15.50%

<u>Real Property Owner</u>	<u>Ownership Interest</u>
SoCal	50.00%
Malan	30.00%
Hakim	20.00%

2. Ownership of Entities. Except for Balboa and SDUHG as more particularly discussed below, Malan and Hakim as equal co-owners of Roselle, Mira Este, and MMC.

(a) Malan is currently the record ownership or principal of Balboa and SDUHG. Malan agrees that two (2) parcels of real property owned by SDUHG and more particularly outlined in the Management Services and Option Agreement with SoCal are equitably co-owned by Malan and Hakim, with Malan (through SDUHG) independently owning all other real property held in SDUHG that are not part of the Balboa/SDUHG transaction with SoCal, which the parties believe consist of five (5) parcels.

(b) Hakim and Malan further equitably co-own their interests in Balboa, CCG, DD, and Sunrise.

3. Other Agreements by Malan and Hakim.

(a) Malan and Hakim will co-own MMC, and execute all needed corporate documentation reflecting co-ownership of MMC.

(b) Malan and Hakim will be co-Managers of Roselle and Mira Este. Attached hereto as Exhibit "A" is documentation reflecting the Manager appointments for Roselle and Mira Este.

(c) The parties intend and agree that Hakim and Malan will participate in all future business opportunities in the cannabis industry, regardless of whether such business opportunity

was discovered or created by either of them. Further, in the event Hakim presents Malan with a future business opportunity that is acceptable to Malan, Malan agrees to transfer the 7% ownership interest in Balboa, and 20% of the real property interest, back to Hakim as consideration for bringing such business opportunity to them.

4. Dispute Resolution. The parties hereby agree that the parties shall attempt to resolve their disputes by reasonable business like negotiations in accordance with the following procedures and without resort to litigation, and will follow the dispute resolution processes below:

(a) Special Meeting. If a dispute arises, any party may call a special meeting ("Special Meeting") for the resolution of disputes. The Special Meeting shall be held within three (3) working days of a written request for the meeting, which request shall specify the nature of the dispute to be resolved.

(b) Mediation. If the dispute has not been resolved within five (5) working days of the Special Meeting, any party may, at its option, initiate mediation proceedings. These proceedings shall be conducted by an impartial third party mediator experienced in the subject matter of the Business who shall be selected by both parties in San Diego, California. The mediator shall be given any written statement(s) of the parties and may inspect other documents. The mediator shall convene the mediation within ten (10) workdays of his/her selection, or as soon as practical thereafter. The cost of the mediation shall be borne equally. No minutes shall be kept and the comments or findings of the mediator shall be non-binding and without prejudice to the rights of the other party.

(c) Binding Arbitration. If the foregoing procedure does not resolve the dispute, the parties shall seek binding arbitration conducted in accordance with the rules of the American Arbitration Association. Such arbitration shall take place in San Diego, California, and California law shall govern all issues. The determination of the arbitrator(s) shall be conclusive and binding upon the parties, and any determination by the arbitrator(s) of an award may be filed with the clerk of the court of competent jurisdiction as a final adjudication of the claim involved, or application may be made to such court for judicial acceptance of the award and an order of enforcement, as the case may be. The arbitrator(s) shall designate the party to bear the expenses of the arbitrator(s) or the respective amounts of such expense to be borne by each party.

5. Waivers. Neither the failure nor any delay on the part of a party to exercise any right, remedy, power or privilege under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any right, remedy, power or privilege preclude any other or further exercise of the same or of any right, remedy, power or privilege, nor shall any waiver of any right, remedy, power or privilege with respect to any occurrence be construed as a waiver of such right, remedy, power or privilege with respect to any other occurrence. No waiver shall be effective unless it is in writing and is signed by the party asserted to have granted such waiver.

6. Further Acts. Each party to this Agreement agrees to perform any further acts and execute and deliver any documents that may be reasonably necessary to carry out the provisions of this Agreement.

AGREEMENT

7. Amendment of this Agreement. The provisions of this Agreement may be waived, altered, amended, or repealed, in whole or in part, only on the written consent of all parties to this Agreement. Given the very relational nature of the business relationships of the parties, the parties agree that any modification to the terms of this Agreement shall require a signed writing by the parties specifically referencing this Agreement.

8. Binding Effect. This Agreement shall be binding on, and shall inure to the benefit of, the parties to it and their respective heirs, legal representatives, successors, and assigns.

9. Severability. It is intended that each paragraph of this Agreement shall be viewed as separate and divisible, and in the event that any paragraph shall be held to be invalid, the remaining paragraphs shall continue to be in full force and effect.

10. Governing Law. This Agreement shall be construed in accordance with, and governed by, the laws of the State of California.

11. Entire Agreement. This Agreement constitutes the entire agreement and understanding between the parties with respect to the subject matter of this Agreement, and supersedes all other agreements, written or oral, regarding such subject matter unless otherwise stated in this Agreement.

12. No Third Party Beneficiary Intended. Nothing in this Agreement is intended to confer any right to a person or entity who is not a party to this Agreement.

13. Interpretation. The parties acknowledge and agree that the terms and provisions of this Agreement have been negotiated and discussed between them, and that this Agreement reflects their mutual agreement regarding the subject matter of this Agreement. Because of the nature of such negotiations and discussions, it would not be appropriate to deem party to be the drafter of this Agreement, and therefore, no presumption for or against the drafter shall be applicable in interpreting or enforcing this Agreement.

14. Incorporation of Recitals and Exhibits. The Recitals and Exhibits to this Agreement are fully incorporated into this Agreement by this reference as if fully set forth herein.

15. Multiple Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument.

16. Remedies Cumulative. The remedies under this Agreement are cumulative and shall not exclude any other remedies to which any person may be lawfully entitled.

17. Authority to Contract. Each party to the Agreement represents and warrants to the other parties that he, she, or it has the capacity and authority to enter into this Agreement, and that the person executing this Agreement on behalf of a party has the authority to enter into this Agreement on behalf of that party.

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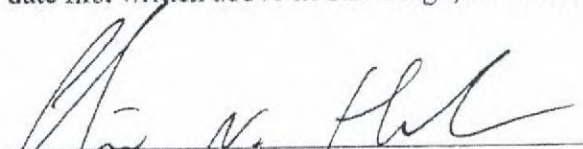
AGREEMENT

Nm.

18. Opportunity for Representation by Counsel. The parties hereto, and all of them, represent and declare that in executing this Agreement, they rely solely upon their own judgment, belief, and knowledge, and the advice and recommendations of their own independently selected counsel, concerning the nature, extent, and duration of their rights and claims, and that they have not been influenced to any extent whatsoever in executing the same by any representations or statements covering any matters made by the other party hereto or by any person representing him or it.

19. Legal Counsel. One of more attorneys at law may be selected from time to time by the Company and/or the parties to prepare this Agreement, related documents, or other legal affairs of the parties or the Entities, and to perform such other services as may be required. Counsel to the parties may also be counsel to any other party or Entity in accordance with the California Rules of Professional Conduct or similar rules in any other jurisdiction (the "Rules"). The parties have retained the Law Offices of Gorla, Weber & Jarvis ("Counsel") as legal counsel to assist in the preparation of this Agreement. The parties further acknowledge that Counsel has represented the interest of the parties and more than one of the Entities. The parties further acknowledge that while communications with Counsel concerning various business matters involving the parties may be confidential with respect to third parties, no party has any expectation that such communications are confidential with respect to disputes among or between the parties.

IN WITNESS WHEREOF, the parties have executed this Agreement effective as of the date first written above in San Diego, California.


Chris N. Hakim

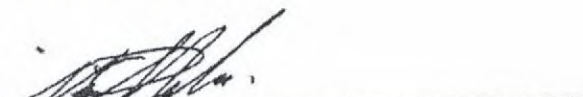

Ninus Malan

EXHIBIT B

EXHIBIT B

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.

NOW, THEREFORE, in consideration of the mutual promises contained herein and for other good and valuable consideration, the receipt and sufficiency of which are acknowledged by the Parties, the Parties agree as follows:

TERMS OF AGREEMENT

1. ENGAGEMENT

1.1. Engagement of Manager. Company hereby engages Manager to provide the Administrative Services for the Operations on the terms and conditions described herein, and Manager accepts such engagement. Manager shall be the sole and exclusive provider of the administrative, management, and other services to be provided to or on behalf of Company for the Operations as more particularly outlined herein. Manager in its sole discretion shall determine which services shall be provided to Company from time-to-time so long as the Administrative Services are provided in compliance with this Agreement. For purposes of this Agreement, "Administrative Services" shall not include any management services relating to ownership of the Facility by San Diego United Holdings Group, LLC unless and until Manager exercises the option to purchase 50% of the Facility as more particularly outlined in this Agreement.

1.1.1. No Warranty or Representations. Company acknowledges that Manager has not made and will not make any express or implied warranties or representations that the Administrative Services provided by Manager will result in any particular amount or level of income to the Company. Specifically, Manager has not represented that its Administrative Services will result in higher revenues, lower expenses, greater profits, or growth in the number of clients receiving services or purchasing goods at the Facility.

1.2. Agency. Company hereby appoints Manager as Company's true and lawful agent throughout the Term of this Agreement, and Manager hereby accepts such appointment.

1.3. Power of Attorney. In connection with billing, collection, banking, and related services incident to or under the Administrative Services to be provided hereunder, Company, in accordance with applicable law, hereby grants to Manager a limited power of attorney and appoints Manager as Company's true and lawful agent and attorney-in-fact consistent with Manager's duties under this Agreement, and Manager hereby accepts such special power of attorney and appointment, for the following purposes:

- i. To submit bills in Company's name and on Company's behalf, including all claims for reimbursement or indemnification from, health plans, all other third party payors, and its patients and customers for all services provided to patients and customers.
- ii. To collect and deposit all amounts received, including all cash received, patient co-payments, cost reimbursements, co-insurance and deductibles, and accounts receivable, into the "Manager's Account," which shall be and at all

times remain in Company's name through accrual on Company's accounting records.

- iii. To make demand with respect to, settle, and compromise such claims and to coordinate with collections agencies in the name of Company or Manager.
- iv. To take possession of and endorse in the name of Company on any note, check, money order, insurance payment or any other instrument received.
- v. To effectuate the payment of Company expenses, including to the Manager for the Management Fee as it becomes due.
- vi. To sign checks, drafts, bank notes or other instruments on behalf of Company and to make withdrawals from the Manager's Account for other payments specified in this Agreement and as determined appropriate by the Manager.

1.4. Documentation to Bank. Upon request of Manager, Company shall execute and deliver to the financial institution wherein the Manager's Account is maintained, such additional documents or instruments as may be necessary to evidence or effect the limited power of attorney granted to Manager. Company will not take any action that interferes with the transfer of funds to or from Manager's Account, nor will Company or its agents remove, withdraw or authorize the removal or withdrawal of any funds from the Manager's Account for any purpose. Manager agrees to hold all funds in the Manager's Account in accordance with California agency law.

1.5. Expiration of Power of Attorney. The power of attorney shall expire on the date that this Agreement is terminated. Upon termination or expiration of this Agreement, Manager further agrees to execute any and all documentation confirming the termination of this limited power of attorney.

1.6. Manager Payment to Company on Effective Date. From and after the Effective Date, Manager shall lend Company up to the sum of \$150,000 for working capital. Such amount shall be a short term working line of credit to facilitate purchase of new inventory and operational costs. Manager shall thereafter take possession of the Facility, the Operations, and FF&E. Further, upon the Effective date Manager shall pay the Company \$125,000 for the FF&E, which amount shall also serve as a credit against the purchase price if Manager exercises its option under Section 8 below. Manager shall lend Company an additional ~~\$83,000~~ ^{\$144,000} for reimbursement for old inventory, which shall be payable by Company to Old Operators. Lastly, upon the Effective Date hereof, Manager shall pay the Old Operators \$66,000 for reimbursement of legal and mitigation costs. Except for the \$15,000 monthly payments referenced in Section 5.2 and the monthly Balboa-Guaranteed Payments, all loans discussed in this Section 1.6 shall have priority for repayment from available funds more particularly referenced in Article 5 below.

2. DUTIES AND RESPONSIBILITIES OF MANAGER

2.1. General Responsibilities. During the Term of this Agreement Manager shall, in a manner determined at the Manager's sole discretion, provide such services as are necessary and appropriate for the day-to-day administration and management of Company's business in a manner consistent with good business practice, including without limitation: Human Resources, Information Technology, Equipment and Supplies, Banking, Accounting and Finance, Insurance Procurement, Risk Management, Contract Negotiation, Marketing, Management of Patient Records, and Licensing of Intellectual Property, Trade Names and Trademarks, as all are more specifically set forth below.

2.1.1. Personnel. Manager has full right, obligation, and authority to hire and retain personnel and other persons or entities needed to perform the Administrative Services for Manager under this Agreement. All personnel will be employees, agents, or independent contractors of the Company, and all costs (including payroll and withholding taxes and expenses, any employment insurance costs, health insurance expenses and insurance, and other customary expenses) associated with such personnel shall be paid by Manager from Company funds managed by Manager, or by Manager if such funds are insufficient.

2.1.2. Manager Personnel. Manager may employ or contract with and provide all necessary personnel ("Manager Personnel") it reasonably needs to provide the Administrative Services hereunder. Such personnel shall be under the direction, supervision, and control of Manager, and shall be employees of Manager. Manager shall be responsible for setting and paying the compensation and providing the fringe benefits of all Manager Personnel. Company shall be not responsible in any way for Manager Personnel, and Manager indemnifies, defends, and holds Company harmless from any such liability.

2.1.3. Training. Manager shall provide reasonable training to personnel in all aspects of the Operations material to the role of such personnel, including but not limited to administrative, financial, and equipment maintenance matters.

2.1.4. Insurance. Manager shall assist Company in Company's purchase of necessary insurance coverage, with the cost of such insurance paid from Company's funds managed by Manager.

2.1.5. Accounting. Manager shall establish and administer accounting procedures and controls and systems for the development, preparation, and keeping of records and books of accounting related to the business and financial affairs of Company. Such books and records shall at all times be accessible and available to Company and the Old Operators.

2.1.6. Tax Matters. Manager shall oversee the preparation of the annual report and tax information returns required to be filed by Company. All of Company's tax obligations shall be paid by Manager out of Company's funds managed by Manager. Manager shall provide such information, compilations, and other relevant information to Company on a timely basis in order to file all returns with the taxing agencies. Company shall also make such reserves and set asides for taxes as directed by Manager throughout the year.

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.

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 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. 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 referenced 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 Ace 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]

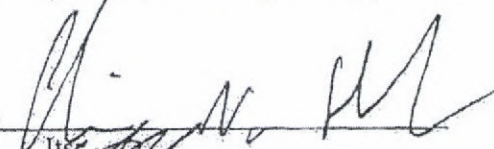
IN WITNESS WHEREOF, the Parties agree to the foregoing terms of agreement through the execution below by their respective, duly authorized representatives as of the Effective Date.

"COMPANY"

Balboa Ave Cooperative

By: 
Its: _____

San Diego United Holdings Group, LLC


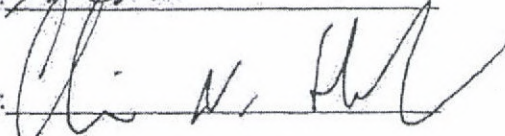
By: 
Its: _____

"MANAGER"

SoCal Building Ventures, LLC

By: _____
Its: _____

"OLD OPERATORS"

By: 
By: 

Monarch Management Consulting, Inc.

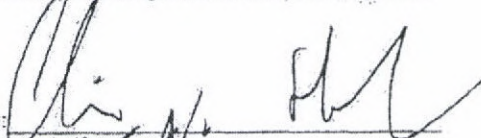

By: 
Its: 

EXHIBIT C

EXHIBIT C

AGREEMENT OF COMPROMISE, SETTLEMENT,
AND MUTUAL GENERAL RELEASE

This AGREEMENT OF COMPROMISE, SETTLEMENT, AND MUTUAL GENERAL RELEASE ("Agreement") is entered into by and between SALAM RAZUKI (hereinafter collectively "RAZUKI"), on the one hand, and and NINUS MALAN (hereinafter "MALAN"), on the other. The persons to this Agreement may sometimes be referred to collectively as the "Parties" or separately as "Party". This Agreement is entered into with reference to the recitals set forth in the Article titled "Recitals" below and constitutes (i) a settlement agreement between the Parties and (ii) a mutual release of all liabilities of the Parties arising out of the matters described below and except as expressly otherwise noted herein.

ARTICLE I.
RECITALS

This Agreement is entered into with reference to the following facts:

1.1 RAZUKI and MALAN have engaged in several business transactions, dealings, agreements (oral and written), promises, loans, payments, related to the acquisition of real property and interests in various medical marijuana businesses. Specifically, RAZUKI and MALAN have each invested certain sums of capital for the acquisition of the following assets (collectively hereinafter referred to as the "Partnership Assets"):

(a) MALAN'S one hundred percent (100%) membership interest in SAN DIEGO UNITED HOLDING GROUP LLC, a California Limited Liability Company, and record owner of the following properties:

- i. The real property commonly known as 8859 BALBOA AVE., STE. A, SAN DIEGO, CA 92123.
- ii. The real property commonly known as 8859 BALBOA AVE., STE. B, SAN DIEGO, CA 92123.
- iii. The real property commonly known as 8859 BALBOA AVE., STE. C, SAN DIEGO, CA 92123.
- iv. The real property commonly known as 8859 BALBOA AVE., STE. D, SAN DIEGO, CA 92123.
- v. The real property commonly known as 8859 BALBOA AVE., STE. E, SAN DIEGO, CA 92123.
- vi. The real property commonly known as 8861 BALBOA, STE. B, SAN DIEGO, CA 92123.
- vii. The real property commonly known as 8863 BALBOA, STE. E,

SAN DIEGO, CA 92123.

(b) One hundred percent (100%) membership interest in FLIP MANAGEMENT LLC, a California Limited Liability Company.

(c) MALAN'S fifty percent (50%) membership interest in MIRA ESTE PROPERTIES LLC, a California Limited Liability Company, and record owner of the real property commonly known as 9212 MIRA ESTE CT., SAN DIEGO, CA 92126.

(d) MALAN'S Fifty percent (50%) membership interest in ROSELLE PROPERTIES, LLC, a California Limited Liability Company, and record owner of the real property commonly known as 10685 ROSELLE ST., SAN DIEGO, CA 92121.

(e) RAZUKI'S twenty percent (20%) membership interest in SUNRISE PROPERTY INVESTMENTS, LLC, a California Limited Liability Company, the record owner of the real property located 3385 SUNRISE STREET, SAN DIEGO, CA 92012.

(f) RAZUKI'S twenty seven percent (27%) membership interest in SUPER 5 CONSULTING GROUP, LLC, a California Limited Liability Company, which is the operator of a medical marijuana dispensary located at 3385 SUNRISE STREET, SAN DIEGO, CA 92012.

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

1.3 RAZUKI and MALAN have now formed RM PROPERTY HOLDINGS, LLC, a California Limited Liability Company (the "Company"), whereby RAZUKI and MALAN have agreed to transfer title to the Partnership Assets to the Company, and forever resolve any and all matters, claims or controversies that each Party may have against each other related to the Partnership Agreement as stated in this Agreement.

1.4 RAZUKI and MALAN have not recouped their financial investments in the Partnership Assets.

1.5 The Parties consider it to be in their best interests, in light of the cost of litigation, and to their best advantage, to forever dismiss, settle, adjust and compromise all claims and defenses which have been, or could have been asserted relative to their Partnership Agreement.

1.6 All claims are denied and contested, and nothing contained herein should be construed as an admission by any Party hereto of any liability of any kind to any other Party hereto or to any other person.

1.7 The Parties now wish to settle the dispute between them and forever release,

discharge, and terminate any and all liabilities arising out of, or existing or emanating from their Partnership Agreement, including all demands and causes of action, whether state, federal, or administrative, and whether actually raised or could have been raised by way of complaint, supplemental complaint, or cross-complaint except as expressly otherwise set forth within this Agreement. In order to effectuate this release, the Parties hereto enter into this Agreement.

NOW THEREFORE, in consideration of the mutual promises and covenants, and upon the conditions contained herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

ARTICLE II TERMS OF SETTLEMENT

2.1 Transfer of Partnership Assets to the Company. The Parties shall use their best efforts to effectuate the transfer of the Partnership Assets to the Company within thirty (30) days, and shall execute any and all further documents as may be necessary to carry out the same.

2.2 Financial Accounting. The Parties agree to work in good faith to calculate each of their respective cash investment amounts in the Partnership Assets within thirty (30) days and shall execute an amendment or exhibit to this Agreement to memorialize the same. Once executed, the exhibit or amendment shall be incorporated and become a part of this Agreement as though set forth originally (the "Accounting"). For avoidance of doubt, the amount agreed to in the Accounting shall be the amount of cash capital investment that must be first repaid to the Parties by the Company before either Party receives any profits therein (each referred to as the "Partners' Cash Investment").

2.3 The Company's Operating Agreement. The Parties hereby reaffirm and acknowledge the terms of the Operating Agreement provide for repayment of the Partners' Cash Investment prior to any distribution of profits and losses. The Parties further reaffirm that once the Partners' Cash Contribution has been repaid by the Company, then RAZUKI shall receive seventy five percent (75%) of the profits and losses of the Company and MALAN shall receive twenty five percent (25%), all as set forth under the terms of the Operating Agreement. It is the Parties' intention that once the Partnership Assets have been transferred to the Company and the Accounting has been agreed upon, then all other business matters shall be governed and controlled by the terms of the Operating Agreement and the Parties shall thereafter be released from all further liability to each other arising under their Partnership Agreement as set forth below.

ARTICLE III MUTUAL GENERAL RELEASE OF ALL CLAIMS

3.1 General Release. In consideration of the terms and provisions of this Agreement, the Parties hereto, on behalf of themselves, successors, and assigns, hereby forever relieve, release, and discharge each other, and their respective successors and assigns, and all of their respective present and former attorneys, accountants, agents, employees, representatives,

administrators, insurers, partners, directors, officers, shareholders, and heirs of and from any and all claims, debts, liabilities, demands, obligations, promises, acts, agreements, costs, and expenses, including but not limited to attorney's fees, damages, actions, and causes of action of whatsoever kind or nature, specifically including those related to in any way, directly or indirectly, to any alleged past, present, or future claims for violations of any state, federal, or administrative code or statute, or any type of tort or conversion, or indemnification, contribution, or declaratory relief based on any type of allocation of fault, whether now known or unknown, suspected or unsuspected, based on, arising out of, or in connection with anything whatsoever done, omitted, or suffered to be done at any time, relating to, or in any matter connected with, directly or indirectly, the matters, facts or claims related to their Partnership Agreement as set forth in the Article of this Agreement titled "Recitals". This Agreement shall not be interpreted to bar any claims for the enforcement of the provisions of this Agreement or any provision of the Company's Operating Agreement. Furthermore, this release and settlement shall only be effective upon (i) the transfer to the Company of the Partnership Assets pursuant to section 2.1 above, and (ii) execution of an amendment or exhibit related to the Accounting. Thereafter, the Parties shall forever be barred from bringing any claims related to the Partnership Agreement as set forth herein, and all claims or controversies shall be governed by the terms of the Company's Operating Agreement.

3.2 Waiver under Section 1542 of the California Civil Code. The Parties hereto expressly waive any and all rights under Section 1542 of the Civil Code of the State of California, which provides as follows:

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

In connection with such waiver and relinquishment, the Parties acknowledge that it may hereafter discover claims presently unknown or unsuspected, or facts in addition to or different from those which it now knows or believes to be true. Nevertheless, it is the intention of the Parties, through this Agreement, and with the advice of counsel, if any, to fully, finally, and forever settle this dispute. Pursuant to that intention, the Parties expressly consent that this release shall have the same full force and effect as to unknown and unsuspected claims, demands, and causes of action, if any, as to those terms and provisions relating to claims, demands, and causes of action hereinabove specified.

3.3 Representations and Warranties. The Parties hereby represent and warrant to, and agree with each other as follows:

(a) The Parties hereto, and each of them, represent and declare that in executing this Agreement they have relied solely upon their own judgment, belief and knowledge, and the advice and recommendations of their own independently selected counsel, if any, concerning the nature, extent, and duration of their rights and claims, and that they have not been influenced to any extent whatsoever in executing the same by any representations or statements covering any matters made by the other party hereto or by any person representing him or it.

(b) Except as expressly stated in this Agreement, neither of the Parties have made any statements or representations regarding any fact relied upon in entering into this Agreement, and the Parties specifically do not rely on any statements, representations, or promises in executing this Agreement, or in making the settlement provided for herein, except as expressly stated in this Agreement;

(c) The Parties, and their attorneys, if desired, have made such investigation of the facts pertaining to this Agreement and all of the matters pertaining thereto, as they deem necessary;

(d) The terms of this Agreement are contractual, not a mere recital, and are the result of negotiations between the Parties;

(e) The Recitals to this Agreement are expressly made a part hereof;

(f) This Agreement has been carefully read by the Parties hereto, and if they choose, by their attorneys; it is signed freely by each person executing this Agreement and each person executing this Agreement is empowered to do so.

(g) In entering into this Agreement, the Parties recognize that no facts or representations are absolutely certain. The Parties acknowledge that they are aware that they may, after execution of this Agreement, discover facts different from or in addition to those they now know or believe to be true with respect to the liabilities, actions or causes of action to be released. Accordingly, the Parties each assume their own risk of any incomplete disclosure or mistake. If the Parties, or each of them, should subsequently discover that any fact it relied upon in entering into this Agreement was untrue, or that any understanding of the facts or of the law was incorrect, such party shall not be entitled to set aside this Agreement by reason thereof. This Agreement is intended to be final and binding between the Parties hereto, and is further intended to be effective as a final accord and satisfaction between the Parties. The Parties are relying on the finality of this Agreement as a material factor inducing the Parties' execution of this Agreement.

(h) The consideration specified herein is given for the purpose of (i) settling and compromising all claims and disputes which have arisen between the Parties, and (ii) releasing the Parties by operation of this Agreement from any and all claims and liabilities, past, present, and future, that have or may arise out of the matters described in the Article titled "Recitals". Neither the payment nor tender of consideration, nor anything herein, shall be construed as an admission by any of the Parties, their agents, servants or employees, of any liability of any kind to the other.

(i) The Parties represent and warrant that they have not heretofore transferred or assigned or purported to transfer or assign to any person, firm, or corporation any claim, demand, damage, debt, liability, account, action or cause of action herein to be released.

(j) The Parties acknowledge the adequacy of the consideration given for the release

of all Parties in this Agreement and understands that irrespective of whether the consideration is expressly described herein, adequate consideration exists for the release of all Parties under this Agreement.

3.4 Non-Disparagement. The Parties further agrees not to make any statement or take any action, directly or indirectly, that harms, or could harm, the other Party's business interests, reputation or good will, including any statements that may be made to any past, current, or prospective employees, vendors, or any other third parties whatsoever. Accordingly, the Parties shall not make any statements, written or oral, which disparage the other; however, this provision shall not prevent the any Party from truthfully responding to any inquiry required by law or pursuant to a court order.

ARTICLE IV GENERAL PROVISIONS

4.1 Integration. This Agreement constitutes a single, integrated, written contract expressing the entire Agreement of the Parties hereto relative to the subject matter hereof. No covenants, agreements, representations, or warranties of any kind whatsoever have been made by any Party hereto, except as specifically set forth in this Agreement. All prior discussions and negotiations, if any, are superseded by this Agreement.

4.2 No Construction Against Drafter. Each party to this Agreement and its legal counsel have reviewed and revised this Agreement. The rule of construction that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement or of any amendments or exhibits to this Agreement. This Agreement shall not be deemed prepared or drafted by one party or another, or its attorneys, and will be construed accordingly.

4.3 Modification. No modification, waiver, amendment, discharge, or any change of this Agreement shall be valid unless the same is in writing and signed by the party against which the enforcement of such modification, waiver, amendment, discharge, or change is or may be sought.

4.4 Heirs, Successors, and Assigns. This Agreement shall inure to the benefit of, and shall be binding upon, the heirs, successors, and assigns of the Parties hereto, and each of them.

4.5 Severability. In the event that any term, covenant, condition, or provision of this Agreement should be held to be void, voidable, or unenforceable, the remaining portions hereof shall remain in full force and effect.

4.6 Governing Law. This Agreement shall be construed in accordance with, and be governed by the laws of California.

4.7 Venue and Jurisdiction. In the event that any action, suit, or other proceeding arising from this Agreement is instituted, the parties agree that venue for such action shall be in San Diego County, and that personal jurisdiction and subject matter jurisdiction shall be

exercised by the Superior Court of the State of California, in and for the County of San Diego, Central Division.

4.8 Execution in Counterparts. This Agreement may be executed and delivered in two or more counterparts, each of which, when so executed and delivered, shall be an original, but such counterparts shall together constitute but one and the same Agreement. This Agreement shall be deemed to be executed on the last date any such counterpart is executed.

4.9 Facsimile Signatures. This Agreement may be executed and a copy of such executed Agreement transmitted by facsimile, which when received can be used as an original of the Agreement for all purposes.

4.10 Costs and Attorney's Fees. The Parties hereto agree to bear his or its own costs and attorney's fees, and each party hereby waives any statute, rule of court, or other law, awarding costs, fees, or expenses relating to any litigation. Said waiver shall be effective with respect to the statutes, rules of court, or other laws or provisions of the United States and/or of each state, including, without limitation, the State of California. However, in the event that any action, suit, or other proceeding is instituted to interpret and/or enforce this Agreement, or arising out of a breach of this Agreement, the prevailing party shall recover all of such party's reasonable attorney's fees and costs incurred in each and every action, suit, or other proceeding, including any and all appeals or petitions therefrom.

4.11 Waiver. Any waiver of a default under this Agreement must be in writing and shall not be a waiver of any other default concerning the same or any other provision of this Agreement. No delay or omission in the exercise of any right or remedy shall impair such right or remedy or be construed as a waiver. Consent to or approval of any act shall not be deemed to waive or render unnecessary consent to or approval of any other or a subsequent act.

4.12 Confidentiality. The terms of this Agreement are confidential. The Parties expressly understand and agree that it shall constitute a breach of this Agreement to disclose or communicate the terms of this settlement or to disseminate this Agreement to any third party (unless required by Court order or operation of law or to the Parties' respective attorneys, accountants or tax advisers).

4.13 Time of Essence. The Parties hereto agree and confirm that time is of the essence for execution, completion, and full performance of the terms and conditions of this agreement.

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IN WITNESS WHEREOF, the Parties hereto have each approved and executed this Agreement on the dates set forth opposite their respective signatures.

Dated: 11/9/17

RAZUKI

By: 

SALAM RAZUKI

Dated: 11/9/17

MALAN

By: 

NINUS MALAN